CITY OF OAKLAND

AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2011 APR 28 PM 6:20

TO: Office of the City Administrator
ATTN: P. Lemont Ewell, Interim City Administrator
FROM: Community and Economic Development Agency
DATE: May 10, 2011

RE: An Informational Report On The Options and Feasibility Of Selling the Montclair And Lake Chabot Golf Courses

---

SUMMARY

The purpose of this report is to offer evaluation options and feasibility discussion regarding the sale of City owned Montclair and Lake Chabot Golf courses. The sale of the subject properties would generate revenue for the General Fund and would reduce the burden of maintenance and management of the properties in the future. The subject Properties are under management by City of Oakland Parks and Recreation Department.

FISCAL IMPACT

This is a preliminary discussion for budgetary purposes. Actual fiscal impacts will depend on future actions which may be directed by the Council.

BACKGROUND

Montclair Golf Course:

This property is located at the intersection Park & Monterey Boulevard, (Assessor Parcel Numbers -APN: 029A-1330-027-04 & 029-1330- 010). This is a nine hole, par 3 course. The golf course is being managed and operated by Montclair Golf Enterprises, Inc. The City acquired the property in 1938 at the cost $10.00 from Bank of America to be used for park purposes. This property contains fifteen (15) acres:

Parcels:

- City owned Parcel: 13 acres
- State owned Parcel: 1.5 acres (City leases for $876 per year)
- First Bank of California owned parcel: 0.5 acres (City leases for $500 per month)

Course Information:

- Clubhouse consisting of restaurant, bar, and pro shop
- Driving range
- Double-Decked driving range

- Parking lot- 51 cars
- miniature golf course 18 holes

Caltrans completed an appraisal of the State-owned property, and they wish to sell the State owned parcel to the City for total of $25,000. Real Estate staff has been negotiating with the First Bank of California to acquire their property interest at this location.

Lake Chabot Golf Course:

Located at 11450 Golf Links Road, the City acquired the various parcels to assemble this golf course from Mr. Vargas beginning in 1921 through 1923 (Assessor Parcel Numbers -APN #s 048-5813-003-04 & 001-09). The total acreage acquired from Mr. Vargas was 245 acres, for a sale price of $31,419. The second round acquisition took place in 1961 by an additional 3.6 acres from East Bay MUD at the cost of $750 per acre. The next expansion took place in 1967, the City purchased 11.5 acres from East Bay MUD at the cost of $1,100 per acre. In 1969 there was a trade – exchange of properties with Mr. Walsh, where City gave 19 acres and took back 21 acres to expand the golf course. In 1970, the City acquired approximately four acres from Alameda County via delinquent tax sale. The total area of the property is approximately is 265 acres.

Course Information:

- Opened for operation in 1923
- 27 holes comprising of one 18 hole champion course and a 9 hole course
- Driving range
- Club House
- Café with banquet and catering capabilities

KEY ISSUES AND IMPACTS

The purpose of this report is offer evaluation options and feasibility discussion regarding the sale of City-owned Montclair and Lake Chabot Golf courses. The Real Estate Division has limited property data and records on these assets. The division lost some of its historical property records in the 1989 earthquake. In order to complete property record research, there would be a need to allocate resources to pay for title abstract and deed research. The City has worked with a local title company on a pro bono basis to provide basic information regarding history and recorded information for these properties. Based on our initial investigation the following issues that would impact the sale of these assets have emerged.

Montclair Golf Course:

Deed Restrictions:

- Use. Property is to be used for park purposes. See copy of the deed – ***Exhibit "A"***

Open Space, Conservation and Recreation (OSCAR)

- No net loss of open space. Presently there is approximately 25 acres in excess of the base acreage if sold for other purposes than open space use. OSCAR may impact some or all of the property sold if the property is redeveloped from its present open space use.

Site Assembly

- Two addition parcels (2 acres) would need be acquired prior to any potential sale (Caltrans and First Bank of California owned properties).

Surplus Property Act

- Before the City can sell the asset, it must follow the Surplus Lands Act (Gov"t Code 54220). The Act requires that before the City disposes of the "surplus land," it must first offer the property to other Government or Public entities such as BART, EBMUD, Regional Park Authorities such as the East Bay Regional Park District, and housing sponsors for the purpose of developing low – and moderate- income housing. First priority would be given to the entity which agrees to use the site for park or recreational purposes, since the land being sold is already being used for that purpose. The Public body would have 60 days to claim the asset, and would have to pay Fair Market Value to the City. If an outside Agency does not claim the asset in 60 days, the item would go to the Planning Commission to confirm the zoning on the property and recommend the disposal for the existing use. If the property were to be rezoned, the CEQA process may be required.

Existing OPR Operating/ Management Agreement

- The City has an existing Operating/ Management contract agreement with operator to run the course. The buyer may have to acquire the property subject to that existing contract agreement. The term of the agreement for the Master Concession Agreement between the City of Oakland and Montclair Golf Enterprises, Inc. will expire on December 31, 2028.

Appraisal Fair Market Value & Marketing

- The Golf Course would have to be appraised by an appraiser who specializes in the valuation of golf courses. Real Estate Division at this time does not have a contact with

an appraiser with this specialty. The estimated cost for this appraisal is $30,000 - $40,000. The time to complete the assignment would be six to eight weeks.

- The East Bay is currently in a down Real Estate Market cycle. This is a special purpose property that is geared toward a limited market. Exposure/marketing time to sell the asset is estimated to be at least 18 months after all the government regulatory requirements needed to facilitate the sale have been met. The City would have to contract with a national brokerage firm that specializes in golf course sales.

Lake Chabot Golf Course

Deed Restrictions:

- Old Republic Title Company has been working on reviewing property records for any deed restrictions on the property. The golf course was assembled by various deed transactions. The original property transaction was dated 1921 between Vargas and the City for 245 acres. See ***Exhibit "B"***. The Courthouse deed for the Vargas transaction is illegible. After review by the Title Company of their records, they believe that the deed does not contain any deed sale restrictions, and that they would grant a Title Commitment and a Title insurance Policy for that Vargas deed transaction containing 245 acres less the EBMUD restriction acreage and other restrictions noted below; and any OSCAR "no net loss" planning requirements. There are two transactions with EBMUD that do contain deed sale restrictions on 15 acres of the property. The first deed dated 1961 restricted 3.6 acres with a $750 per acre sell back. The second deed dated 1967 restricted 11.5 acres with a $1,100 per acre sell back.

- EBMUD filed a Final Order of Condemnation in 1951 on the golf course parcel for a 10 foot wide easement for pipeline purposes. EBMUD has additional property interests on and over the property via various additional easements across the golf course for fire trail and pipeline purposes that were granted to them over the years to support the reservoir.

Open Space, Conservation and Recreation (OSCAR)

- No net loss of open space. Presently there is approximately 25 acres in excess of the base acreage if sold for other purposes than open space use. OSCAR may impact some or all of the property sold if the property is redeveloped from its present open space use.

Surplus Property Act

- Before the City can sell the asset, it must follow the Surplus Lands Act (Gov"t Code 54220). The Act requires that before the City disposes of the "surplus land", it must first offer the property to other Government or Public entities such as BART, EBMUD,

Regional Park Authority, such as East Bay Regional Park District, and housing sponsors for the purpose of developing low – and moderate- income housing. First priority would be given to the entity which agrees to use the site for park or recreational purposes since the land being sold is already being used for that purpose. The Public body would have 60 days to claim the asset, and would have to pay Fair Market Value to the City. If an outside Agency does not claim the asset in 60 days, the item would go to the Planning Commission to confirm the zoning on the property and recommend the disposal for the existing use. If the property were to be rezoned, the CEQA process may be required.

Existing OPR Operating/ Management Agreement

- The City has an existing Operating/ Management contract agreement with operator to run the course. The buyer may have to acquire the property subject to that existing contract agreement. The final extension of the Professional Services Agreement between the City of Oakland and Touchstone Golf, LLC for the operation of Lake Chabot Golf Course expires on July 30, 2011.

ALTA Survey and Title Insurance Policy

- Staff highly recommends that an ALTA survey showing the various deeds and easements be performed to establish what and where these encumbrances are located on the property. Any buyer, public or private, would require a survey and legal description of the property prior to sale. The survey can then be used to issue an ALTA title policy
- Real Estate Division has received a proposal from Old Republic Land Surveyor dated April 28, 2011 to perform ALTA surveys which consist of three phases at cost of $120,000. The estimated time to complete the required tasks 7 to 9 months. See attached ***Exhibit "C"***.

Appraisal Fair Market Value & Marketing

- The Golf Course would have to be appraised by an appraiser who specializes in the valuation of golf courses. Real Estate Division at this time does not have a contact with an appraiser with this specialty. The estimated cost for this appraisal $30,000 - $40,000. The time to complete the assignment would be six to eight weeks.

- The East Bay is currently in a down Real Estate Market cycle. This is a special purpose property that is geared toward a limited market. Exposure/ marketing time to sell the asset is estimated to be at least 18 months after all the government regulatory requirements needed to facilitate the sale have been met. The City would have to contract with a national brokerage firm that specializes in golf course sales.

RECOMMENDATION(S) AND RATIONALE

Staff recommends further investigation of the acquisition deeds, OSCAR impacts, and OPR operating and management contractual agreements. The City would need to allocate resources to complete the title investigation, appraisal contract costs, ALTA surveys, marketing expenses, and other legal issues associated with the sale of the properties. This will allow the Council to make an informed decision on the disposition of these subject properties. The estimated cost for these services can be in the range of $180,000 to $225,000. The time to provide these services can be from 18 to 24 months. The Parks and Recreation Department should inform the Council of any adverse impacts of the sale of the assets regarding their recreation programs and on their operating and management agreements, as well as what revenue the two assets provide to City via their operation. It should be noted that the properties must undergo the Surplus Lands Act regulation screening prior to being offered to the general public.

Respectfully submitted:

Walter S. Cohen, Director
Community and Economic Development Agency

Reviewed by: Gregory Hunter, Deputy Director
Economic Development and Redevelopment

Reviewed by: Frank Fanelli, Manager
Real Estate Services Division

Prepared by: Hamid Ghaemmaghami
Real Estate Supervisor

APPROVED AND FORWARDED TO
FINANCE AND MANAGEMENT COMMITTEE:

Office of the City Administrator

EXHIBIT A

8

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

(Notarial Seal) Wanda P. Symmes Notary Public

Wanda P.Symmes Notary Public Alameda Co. Calif. In and for the said County of Alameda, State of California.

Recorded at request of City of Oakland at 19 min. past 1 P. M. Jul 15 1938
11-33849 12 P. M.

Copied Aug 5 1938 M.C.Ferguson

County Recorder

RESOLUTION NO. 6701 C.M.S. OAKLAND CITY COUNCIL Introduced by Councilman

RESOLUTION ACCEPTING DEED FROM BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION to THE CITY OF OAKLAND CONVEYING CERTAIN LANDS LYING EASTERLY OF PARK BOULEVARD AND ADJACENT TO SAUSAL CREEK; and DIRECTING THE CITY CLERK TO HAVE SAID DEED, TOGETHER WITH a DEED FROM SUSANNE M. CHALMERS PERTAINING TO AND NECESSARY FOR SAID CONVEYANCE, RECORDED.

RESOLVED: That the deed dated March 29, 1938 from Bank of America National Trust and Savings Association to the City of Oakland conveying certain lands lying easterly of Park Boulevard and adjacent to Sausal Creek be and the same is hereby accepted; and the City Clerk is hereby directed to have said deed, together with the deed dated March 26, 1938 from Susanne M. Chalmers to Bank of America National Trust and Savings Association pertaining to and necessary for said conveyance to the City of Oakland, recorded in the office of the recorder of Alameda County, California.

I certify that the foregoing is a full, true and correct copy of a Resolution passed by the City Council of the City of Oakland, Calif. on Jul 14 1938

(Municipal Corporate Seal) W.W. Chappell City Clerk

and of the City of Oakland California Per C.M.Dou Deputy

GRANT DEED

THE BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, a National Banking Association, successor to The Oakland Bank, formerly The Oakland Bank of Savings, a California corporation, in consideration of Ten and no/100 dollars ($10.00) to it in hand paid, receipt of which is hereby acknowledged, does hereby GRANT to THE CITY OF OAKLAND, a Municipal corporation, for park purposes, without any warranty, expressed or implied, all of its right, title and interest, if any, to the real property in the City of Oakland, County of Alameda, State of California, described as follows:

Beginning at the southeastern corner of that certain 13.75 acre piece or parcel of land particularly described in that certain deed from Bates, Borland & Ayer, a co-partnership to The Oakland Bank of Savings, a corporation, dated October 10, 1917, and recorded December 11, 1917, in Volume 2523 of Deeds, at page 477, in the office of the Recorder of Alameda County, California; and running thence along the southern line of said 13.75 acre piece or parcel of land North 77 degrees, 12 minutes, 10 seconds West (the bearing of the southern line of said 13.75 acre piece or parcel of land being taken as North 77 degrees, 12 minutes, 10 seconds West for the purpose of this description) a distance of 411.84 feet to a point on the eastern line of Park Boulevard from which the center of a circle bearing a radius of 1100 feet bears South 72 degrees, 24 minutes, 20 seconds West distant 1100 feet; thence, leaving the southern line of said 13.75 acre piece or parcel of land, southeasterly along the circumference of said circle and along the eastern line of Park Boulevard, as established by that certain Indenture from the Oakland Bank et al, to City of Oakland, dated March 1, 1938, and recorded March 24, 1932 in Volume 2777 of Official Records at page 184, in the office of the Recorder of Alameda County, California, a distance of 527.914 feet; thence, continuing along said line of Park Boulevard, North 83 degrees, 12 minutes, 17 seconds East, 85.4 feet; thence, leaving said line of Park Boulevard South 41 degrees, 47 minutes, 43 seconds East, 100 feet; thence North 48 degrees, 12 minutes, 17 seconds East, 360 feet; thence north 41 degrees, 47 minutes, 43 seconds West, 100 feet to the aforesaid eastern line of Park Boulevard; thence along said line of Park Boulevard North 18 degrees, 11 minutes, 17 seconds East 495.99 feet; thence, leaving said line of Park Boulevard, South 41 degrees, 47 minutes, 43 seconds East, 100 feet; thence North 70 degrees, 48 minutes, 44 seconds East, 158.88 feet; thence North 23 degrees, 44 minutes, 43 seconds East, 110 feet; thence South 70 degrees, 01 minute, 25 seconds East, 429.53 feet; thence North 13 degrees, 58 minutes, 35 seconds East 155 feet to a point on the southern line of Mountain Boulevard (formerly County Road No. 2848); thence southeasterly along said southern line of Mountain Boulevard to the center of Sausal Creek; thence southerly and westerly along the center line of Sausal Creek to the most eastern corner of that certain piece or parcel of land described in that certain deed from R.M.and E.E. Noble to Florence Hanson, dated May 27, 1930, and recorded August 27, 1935, in Volume 3218 of Official Records, at page 194, in the office of the aforesaid Recorder of Alameda County; thence, leaving the center line of Sausal Creek, and running along the northeastern line of said piece or parcel of land described in the last mentioned deed, North 52 degrees, 40 minutes, 01 seconds West, 87.83 feet to a point in the center line of Sausal Creek; and thence northeasterly, southerly and southeasterly along the center line of Sausal Creek to the point of beginning.

TO HAVE AND TO HOLD to said Grantee, its successors and assigns, for park purposes.

4879

APN # 029A-1330-027-04

MONTCLAIR GOLF COURSE

subject, however, to any and all legal encumbrances of record and in force at the date of this instrument, on the above described parcel of land.

IN WITNESS WHEREOF, said Grantor has this 7th day of March, 1938, caused this deed to be executed in its name by its officers thereunto duly authorized.

BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, a National Banking Association.

By J. W. Gertmenian Vice President.

By Andrew F. Johnston. Assistant Trust Officer.

STATE OF CALIFORNIA,)
COUNTY OF ALAMEDA) SS. On this 6th day of April in the year One Thousand Nine Hundred and thirty-eight before me, Alma B. Thorne a Notary Public in and for the County of Alameda, State of California, residing therein, duly commissioned and sworn, personally appeared J. W. Gertmenian Vice President and Andrew F. Johnston, Assistant Trust Officer, of Bank of America National Trust and Savings Association, known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal, the day and year in this certificate first above written.

(Notarial Seal) Alma B. Thorne Notary Public

Alma B. Thorne Notary Public In and for said County of Alameda, State of California.
Alameda Co. Cal.

Recorded at request of City of Oakland at 30 min. past 1 P. M. Jul 15 1938
II-35650 13 F. O.R.

COMPARED
[illegible]

Copied Aug 3 1938 M.C.Fergus

[illegible] County Recorder

EXHIBIT B

CHA BOT Deed

Page 1063

259

Ass'y. COUNTY RECORDER

J.C.VARGAS

TO

CITY OF OAKLAND

Oakland City Council Resolution No.87503 N.S.

Introduced by Commissioner -

Resolution accepting a Deed from Jose C.Vargas, consenting to the recordation thereof and directing the City Clerk to attach a certified copy of this resolution to said deed and to cause said deed to be recorded.

Resolved; That the City of Oakland does hereby accept that certain deed dated September 23 1926, by and between Jose C.Vargas, a widower, sometimes known as Joseph C.Vargas, as grantor and the City of Oakland, a municipal corporation, as grantee conveying to said grantee certain land described in said deed, and does hereby consent to the recordation of said deed, and be it

Further Resolved That the City Clerk be and he is hereby directed ,authorized and empowered to attach a certified copy of this resolution to said deed and to cause said deed to be recorded.

I certify that the foregoing is a full true and correct copy of a Resolution passed by the City Council of the City of Oakland, Calif.on September 28 1926.

Dupont E.Sturgis City Clerk

(Municipal Corporate Seal) By F.C.Merritt Deputy

Deed

This Indenture, made the 23 day of September in the year Nineteen Hundred and twenty six, by and between Jose C.Vargas, a widower, sometimes known as Joseph C.Vargas of the City of Oakland, County of Alameda, State of California, the party of the first part, and the City of Oakland, a municipal corporation, the party of the second part,

WITNESSETH: That the said party of the first part, for and in consideration of the sum of Four Thousand Dollars ($4,000.00) lawful money of the United States of America, to him in hand paid by the said party of the second part, receipt whereof is hereby acknowledged, has granted, bargained, and sold, accepted and confirmed and does by these presents grant, bargain, and sell, convey and confirm unto the said party of the second part, its successors, and assigns, forever all of his right, title and interest of, in and to all that certain lot piece or parcel of land situate, lying and

being in the City of Oakland, County of Alameda, State of California described as follows,

That certain tract of land forming a part of the Rancho San Antonio in said Alameda County and described and designated according to a survey of the hills of said Rancho Ygnacio Peralta made August A.D. 1871 by Luis Castro, County Surveyor of said Alameda County as follows, to-wit;

Beginning at the pot - 7 in the North side of a small branch of San Leandro Creek according to the United States Patent to said Ygnacio Peralta for part of the Rancho San Antonio from which an alder tree fourteen inches in diameter marked Y.P. bears North 80° East 0.25 chains Distant; thence following the course down said branch of San Leandro Creek aforesaid according to the patent aforesaid as follows, South 13½° West 3.90 chains South 1° East 11 chains; South 18½° East 4 chains; South 12½° West 4.50 chains, South 28° East 8 chains; South 64° West 6 chains, South 42½° West 4 chains, South 49½° West 6 chains, South 77° West 3.38 chains to a Cottonwood tree marked Y.P. where the San Leandro, Creek, and the aforesaid branch of the same meet; thence South 76° West down the center of said San Leandro Creek 3.70 chains to the Southeastern corner of the Tract 5 according to the aforesaid Survey made by Luis Castro, thence along the eastern line of said Tract 9 North 32° West 64.65 chains to the northeastern corner of said tract 9, thence North 88° East along the Southern line of the Tract of land marked 7 according to the aforesaid mentioned survey 66.12 chains, more or less to the most northern corner of the Tract 8 according to the aforesaid survey made by Luis Castro, and thence South 64° East 47.28 chains to the point of beginning.

Containing 349 acres of land, be the same more or less, and being the same piece marked and known in the survey of Luis Castro, as Tract 8.

Excepting therefrom 104.50 acres more or less, sentenced by California Water Company by Decree of Condemnation made and filed and entered April 20 1878 in the late District Court of the 3rd Judicial District Alameda County, California.

The said party of the first part, hereby also grants and quitclaims unto the City of Oakland, a municipal corporation, all of the right, title interest and claim in and in the following described real property situate in the City of Oakland, County of Alameda, State of California, bounded and particularly described as follows, to-wit;

Beginning at a point on the Southeastern line of Tract No.8 of the Luis Castro Survey, Distant thereon North 25° 43' 43" East 1329.8 feet from the most eastern corner of Tract No.9 of said Luis Castro Survey thence North 23° 46' 45" West, along said southwestern line of Tract No.8, 5.75.55 feet to the most northern corner of said Tract No.9 thence North 58° East, along the northwestern line of said Tract No.8 4545 feet to the most northern corner of said Tract No.8 thence South 7° 25' 39" East along the eastern line of said Tract No.8 2085.54 feet; thence South 60° 46' 46" East 1075.82 feet; thence South 22° 32' 40" West 383.56 feet, thence South 4° 39' 46" West 693.97 feet; thence South 20° 26' 46" West 1052.16 feet; thence South 22° 32' 47" West 269.62 feet; thence North 67° 12' 16" West 820.94 feet; and thence South 37° 55' 30" West 392.65 feet to the point of beginning.

Containing 236.912 acres, and being a portion of Tract No.3 according to a survey of the Sill Lands of the Ygnacio Peralta Rancho, made August 29 1871 by Luis Castro,.

Together with the tenements hereditaments and appurtenances thereunto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents issues and profits in and to each of the parcels of property hereinbefore described.

TO HAVE AND TO HOLD the said premises hereby described, together with the appurtenances, unto the said party of the second part, its successors and assigns forever.

IN WITNESS WHEREOF, the said party of the first part has hereunto set its hand and seal the day and year first above written. Attest
Signed Sealed and Delivered in the Jose C. K Fergus
presence of A.A.Rogers Secy
[illegible] being duly sworn says that he is the Secretary of the corporation described in and which executed the foregoing instrument; that he knows the corporate seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he subscribed his name thereto as Secretary thereof.A.A.Rogers
Subscribed and sworn to before me this
[illegible] day of September A.D. 1893.
[illegible]
Notary Public.

STATE OF CALIFORNIA)
COUNTY OF ALAMEDA) ss. On this 22 day of September in the year One thousand Eight Hundred and ninety nine, before me, J.A.Rogers, a Notary Public in and for the County

Page 3 of 3

281

of Alameda, State of California, residing therein duly commissioned and sworn, personally appeared John D. Fargus, a widower, known to me to be the person described in and whose name is subscribed to the within instrument, and he acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

A.A.Rogers Notary Public
(Material Seal) In and for said County of Alameda, State of California.

Recorded at request of Grantee at 43 min past 10 A.M. Sep 29 1926
D'82663 18F D.R.

M. A. L.

A.F. COUNTY RECORDER

EXHIBIT C

MAJORS 2M2 A Diversified Engineering Company

MAJORS

CIVIL ENGINEERING, LAND SURVEYS AND LAND PLANNERS

Date: April 28, 2011

Attn: Niels Povisen
Old Republic Title Company
555 12th Street Suite 2150
Oakland, CA 94607

RE: Majors Engineering Job No. 11-208
Air Serve Map Boundary Study
Chabot Golf Course Oakland, Ca

Dear Niels,

Pursuant to your request Majors Engineering has prepared a *preliminary* scope of service that would be provided in our typical engineering service contract, Exhibit "A" attached. We have based this scope of service without the benefit of a title report, back up documentation and recorded maps and without the knowledge of what the City of Oakland actually owns. Our review of the property was based on assessor's maps, Google mapping and Majors Engineering's basic knowledge of surveying practice within the City of Oakland.

Phase I is our Air Service Map, before we begin we will require a copy of the title report with all back up documentation and recorded maps of the property the City of Oakland owns.

Hopefully this is a rough enough estimate you can give to the City. Once we have an opportunity to review the title reports and back up documentation our estimated numbers could be fine tuned.

However the City wants to proceed, Phase I will have to be performed. Depending on the City of Oakland as seller and the buyers title insurance requirements our scope of service beyond Phase I may not be required.

If you have any questions or require additional information, feel free to contact our office at (916)-776-1888 or my cell Phone (916)-416-6334.

Sincerely,

Michael J. Majors
R.E.C. 24880

157 S. Mill Valley Circle Sacramento, California Phone: (916)-776-1888 Fax: (916)-760-1891

Exhibit "A" Chabot Golf Course Air Service Map Analysis

Phase I: (Estimated time 5-10 weeks from the date of written Authorization)

Our Air-Serve Map™ is a precise representation of the property comprising of an Ortho Aerial Photograph of the properly taken by a camera with a current USGS (United S|ates Geological Survey) calibration report. Information of record is then overlaid to scale on the photograph. Hard copies of the Air-Serve Map™ will be provided and we can also supply it in a CAD and PDF format if requested. Prepare an analysis for the seller identifying any due diligent that may affect the properly outlining to the seller any possible conflicts and or problems that may affect the sell of said property. (*This is very preliminary*)

Estimate Cost Phase I: $30,000.00

Phase II: (Estimated time 6-10 weeks from the date of written Authorization)

Prepare an ALTA survey to ALTA/ACSM minimum standard requirements along with Items number 1 and 5 of Table "A" setting property corners and contours. Scope also to be based on the preliminary Title Report (PTR) prepared within the last (6) months and all back up documents referenced in the said PTR, i.e. all documents referenced in the provided legal description, title exception and all Grant Deeds associated with title. When this phase is completed escrow can occur. Due to the requirement of setting property corners a record of survey will be required.

Estimated Cost Phase II: $40,000.00 to $60,000.00

Phase III: (Estimated time 4 months)

Prepare Record of Survey and process through the City of Oakland, this process will be performed upon completion of the ALTA survey.

Estimated Cost Phase III: $30,000.00