

REPORT TO REDEVELOPMENT AGENCY
City of Sacramento
915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

Consent
February 26, 2008

Honorable Chair and Members of the Board

Title: Owner Participation Agreement with Soccer Planet, Inc.

Location/Council District: 3100 47th Avenue, Franklin Boulevard Redevelopment Area (Council District 5)

Recommendation: Adopt a **Redevelopment Agency Resolution** authorizing the Interim Executive Director or her designee to 1) approve and adopt the environmental Negative Declaration; 2) amend the Sacramento Housing and Redevelopment Agency budget to allocate \$1,100,000 of Franklin Boulevard Tax Increment to the Soccer Planet Project, and 3) execute an Owner Participation Agreement (OPA), loan agreements and related documents with Soccer Planet, Inc. for the construction of a soccer facility.

Contact: Lisa Bates, Deputy Executive Director, 440-1316, Christine Weichert, Assistant Director, Housing and Community Development, 440-1353

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: Ramon and Consuelo Herrera, the principals of Soccer Planet, Inc. (Developer), own 10 acres of land on 47th Avenue near Franklin Boulevard (see location map, Attachment 1). They propose to construct a 56,750 square foot building that will house two official indoor soccer fields, one mini indoor field, a coffee shop, pro shop, offices and storage areas (see proposed site plan, Attachment 2). In addition, the site will have an official outdoor soccer field next to the building.

This Project is in the County portion of the Franklin Boulevard Redevelopment Area which requires both City Council and County Board of Supervisors approval of financing before proceeding. The County of Sacramento Planning Department (County) approved the project plans in May 2005; however, the lack of water pressure and limited connections provided by Fruitridge Vista Water Company (FVWC) prevented the project from obtaining the necessary building permits.

Owner Participation Agreement with Soccer Planet, Inc.

After a nearly three year delay, the Project is now ready to receive building permits. The Developer has obtained loan funds to finance 74% of the project costs; however, a \$1.1 million financing gap remains.

The site has been vacant since a drive-in movie theater was demolished over a decade ago. Prior to purchasing the land, the Developer performed a feasibility study for the project and determined that the area was in need of, and could support, a new indoor soccer facility.

The development of this proposed project continues to build on the successes of Franklin Boulevard. The County has invested over \$5 million in streetscape improvements within the redevelopment area which has stimulated the local area. In addition, there have been many private investments taking place along the boulevard which has made a marked difference. These include the relocation of numerous businesses to Franklin Boulevard as well as many façade improvements. Investment of redevelopment funds is recommended because redevelopment of the blighted former drive-in will provide an additional 12 jobs to the area and be a regional draw for recreational activities.

The total estimated cost of the Project is \$11.6 million, including estimated construction costs and equipment (see operating proforma, Attachment 5). The Developer is able to obtain approximately \$6.6 million in conventional financing for the Project. In addition, the Developer obtained \$2.0 million in an SBA 504 loan, and has invested \$1.9 million of equity into the Project. This leaves a financing gap of approximately \$1.1 million.

Sources of Funds	Total
Permanent Financing	\$6,600,000
SBA 504 loan	2,000,000
SHRA loan	1,100,000
Developer Equity	1,900,000
TOTAL SOURCES	\$11,600,000

The Developer is seeking assistance from the Agency for this gap. Once the construction is complete, the developer will be able to access a \$500,000 working capital loan from conventional financing to meet any operational needs.

The Developer anticipates that the construction and financing documents for this Project will be completed by March 2008. Construction is expected to begin within a few months and will be completed by Spring of 2009.

Policy Considerations: The recommended action is consistent with the following goals of the Franklin Boulevard Implementation Plan: 1) creation of additional employment opportunities for Project Area residents; and 2) maximize private participation and investment in the redevelopment effort.

Owner Participation Agreement with Soccer Planet, Inc.

Environmental Considerations: The County of Sacramento as the lead agency under the California Environmental Quality Act (CEQA) has prepared and approved a Negative Declaration for the Soccer Planet Project, a copy of which is included as Attachment 3. The Agency has reviewed the County's environmental action and approval and recommends approval and adoption of the County's negative declaration.

Committee/Commission Action: *Sacramento Housing and Redevelopment Commission Action:* At its meeting on February 06, 2008, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES: Burruss, Chan, Dean, Fowler, Gore, Morgan, Otto, Shah, Stivers

NOES: None

ABSENT: Coriano

Rationale for Recommendation: The Project is designed to achieve goals of the Franklin Boulevard Redevelopment Plan and eliminate the current vacant, underutilized and blighted conditions. The completed project would provide needed retail/commercial outlets and employment opportunities for project residents and for the community.

The facility, located at 3100 47th Avenue, will meet all operating expenses, including the debt obligations, when it reaches 52% of capacity. The facility is anticipated to operate at 61% capacity in year one and 90% capacity by year ten. The \$1.1 million loan will be repaid over 17 years, beginning in Year 4 of operations, at an interest rate of 6.5%. The payments are deferred in Years 1 through 3.

Financial Considerations: This report recommends the Agency provide a \$1,100,000 loan at an interest rate of 6.5%, to the Developer to fund construction of the soccer facility. The term of the loan is for 20 years with a payment deferment for the first three years. Funds will be appropriated from Franklin Boulevard Tax Increment. The loan is contingent upon evidence of conventional private financing commitments sufficient to complete construction and begin operations. The Developers have already purchased the land and spent an additional \$400,000 cash in fees and permits. The Agency loan is nine percent of the project. The Herreras are investing 16% of the total project and the balance of funding (74%) is debt financed.

Owner Participation Agreement with Soccer Planet, Inc.

M/WBE Considerations: The items discussed in this report have no M/WBE impact; therefore, M/WBE considerations do not apply.

Respectfully Submitted by: 
LA SHELLE DOZIER
Interim Executive Director

Recommendation Approved:

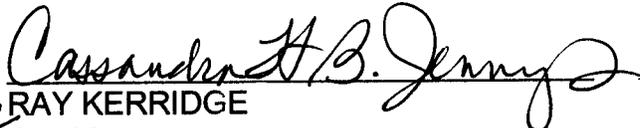
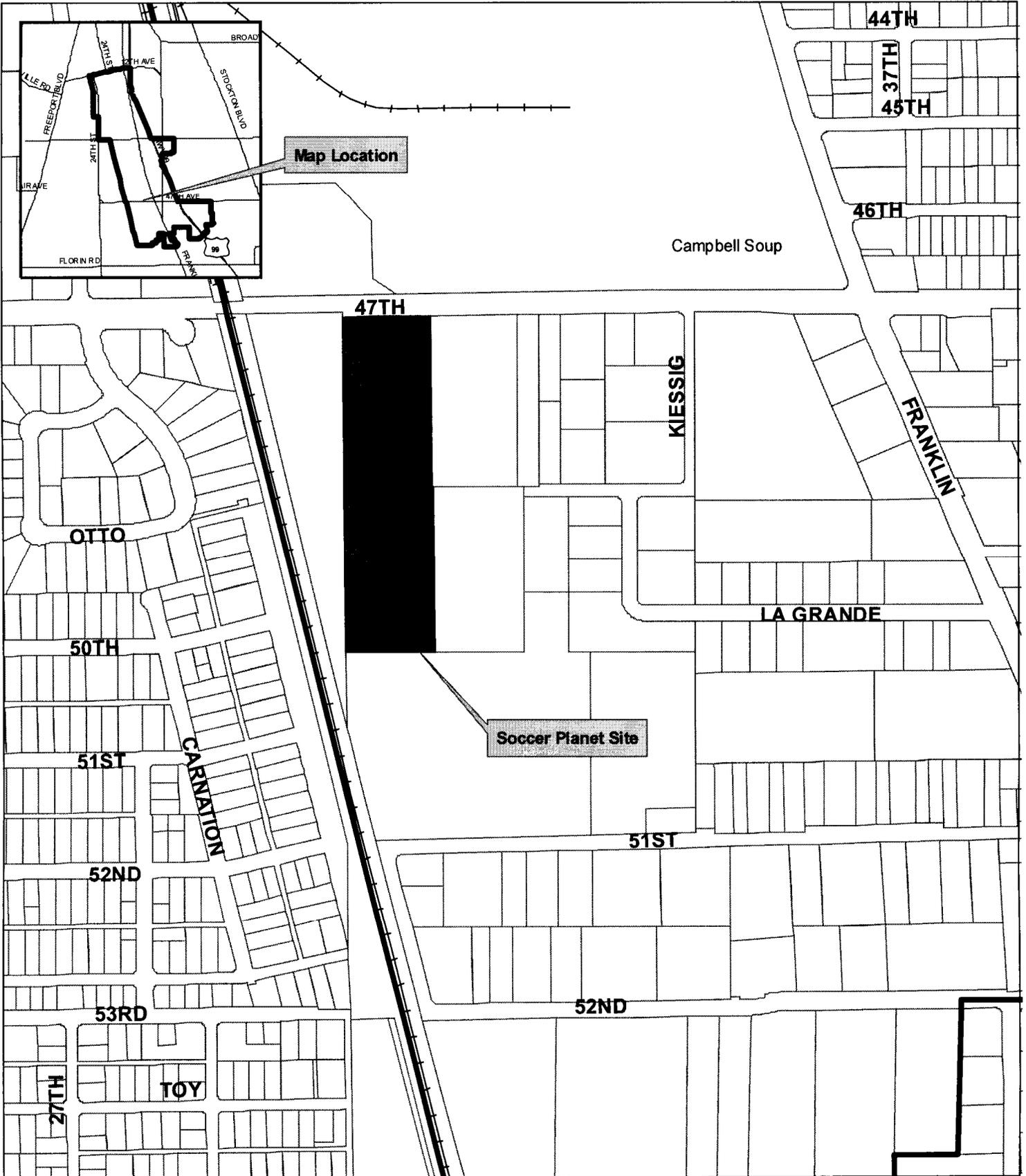

RAY KERRIDGE
City Manager

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Soccer Planet Site Franklin Boulevard Redevelopment Area



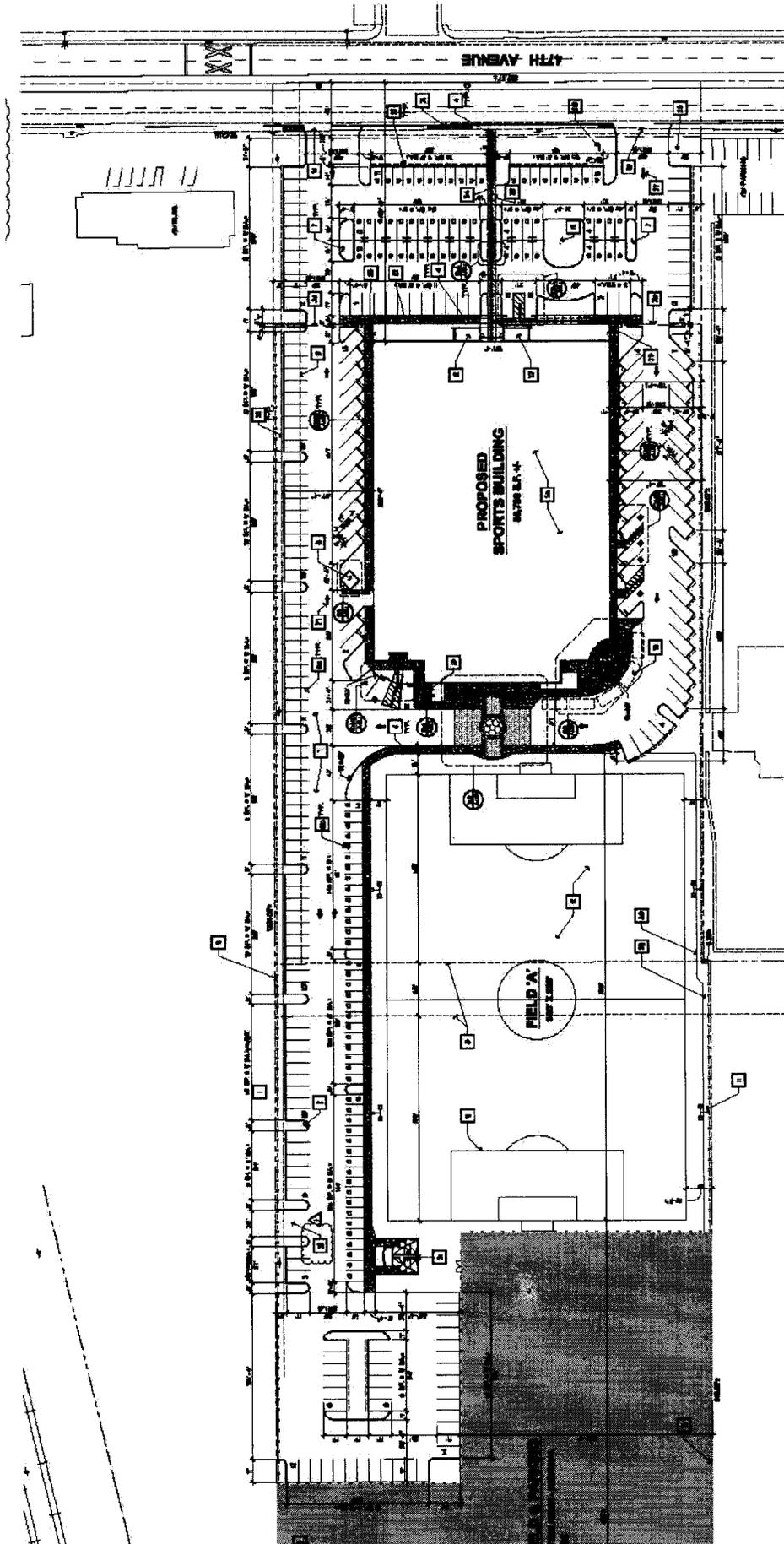
Map Location

Campbell Soup

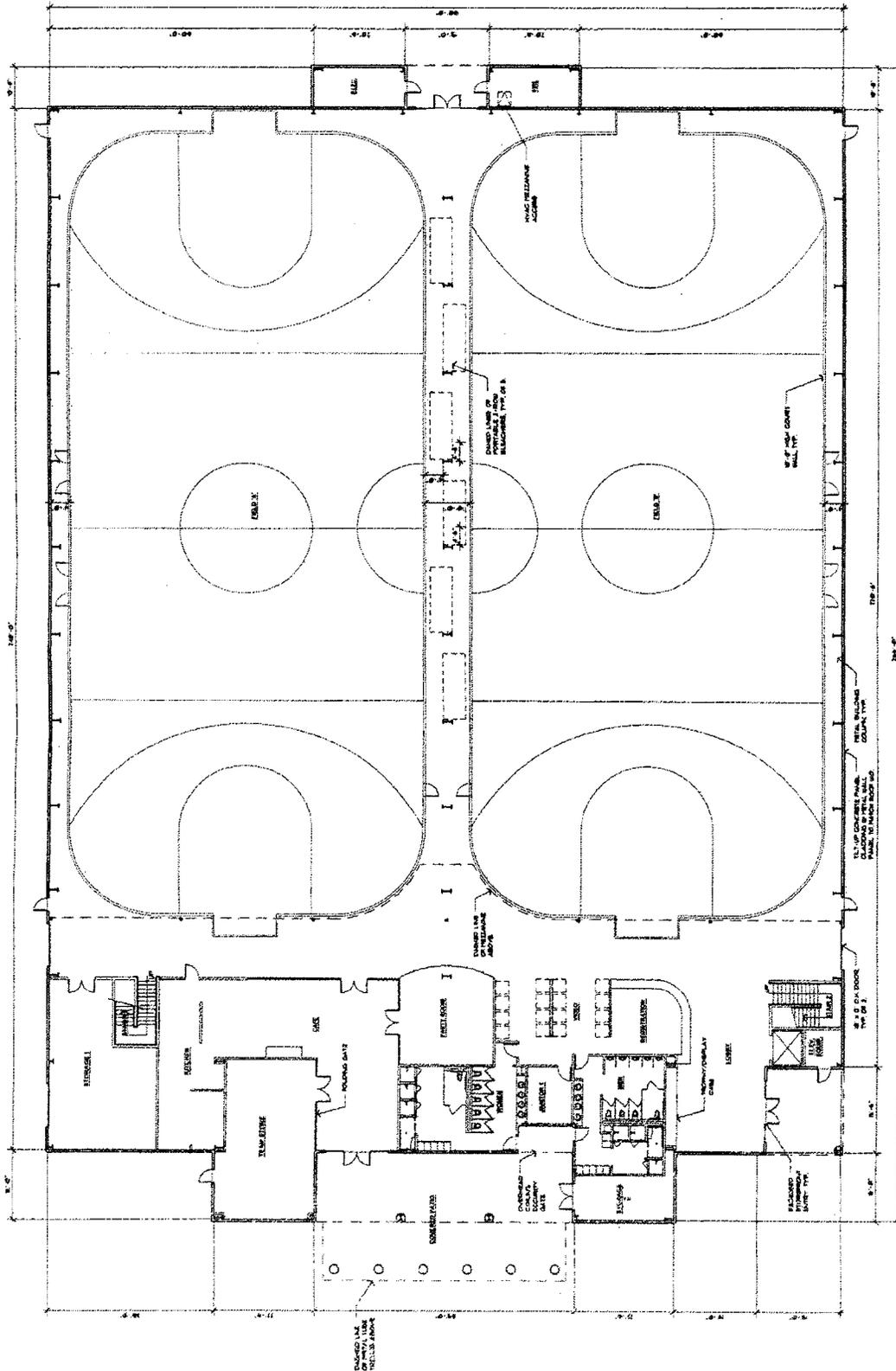
Soccer Planet Site

Franklin Boulevard Redevelopment Area
 Soccer Planet Site
 Railway





HERRERA FAMILY SOCCER COMPLEX

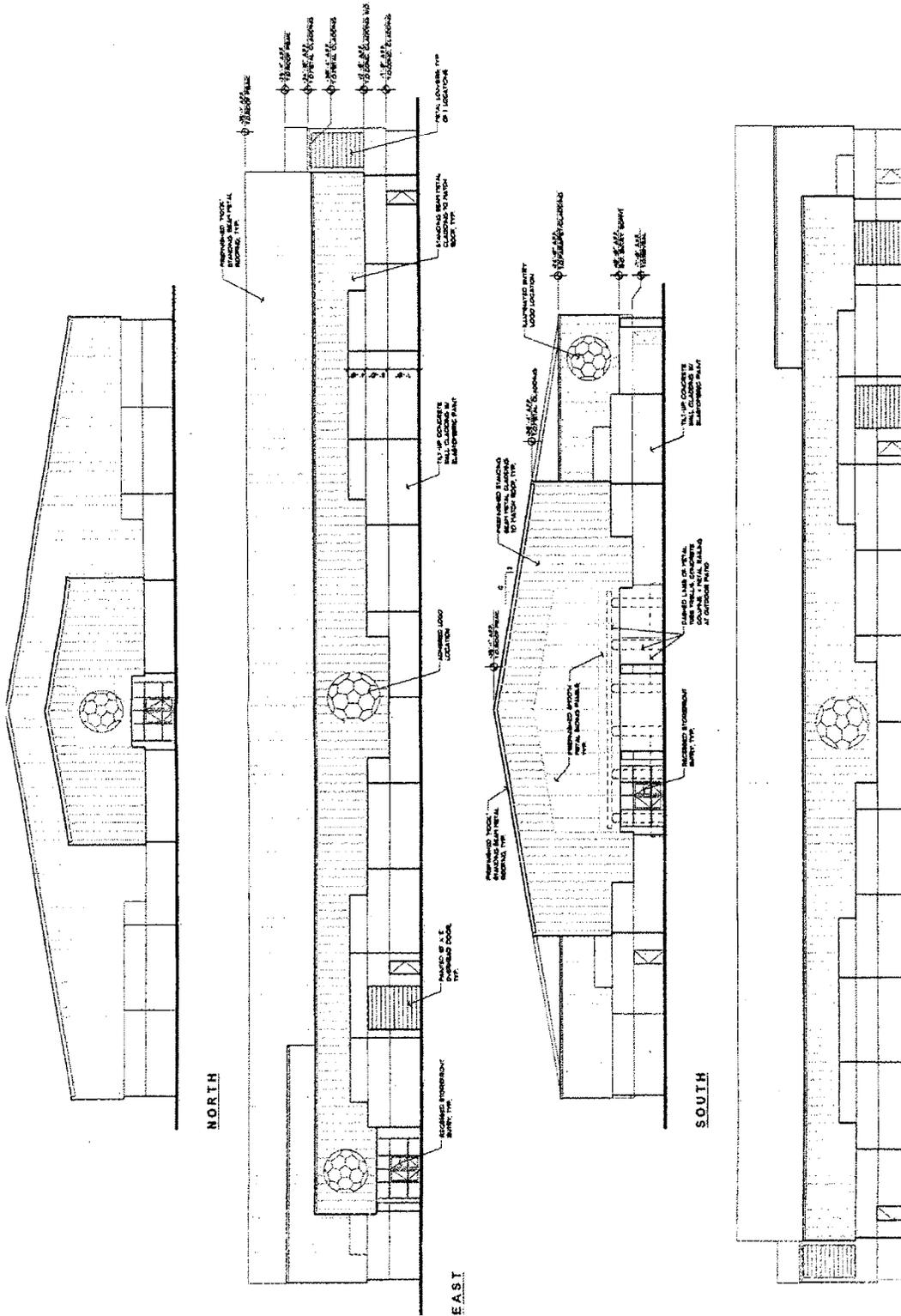


FIRST FLOOR PLAN
SCALE: 3/32" = 1'-0"

Preliminary Design For:
HERRERA FAMILY SOCCER COMPLEX
47TH Avenue Sacramento, California

CDMSTOCK JOHNSON ARCHITECTS, INC. 10145 PLACIE LANE, SUITE A, SACRAMENTO, CA 95827-2331
916.441.9100 | WWW.CDMSTOCKJOHNSON.COM 916.441.9141 (MO)





WEST

ELEVATIONS
SCALE 3/32" = 1'-0"

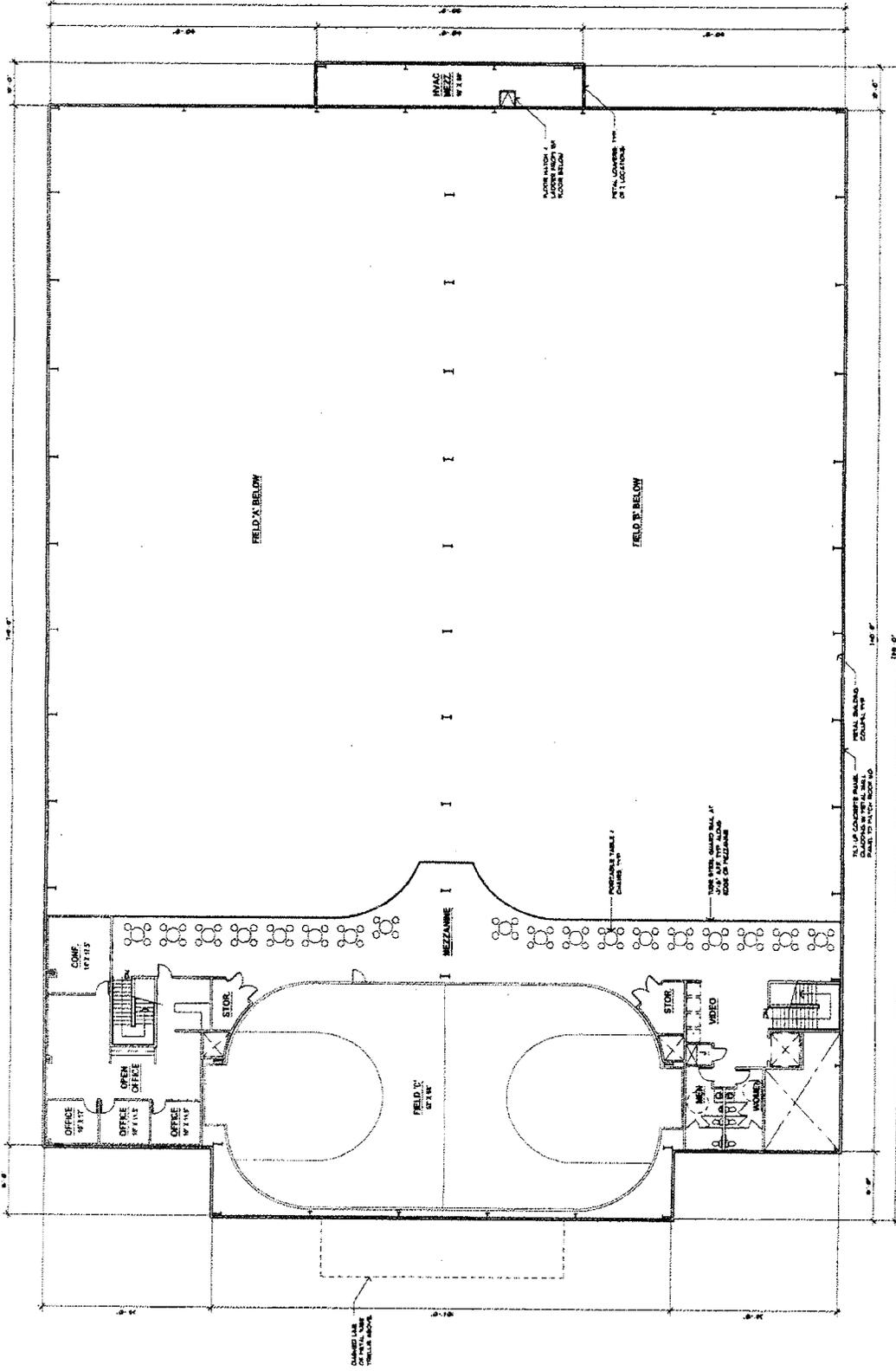
Preliminary Design For:

HERRERA FAMILY SOCCER COMPLEX
47TH Avenue Sacramento, California

COMSTOCK JOHNSON ARCHITECTS, INC. 10184 FELICIA LANE, SUITE A, SACRAMENTO, CA 95827-2311
115 THE VILLAGE WAY CHAPEL HILL, NC 27614-1001



COMSTOCK JOHNSON ARCHITECTS, INC.
115 THE VILLAGE WAY
CHAPEL HILL, NC 27614-1001
TEL: 704-943-1100
WWW.COMSTOCKJOHNSON.COM



SECOND FLOOR PLAN
 SCALE: 3/32" = 1'-0"
 Preliminary Design For:
HERRERA FAMILY SOCCER COMPLEX
 47TH Avenue Sacramento, California
 CONSULTING ARCHITECTS, INC. 25304 PLACE LINK, SUITE 3, SACRAMENTO, CA 95827-3511
 PH: 916.440.0000 WWW.SHA-ARCHITECTS.COM 115-021-0001 (08)

Distribution Record
Department of Environmental Review and Assessment

Date September 10, 2004
To Planning Department
Control Number 04-UPB-0025
APN: 036-0162-031 thru 032, 042
Subject: Herrera Family Soccer Complex

The Subject Application has been reviewed by the Department of Environmental Review and Assessment, and it has been determined that pursuant to the California Environmental Quality Act, the appropriate environmental document for the project is as indicated below.

Negative Declaration

DERA publishes the required CEQA notification specifying the review period and hearing date, if known. If the hearing date was not known at the time DERA published the public notice, a notice of the time, date and location of the public hearing must be published 10 days prior to the hearing.

**The time, date and location of the public hearing
was not included in the notice published by DERA**

Date Received:

Stuart H. Kutzner 9/24/04

CUSTOMER, RETAIN THIS COPY FOR YOUR RECORDS

NOTICE OF INTENT TO ADOPT A NEGATIVE DECLARATION

NOTICE is hereby given that the County of Sacramento, State of California intends to adopt a Negative Declaration for the project described below.

TITLE:

HERRERA FAMILY SOCCER COMPLEX USE PERMIT

CONTROL NUMBER:

04-UPB-0025

Location: The project site is on the south side of 47th avenue, ±600 feet east of the light rail (south line) crossing at 47th Ave, in the south sacramento community plan area. The site address is 3100 47th Ave.

APN:

036-0162-031, -032, & -042

GENERAL DESCRIPTION:

A **Use Permit** to establish an indoor and outdoor recreation facility (soccer complex) on a 9.7± acre site in the M-1 Industrial Zone.

Note: This project may be considered inconsistent with General Plan Land Use Policy LU-14, which requires all new development located within one-quarter mile of a future transit stop on a future feeder bus route conform to certain density requirements. This project is located less than 1/8 of a mile from the 47th Avenue Light Rail Station. The subject proposal provides a floor area ratio of less than the minimum density specified in the General Plan. Thus, the Board of Supervisors is the appropriate authority to determine that the minimum density specified in the

REVIEW:

The review period for the Negative Declaration begins on **September 20, 2004** and ends on **October 10, 2004**. The Negative Declaration may be reviewed at the following location:

**Sacramento County
Department of Environmental
Review and Assessment
827 7th Street, Room 220
Sacramento, California 95814
(916) 874-7914**

Comments regarding the Negative Declaration should be directed to the Sacramento County Environmental Coordinator and emailed to DERA@sacounty.net or mailed to 827 7th Street, Room 220, Sacramento, California, 95814. Failure to do so will not preclude your right to testify at a future public hearing for the proposed project. The date, time, and place of the public hearing is presently unknown. A notice providing the date, time, and place of the public hearing will be provided by the hearing body authorized to conduct the public hearing for the proposed project.

NEGATIVE DECLARATION

Pursuant to Division 6, Title 14, Chapter 3, Article 6, Sections 15070 and 15071 of the California Administrative Code and pursuant to the Procedures for Preparation and Processing of Environmental Impact Reports adopted by the County of Sacramento pursuant to Sacramento County Ordinance No. SCC-116, the Environmental Coordinator of Sacramento County, State of California, does prepare, make, declare, publish, and cause to be filed with the County Clerk of Sacramento County, State of California, this Negative Declaration re: The Project described as follows:

1. **Control Number:** 04-UPB-0025
2. **Title and Short Description of Project:** HERRERA FAMILY SOCCER COMPLEX USE PERMIT. A Use Permit to establish an indoor and outdoor recreation facility (soccer complex) on a 9.7± acre site in the M-1 Industrial Zone. Note: This project may be considered inconsistent with General Plan Land Use Policy LU-14, which requires all new development located within one-quarter mile of a future transit stop on a future feeder bus route conform to certain density requirements. This project is located less than 1/8 of a mile from the 47th Avenue Light Rail Station. The subject proposal provides a floor area ratio of less than the minimum density specified in the General Plan. Thus, the Board of Supervisors is the appropriate authority to determine that the minimum density specified in the General Plan is not feasible for the site.
3. **Assessor's Parcel Number:** 036-0162-031, -032, &-042
4. **Location of Project:** The project site is on the south side of 47th Avenue, ±600 feet east of the Light Rail (South Line) crossing at 47th Avenue, in the South Sacramento Community Plan area. The site address is 3100 47th Avenue.
5. **Project Applicant:** Ramon & Connie Herrera
6. Said project will not have a significant effect on the environment for the following reasons:
 - a) It will not have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory.
 - b) It will not have the potential to achieve short-term, to the disadvantage of long-term, environmental goals.
 - c) It will not have impacts, which are individually limited, but cumulatively considerable.
 - d) It will not have environmental effects, which will cause substantial adverse effects on human beings, either directly or indirectly.
7. As a result thereof, the preparation of an environmental impact report pursuant to the Environmental Quality Act (Division 13 of the Public Resources Code of the State of California) is not required.
8. The attached Initial Study has been performed by the Sacramento County Department of Environmental Review and Assessment in support of this Negative Declaration. Further information may be obtained by contacting the Department of Environmental Review and Assessment at 827 Seventh Street, Room 220, Sacramento, California, 95814, or phone (916) 874-7914.

Joyce Horizumi
 ENVIRONMENTAL COORDINATOR OF
 SACRAMENTO COUNTY, STATE OF CALIFORNIA
 Document Released 9-17-04

P:\2004\04-0025 Herrera Soccer Complex\Env Docs\04-0025 Neg Dec.doc

Soccer Planet Project Background and Underwriting Analysis

Site: The subject site (APN 036-0162-031, -032 and -042), is three parcels at the southeast corner of 47th Avenue and 30th Street, approximately ten acres in size.

Project History: A proposal was received from the Soccer Planet, Inc. (Developer) for construction of an indoor soccer facility. SHRA and the Developer have conducted due diligence on construction costs, leasing demand, revenue and expense projections, and entitlement needs for the project, to be named "Soccer Planet" (Project).

Project Description: The Project scope includes new construction of a 56,750 square foot building that will house two official size soccer fields, a mini field on a mezzanine, 5,000 square feet for a coffee shop, pro shop, offices and storage areas. In addition to the indoor facility, the Project also includes an outdoor official size field. This field will be next to the building.

Entitlements: The site is zoned M-1, Light Industrial, which allows for various industrial and commercial uses. The County of Sacramento (County) has issued a Conditional Use Permit for this use on the site. The County also agreed to expedite processing and review of submittals to ensure the timely receipt of permits for this Project.

Development Team: The Developer, Soccer Planet, Inc., is owned by Ramon and Consuelo Herrera, each with 50% ownership in the company. Mr. Herrera is the President and Mrs. Herrera is the Corporate Secretary.

Ramon Herrera has been a soccer player and active in soccer since 1979. He is a member of the El Union Soccer Club of Sacramento. In addition to playing, Mr. Herrera works where he participates on team and league development. He manages an annual budget of \$30,000 and promotes soccer league development. Mr. Herrera opened La Pantera Club, a nightclub primarily focused on providing entertainment to the Hispanic population, in 1992. He will continue to be active in La Pantera Club on a daily basis, as the club is only open on Thursdays through Sundays during the evening. He will act as a General Manager and the head of team development on a daily basis in Soccer Planet, which will be open primarily during the day, seven days a week.

The Developer has hired three experienced advisors who will be assisting in the operations of the facility during the start-up years. Two of the advisors, Ronald Preble and Chris Hawken, currently work for the Sacramento Knights Soccer Club as the Vice President of Soccer Operations and General Manager, respectively. They will oversee the establishment of soccer leagues and assist with team development. Sergio Rodriguez, the primary advisor for new team development, has been the manager of the Cruz Azul Soccer Club for over 32 years.

Consuelo Herrera assists with operational management for La Pantera Club. She will not be active on a daily basis in Soccer Planet, but will provide advice on the operational management of the facility. She is also a very active Advisory Board Member of the Franklin Boulevard Business Association. This is a public organization with the mission of improving the Franklin District Area.

Sources and Uses of Funds: A summary of the development budget for the Project, including the Uses of Funds for hard construction costs and related soft costs, is included below. The construction costs were prepared in April 2007 by general contractor Cal Ram Construction Company, based on Comstock Johnson, Peabody Engineering and Garth Ruffner plans.

The conventional debt amount can be justified by underwriting analysis of the project's projected ability to service conventionally-priced debt capital while still providing a reasonable return on the developer's equity investment.

Soccer Planet

Building Square Feet	56,750	
Acreage	10	
Year Built	New Construction	
Sources of Funds	<u>Per Square Foot</u>	<u>Total</u>
Permanent Financing	\$ 116.30	6,600,000
SBA/CDC 504 loan	35.24	2,000,000
SHRA loan	19.38	1,100,000
Developer Equity	33.48	1,900,000
TOTAL SOURCES	\$ 204.41	\$ 11,600,000
Uses of Funds	<u>Per Square Foot</u>	<u>Total</u>
Land	\$ 20.10	\$ 1,140,562
Construction Costs		
Building and One Outdoor Field	147.88	8,392,000
Contingency (7%)	10.62	602,438
Interest Reserve (7%)	10.57	600,000
Equipment & Furnishings	7.49	425,000
Financing Cost		
Loan Fees and Escrow Costs	7.75	440,000
TOTAL USES	\$ 204.41	\$ 11,600,000

Operating Pro Forma: Projections of revenue and expense for the construction period through the twentieth year of operations are summarized on page 10 below. Local teams will pay a rental fee for each session. At the end of the two-month session, either the teams renew or new teams are organized and a league is formed to play for another two months. Most of the anticipated revenues for the facility will be generated from the rental fees of the various teams. Each team will pay \$700 to play one session (eight games), on the indoor soccer fields, \$550 per session on the mini field and \$1,200 per session on the outdoor field for a total of approximately \$1,400,000 per year.

Other sources of income include 5,000 square feet of retail space and advertising revenue. The retail income is estimated at \$150,000 per year. The Developers propose leasing a snack bar and soccer apparel store to tenants. The advertising revenue will be derived from billboards for the outdoor field, dasher boards for the

indoor fields, scoreboards for both, naming rights to all the fields and web page advertising that should exceed \$200,000 annually.

Schedule of Performances: The OPA includes the following schedule leading to construction and operation of the Project.

Soccer Planet

- | | |
|---|----------------|
| 1. Conditional Use Permit Approval | April 5, 2005 |
| 2. County Approval of Plans & Issue Building Permit
2008 | February March |
| 3. Construction Start | Spring 2008 |
| 4. Complete Construction | Spring 2009 |

**Soccer Planet
Cash Flow Proforma**

	Construction Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20
Sales - 2 Indoor Fields		\$ 786,240	\$ 851,760	\$ 891,072	\$ 943,488	\$ 1,166,256	\$ 1,293,365	\$ 1,293,365
Sales - Mini Indoor Field		307,800	333,450	348,840	369,360	456,570	508,108	508,108
Sales - Outdoor Field		312,480	312,480	348,192	370,512	424,080	445,284	445,284
Advertising Revenue		229,320	229,320	248,976	275,184	445,536	515,970	515,970
Rental Income		150,000	153,000	156,060	159,181	175,749	194,041	214,237
Gross Income		\$ 1,785,840	\$ 1,880,010	\$ 1,993,140	\$ 2,117,725	\$ 2,668,191	\$ 2,956,768	\$ 2,976,963
Advertising & Promotions		\$ 18,000	21,000	24,000	27,000	42,000	54,698	69,810
Insurance		21,000	21,000	21,000	22,200	24,000	32,089	40,955
Misc		8,700	10,200	12,000	14,400	26,400	39,382	50,263
Office Expense		3,000	3,600	4,200	4,800	9,600	13,127	16,754
Professional Services		9,000	10,800	12,000	14,400	21,600	29,172	37,232
Repairs & Maintenance		12,000	14,400	16,800	19,200	31,200	40,112	51,194
Security		3,000	4,500	6,000	7,200	13,200	17,503	22,339
Taxes & License		132,000	134,640	137,333	140,079	154,659	170,756	188,529
Utilities		50,100	51,600	55,200	58,200	72,000	91,163	116,350
Wages		180,000	210,000	240,000	270,000	420,000	546,978	698,098
Total Operating Expenses		\$ 436,800	\$ 481,740	\$ 528,533	\$ 577,479	\$ 814,659	\$ 1,034,981	\$ 1,291,523
Net Operating Income		\$ 1,349,040	\$ 1,398,270	\$ 1,464,607	\$ 1,540,246	\$ 1,853,532	\$ 1,921,787	\$ 1,685,441
Lender - 1st Trust Deed	\$ 6,600,000	(719,364)	(719,364)	(719,364)	(719,364)	(719,364)	(719,364)	(719,364)
SBA 504 2nd Trust Deed	\$ 2,000,000	(182,496)	(182,496)	(182,496)	(182,496)	(182,496)	(182,496)	(182,496)
Cash After Permanent Loan Payment		\$ 447,180	\$ 496,410	\$ 562,747	\$ 638,386	\$ 951,672	\$ 1,019,927	\$ 783,581
Debt Coverage Ratio for Permanent Loan		1.50	1.55	1.62	1.71	2.06	2.13	1.87
Agency Debt Service								
Agency Debt								
Beg. Balance	\$ 1,100,000	\$ 1,171,500	\$ 1,247,648	\$ 1,328,745	\$ 1,285,061	\$ 1,020,173	\$ 657,253	\$ 160,022
Plus Interest	\$ 71,500	\$ 76,148	\$ 81,097	\$ 86,368	\$ 83,529	\$ 66,311	\$ 42,721	\$ 10,401
Less Payment	\$ 0	\$ 0	\$ 0	\$ (130,052)	\$ (130,052)	\$ (130,052)	\$ (130,052)	\$ (130,052)
Ending Balance	\$ 1,171,500	\$ 1,247,648	\$ 1,328,745	\$ 1,285,061	\$ 1,238,537	\$ 956,432	\$ 569,922	\$ 40,371
Combined Debt Coverage Ratio		1.50	1.55	1.42	1.49	1.80	1.86	1.63
Net Cash After Distribution	\$ 0	\$ 447,180	\$ 496,410	\$ 432,695	\$ 508,333	\$ 821,619	\$ 889,874	\$ 653,528

RESOLUTION NO. 2008 –

Adopted by the Redevelopment Agency of the City of Sacramento

on date of

APPROVAL OF AN OWNER PARTICIPATION AGREEMENT (OPA) TO LOAN AN AMOUNT NOT TO EXCEED \$1,100,000 TO SOCCER PLANET, INC. FOR THE CONSTRUCTION OF A SPORTS FACILITY

BACKGROUND

- A. Soccer Planet, Inc. (Developer) owns 3700 - 47th Avenue (APN#:275-0042-007 and 008) and desires to construct a two-story commercial building on the property.
- B. Developer approached the Redevelopment Agency of the City of Sacramento for a loan of \$1,100,000 in order to assist with the construction of the building for two indoor soccer fields, a mini indoor field and an outdoor soccer field.
- C. The Project will eliminate blighting conditions and is consistent with the Franklin Boulevard Redevelopment Plan and Implementation Plan goals of creation of additional employment opportunities for Project Area residents and maximize private participation and investment in the redevelopment effort.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

Section 1. All of the evidence presented having been duly considered, the findings, as stated above, are approved. The Mitigated Negative Declaration has been considered and the Agency finds that all significant impacts of the Project have been mitigated pursuant to the Mitigated Negative Declaration and the Mitigated Negative Declaration is adequate to cover the construction of the Property.

Section 2. The Agency Budget is hereby amended to transfer the following to the Soccer Planet Project: \$1,100,000 Franklin Boulevard Tax Increment.

Section 3. The Interim Executive Director is authorized to execute the OPA (Exhibit A) and the Loan Agreement and all related documents, subject to approval as to form by Agency counsel, and to take all actions to implement the OPA.

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Exhibit A – Owner Participation Agreement

OWNER PARTICIPATION AGREEMENT
Using Funds from Project Area Tax Increment

Redevelopment Agency of the County of Sacramento
Franklin Boulevard Redevelopment Project Area
Soccer Planet
3100 47th Avenue, Sacramento, CA

OWNER PARTICIPATION AGREEMENT
Project Area Tax Increment

Redevelopment Agency of the County of Sacramento
Franklin Boulevard Redevelopment Project Area
Soccer Planet
3100 47th Avenue, Sacramento, CA

THE REDEVELOPMENT AGENCY OF THE COUNTY OF SACRAMENTO, and UNKNOWN SOCCER PLANET, INC. also called Agency and Developer, respectively, enter into this Owner Participation Agreement, also called OPA, as of _____, 2008. For purposes of this Agreement, the capitalized terms shall have the meanings assigned in Section 14.

RECITALS

A. This OPA is made in accordance with provisions of the Redevelopment Plan for participation by property owners in redevelopment of the project area (adopted in accordance with California Health & Safety Code Section 33339).

B. Ramon and Consuelo Herrera, the principals of the Developer, are the owners of real property located at 3100 47th Avenue, Sacramento, CA, in the County of Sacramento, California, more particularly described in attached Exhibit 1: Legal Description, which is incorporated into this OPA by this reference. The Property is located in Franklin Boulevard Redevelopment Project Redevelopment Project Area and is subject to the Project Area's Redevelopment Plan.

C. The Agency is participating in this OPA because this OPA is consistent with, and furthers, the Redevelopment Plan and the Implementation Plan. Specifically and without limitation, the Agency has determined that the Project will eliminate the following blighting influences: low or stagnant property values and impaired investment in the Project Area and high number of property vacancies, low rents, and a high number of vacant lots. The Agency has also determined that the Project will meet the following goals of the current "Implementation Plan" adopted for the Project Area: Promotes neighborhood with commercial activity and eliminate blighting conditions which hinder economically viable uses of the surrounding properties.

D. In order to accomplish such Agency goals and purpose, the OPA provides that the Developer will redevelop the Property in the manner and for the uses described in this OPA. Therefore, Developer desires to develop the Property, and Agency desires to assist development of the Property, on the terms and conditions in this OPA.

AGREEMENT

NOW THEREFORE, in consideration of the following mutual covenants, obligations and agreements and for other good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

1. **PROJECT DESCRIPTION.** The Project being assisted with the Agency Funding is the following: Construction of a 56,750 square foot building. The development will include two, full-size indoor soccer fields, a mini-indoor soccer field (on the mezzanine level) and a full-size outdoor soccer field. Retail space related to the soccer fields will also be created.

2. **AGENCY FUNDING.** Agency is providing funding to the Project under the Funding Agreement for development of the Project as described in Section 1. If Developer fails to develop the Project as and when required by this OPA, Developer must repay the Agency Funding as provided in the Funding Agreement. As a condition of Agency's obligation to provide the Agency Funding and in consideration of the Agency Funding, Agency is purchasing from Developer, and Developer is selling to Agency, an operating covenant to assure the operation of the Project as described in Section 1, as well as other obligations and restrictions, including without limitation, use restrictions, as evidenced by the Regulatory Agreement

3. **PREPARATION AND APPROVAL OF PLANS AND RELATED DOCUMENTS.** This OPA is a financing document of the Agency and not a land use or planning document. Approval of the Project under this OPA by the Agency is not and shall not be considered an approval of land use entitlements or structural design of the Project, or the aesthetic design of the Project except as an approval by the Agency of the Project design concept as presented in this OPA. Developer shall comply with all applicable land use, planning and design laws, rules and regulations of each governmental agency acting in proper exercise of their respective jurisdictions, including without limitation, departments, staff, boards and commissions of the County. The Agency shall have the right, but not the obligation, to review Plans to assure their conformity with the provisions of this OPA and approvals given under this OPA. Based upon such review, the Agency shall have the right to approve or reject the Plans for reasonable cause. Agency's right of review includes, without limitation, the right to review architectural and engineering plans and specifications, off-site plans and specifications, and landscaping designs and specifications. Agency's approval of Plans is not an assurance of their adequacy or correctness. Agency has reserved approval rights solely: (a) to assure that the Plans further the Redevelopment Plan; (b) to assure that the Final Plans conform to the Preliminary Plans; and (c) to assure that any Agency funds which may be obligated under this OPA are used as intended by the Agency.

3.1. **CONCURRENT REVIEW.** Agency agrees that its review of the Final Plans shall occur prior to or concurrently with County's review of such plans, so as not to delay the commencement and progress of Project development. Agency agrees that its review of the Final Plans is strictly limited to making a determination that the Final Plans conform to the architectural designs (but not the detailed schematics, if any) presented in the Plans, the Scope of Development, the uses permitted on the Property and the Redevelopment Plan.

3.2. **PRELIMINARY PLANS.** Developer has provided Agency with Preliminary Plans, and the Agency has approved the Preliminary Plans concurrently with this OPA. The Agency has been induced to undertake its obligations under this OPA by Developer's promise to develop the Project in accordance with the Plans, the Scope of Development and the provisions of this OPA.

3.3. PREPARATION OF FINAL PLANS AND RELATED DOCUMENTS. Developer shall prepare the Final Plans that shall include all construction plans, drawings, specifications and other documents necessary to obtain all required building permits for the construction of the Project. Developer shall submit the Final Plans to the Agency for Agency's review. The Final Plans shall conform in all material respects to the Preliminary Plans and the Scope of Development. To the extent that the Preliminary Plans and Scope of Development have insufficient detail or are unclear, the Preliminary Plans shall be deemed to provide that the Project shall contain high-quality materials, and shall conform to all applicable zoning, design and usage guidelines. The Final Plans shall be considered to include all changes or corrections approved as provided in this OPA. The Final Plans shall incorporate all related mitigation measures required for compliance with CEQA approvals, as stated in the Mitigation Monitoring Plan. Developer agrees that it will comply with the requirements of the Design Review Board to the extent of its jurisdiction.

3.4. DELIVERY. Developer shall deliver the Final Plans or changes to the Final Plans for Agency review as soon as available. Said delivery shall be made to the office of the Agency Clerk and shall have clearly marked on its exterior "URGENT: Soccer Planet PROJECT PLAN REVIEW" or the equivalent.

3.4.1. DEEMED APPROVAL. The Final Plans or changes to the Final Plans shall be deemed approved unless disapproved in whole or in part, in writing, within fifteen (15) days after their proper delivery to Agency.

3.4.2. AGENCY DISAPPROVAL. If Agency disapproves, in whole or in part, the Final Plans or any change to the Final Plans, Agency shall state, specifically and in writing, at the time of disapproval, the reasons for disapproval and the changes which the Agency requests to be made. Agency's reasons for disapproval and such Agency-requested changes shall be consistent with the Preliminary Plans, the Approved Final Plans, the Scope of Development and with any items previously approved under this Section 3. If the Agency rejects the proposed Final Plans, Developer shall obtain no rights to develop the Property under this OPA and Agency shall have no obligations regarding the Project until such time as Developer has modified the proposed Final Plans and received the Agency's approval of the Final Plans as modified.

3.5. GOVERNMENTAL CHANGES. If any revisions or corrections of the Final Plans shall be required by any government official, agency, department or bureau in exercise of its proper jurisdiction, the Developer shall inform the Agency. If Agency and Developer concur in writing with the required change, Developer shall incorporate the change and it shall be deemed approved by Agency. If Agency or Developer reasonably disagree with the required change, they shall reasonably cooperate with the agency requiring the change in efforts to develop a mutually acceptable alternative.

3.6. APPROVAL OF SUBSTANTIAL CHANGES TO FINAL PLAN. If the Developer desires to make any substantial changes in the Final Plans as approved by the Agency, the Developer shall submit such proposed changes, in writing, to the Agency for its approval. The Final Plans shall be construed to include any changes approved in the same manner as for approval of the original Final Plans. The Agency shall approve or disapprove the proposed change as soon as practicable. Nothing in this Section shall be construed to relieve Developer of its obligations under all applicable laws regarding such changes.

3.6.1. SUBSTANTIAL CHANGE. A substantial change in the Final Plans shall include, without limitation, the following changes, excluding those items generally considered to be tenant improvements. For purposes of this Section 3.6.1, a “material change” is a change that is material to the Agency in accomplishing its purposes under this OPA.

- a) Material changes in the layout, elevation design, square footage.
- b) Material changes in use of exterior finishing materials substantially affecting architectural appearance or functional use and operation.
- c) Material changes in site development items for the Property that are specified in the Final Plans.
- d) Any changes requiring approval of any city, county or state board, body, commission or officer, or any change required by any city, county or state board, body, commission or officer.
- e) Any change which would preclude or materially reduce the ability to use the Project as intended by this OPA.

3.6.2. MISREPRESENTATION. If the Agency’s approval of the Final Plans is reasonably based upon a material misrepresentation to Agency by Developer or by anyone on Developer’s behalf, the Agency may, within a reasonable time after discovery of the misrepresentation, take any action permitted by law with regard to any such misrepresentation, notwithstanding Agency’s prior approval, including without limitation, rescission of the approval or such other equitable remedies as may then be appropriate to such rescission.

4. DEVELOPMENT PROVISIONS. As stated in detail in this Section 4, Developer shall construct and manage the Project according to the requirements established in this OPA, which includes, without limitation, the Scope of Development, the Schedule of Performances and the Plans. Developer shall promptly begin, diligently prosecute and timely complete the construction of the Project. In interpreting the provisions of this OPA, the provisions that specifically enforce the Redevelopment Plan and the applicable provisions of the California Redevelopment Law [commencing at Health and Safety Code Section 33000] shall control.

4.1. CONSTRUCTION CONTRACTS. Developer shall submit to Agency the construction contract for the Project. Agency’s review of the construction contract shall be only for determining its compliance with this OPA. If the cost of construction of the Project or any part of the Project exceeds the costs projected by Developer, Developer shall, nevertheless, bear the responsibility to complete, at Developer’s cost, the construction of the Project in accordance with this OPA.

4.2. GOVERNMENTAL REVIEW PROCESS. Notwithstanding any other provision of this OPA, Developer is subject to all building, planning, design and other plan review requirements that are otherwise applicable to the project, including without limitation those of the County of Sacramento.

4.3. SUBSTANTIAL CHANGES. Developer covenants and agrees that Developer shall not make or permit to be made any construction of the Project which incorporates a substantial

change in the Final Plans, as described in Section 3.6, without Agency approval of such changes as provided in Section 3.6.

4.4. LOCAL, STATE AND FEDERAL LAWS. The Developer shall assure that the construction of the Project is carried out in conformity with all applicable laws and regulations, including all applicable federal and state labor standards. Developer acknowledges and agrees that all wage and hour laws and other labor laws as applicable, including without limitation prevailing wage requirements, are the sole responsibility of Developer and Developer's contractors and subcontractors. Developer and its contractors and subcontractors have undertaken to ascertain the applicability of such laws prior to preparation of the final Project budget and have included the costs arising from such laws in the final Project budget. Developer shall keep, or cause to be kept, all records and make all payments, of any kind, that may be required for compliance with said laws and regulations. Before commencement of construction or development of any buildings, structures or other work of improvement upon the Property, Developer shall at its own expense secure any and all certifications and permits which may be required by any governmental agency having jurisdiction over such construction, development or work. Developer shall permit only persons or entities which are duly licensed in the State of California, County of Sacramento and City of Sacramento, as applicable, to perform work on or for the Project.

4.5. PREVAILING WAGES. The California Department of Industrial Relations has undertaken the aggressive and expansive enforcement of prevailing wage laws for redevelopment projects. This is a market rate loan to be repaid in full. Developer has had the opportunity to meet with Developer's legal counsel and to request a determination from the Department of Industrial Relations regarding the applicability of prevailing wage requirements to this Project. Developer has made its independent determination of the applicability of prevailing wage laws and has independently implemented such determination. Developer, therefore, indemnifies, holds harmless and defends the Agency from all additional wages, benefits, fees, penalties, fines, legal fees, court costs, arbitration costs, and other costs arising from Developer's determinations and actions related to prevailing wage obligations for the work of this OPA.

4.6. PUBLIC SAFETY PROTECTIONS. Developer shall assure that all necessary steps are taken (including the erection of fences, barricades and warning devices) to protect private contractors and their employees and the public from the risk of injury arising out of the condition of the Property or Developer's activities in connection with the Property, including without limitation, fire, or the failure, collapse or deterioration of any improvements or buildings.

4.7. NONDISCRIMINATION IN CONTRACTING AND EMPLOYMENT. Developer for itself, Manager, the General Contractor and their respective successors and assigns, agrees that the following provisions shall apply to, and be contained in all contracts and sub-contracts for the construction of the Project.

4.7.1. EMPLOYMENT. Developer shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, marital status, creed or national origin. The Developer will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, religion, sex, marital status, or national origin. Such action shall include, but not limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Developer agrees to post in conspicuous places, available to employees

and applicants for employment, notices to be provided by the Agency setting forth the provisions of this nondiscrimination clause.

4.7.2. **ADVERTISING.** Developer will, in all solicitations or advertisements for employees placed by or on behalf of the Developer, state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, sex, marital status, or national origin.

4.8. **PUBLIC IMPROVEMENTS.** Developer shall, at Developer's expense as a Project cost, undertake and complete any modification, construction, relocation or improvement of public facilities, improvements and utilities for the development of the Property.

4.9. **AGENCY ACCESS TO THE PROPERTY.** Developer shall permit Agency representatives access, without charge, to the entire Property at any time and for any purpose which Agency reasonably considers necessary to carry out its obligations and protect its interests under the OPA. Purposes for Agency entry may include, without limitation, inspection of all work being performed in connection with the construction of the Project.

4.10. **PROJECT SIGN.** If Developer places a sign on the Property during construction stating the names of the Project participants, it shall also name "Sacramento Housing and Redevelopment Agency" as a participant in the Project. The Agency name on the sign shall be in letters not less than size of letters used to name any of the other participants.

4.11. **CERTIFICATE OF COMPLETION.** After the Agency has determined that Developer has completed the construction of the Project in accordance with the Final Plans and Developer's obligations under this OPA, the Agency will furnish the Developer with a "Certificate of Completion" certifying such completion. Such certification shall be a conclusive determination of satisfaction and termination of the agreements and covenants in the OPA with respect to the obligations of the Developer to construct the Project as of the Completion Date, subject to any qualifications or limitations stated in such certification. Agency shall prepare and execute each Certificate of Completion in a form suitable for recording in the Official Records of Sacramento County.

4.11.1. Such certification and such determination shall not constitute evidence of compliance with any governmental requirements regarding the Project other than those of Agency or satisfaction of any obligation of the Developer to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance all or any part of the Project. Such certification and such determination shall not constitute evidence of compliance with or satisfaction of any provision of this OPA that is not related to construction of the Project.

4.11.2. If the Agency fails to provide a Certificate of Completion within fifteen (15) days after written request by Developer, the Agency shall, within an additional fifteen (15) days after a second written request by the Developer, provide the Developer with a written statement, indicating in adequate detail in what respects the Developer has failed to complete the Project in accordance with the provisions of the OPA, or is otherwise in default, and what measure or acts it will be necessary, in the opinion of the Agency, for the Developer to take or perform in order to obtain such certification.

4.12. **CONSTRUCTION PERIOD EXTENSION FEE.** If Developer does not complete the construction of the Project on or before the Completion Date stated in the Schedule of

Performances, Developer shall pay to Agency, monthly, in advance, on the first day of each month beginning the calendar month following the Completion Date, a construction period extension fee of Twenty Five Dollars and No Cents Dollars (\$25.00) for each day by which the completion of construction is delayed beyond said completion date. Construction Extension Fees due for days of delay occurring prior to the first payment date shall be paid in arrears at the time of the first payment under this Section 1. The number of days used in computation of the Construction Extension Fee shall be reduced by the number of days of Unavoidable Delay. Failure to pay Construction Extension Fees when due is a material default of this OPA. Any unearned portion of an advance payment of any such extension fee shall be refunded by the Agency within thirty (30) days of completion of construction, or of termination of the OPA. Agency shall have the option to terminate, upon ten (10) days prior written notice, Developer's rights to unpaid Construction Extension Fees and to declare Developer in material default of this OPA. In any event, Construction Extension Fees shall not be accepted for a time period greater than six months, at which time Developer shall be deemed in material default of this OPA.

4.13. **REPORTS.** During the period of construction, the Developer shall submit to the Agency a written report of the progress of the work as and when reasonably requested by the Agency, but not more often than once each month.

4.14. **NOTIFICATION OF GENERAL CONTRACTORS, ARCHITECTS AND ENGINEERS.** Developer shall assure that the respective parties through the Project Documents have the responsibility of notifying the Project contractors, architects and engineers for the Project of the requirements of this OPA. Developer shall include, where applicable, the provisions of this OPA in construction contracts and subcontracts for the Project, and Developer shall undertake the enforcement of such provisions.

4.15. **PROPERTY CONDITION.** Except as provided in this OPA, if the condition of the Property is not in all respects entirely suitable for the use or uses to which the Property will be put, it is the sole responsibility and obligation of the Developer to take such reasonable actions as may be necessary to place the condition of the Property in a condition which is entirely suitable for its development in accordance with the construction plans and drawings approved by Agency.

4.16. **ZONING OF THE PROPERTY.** Agency exercises no authority with regard to zoning of the Property. Developer shall assure that zoning of the Property at the time of development shall be such as to permit the development and construction, use, operation and maintenance of the Project in accordance with the provisions of this OPA.

4.17. **NO WORK PRIOR TO CLOSE OF ESCROW.** Prior to Close of Escrow, Developer shall not commence any work or take any action that might be construed as commencement of the work of the Project for establishment of mechanic's lien rights.

5. **DEVELOPMENT FINANCING.** Developer shall be responsible for and shall pay all costs of developing the Project except as otherwise provided in this OPA. As a condition precedent to Agency's obligation to provide the Agency Funding, Developer shall provide the Agency with a complete and firm Project budget including all proposed sources and uses of funds, all "hard" and "soft" costs and contingencies and reflecting, as possible, firm bids or accepted contracts and with evidence of sufficient funds to meet all budget requirements. To the extent that funds specified in this OPA for the Project are insufficient to fully fund the Project, the Developer shall provide evidence, satisfactory to the Agency, of the additional required construction and

permanent financing. Except as expressly provided in this OPA, no party shall have the right of reimbursement for any funds expended by them for the Project. Agency is not obligated by this OPA or otherwise to make any contribution beyond its obligations stated in this OPA.

5.1. EVIDENCE OF AVAILABLE FUNDS. Unless otherwise approved by the Agency, Developer's evidence of available funds must include only the following: (a) Developer equity (as provided in Section 5.3); (b) firm and binding loan commitments (as provided in Section 5.2) from each Lender, in form and content acceptable to Agency; and (c) Agency contribution, if any, as specified in this OPA. Within ten (10) days after Agency's request, Developer shall provide all additional information requested by the Agency for evaluation of the actual availability of funds included in such evidence, including without limitation, requests for clarification, further evidence or audited financial reports.

5.2. COMMITMENT AND LOAN REQUIREMENTS. As a material obligation under this OPA, Developer shall assure that the loan documents for the Project are consistent with the Lender's commitment approved by the Agency and comply, in all respects, with this OPA. The Agency may reject a loan commitment unless such commitment: (a) is subject only to Lender's reasonable conditions of title and Developer's execution of standard loan documents (copies of which have been previously provided to and approved by the Agency); (b) contains only usual, customary, and commercially reasonable loan terms; (c) continues in effect until a time when subject financing is reasonably expected to be required; and (d) for construction financing, provides for an Agency Funding term not less than that specified in the Schedule of Performances for completion of construction and any additional time necessary to fulfill all conditions precedent to funding of permanent financing. The Agency may also reject any commitment if it is based upon sources and uses of Project funds that are different from those approved by Agency for the Project. The Agency may also reject any commitment that requires changes to the Project which conflict with this OPA, that requires amendment of this OPA or that requires the Agency to enter into agreements with any Lender, guarantor, equity partner or any other third-party.

5.3. EVIDENCE OF DEVELOPER EQUITY. Unless otherwise agreed in writing by the Agency, Developer may provide evidence of equity by any one or more of the following actions: (a) a deposit of the required equity in a joint account with the Agency, which funds shall be released only upon the joint signatures of the Agency and the Developer; (b) delivery to Agency of an unconditional, irrevocable letter of credit in the amount of the required equity, in form and content as provided by the Agency, which letter of credit shall provide that the Agency may draw to fulfill any Developer obligation related to the development of the Project and necessary to assure its timely and proper completion; or (c) Developer's provision of financial statements prepared by a certified public accountant that show liquid assets available to the Project (and not subject to other existing or contingent claims) in the amount of One Hundred and Fifty Percent (150%) of the amount of the required equity. Developer shall not provide evidence of equity that includes funds not available at the commencement of construction or that claims as equity any funds to be generated by development of the Project, including without limitation, anticipated Developer profit or fees or Developer contribution of services to the Project. The Agency may reject any submitted evidence of equity if the Agency has any reason to believe that such funds may not be available to the Project.

6. USE COVENANTS. Developer shall own and manage the Property in accordance with the provisions of this OPA.

6.1. NONDISCRIMINATION. Developer covenants by and for itself, its heirs, executors, administrators and assigns, and all persons claiming under or through it, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property and the Project, nor shall the Developer or any person claiming under or through it, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in Property and the Project. The foregoing covenants shall run with the land.

6.2. REGULATORY AGREEMENT. Developer covenants by and for itself, its heirs, executors, administrators, and all persons claiming under or through it, that the Property shall be used strictly in accordance with the provisions of the Regulatory Agreement.

7. INDEMNIFICATION. Developer shall indemnify, protect, defend and hold harmless Agency, its officers, directors, commission members, employees, advisory committee members, and agents from any and all liability from bodily injury, death and property damage caused by or resulting from the acts or omissions of Developer, its officers, employees, agents or independent contractors and for any and all costs incurred by Agency in defending against such liability claims, including attorney's fees, except for injury, death or property damage caused by the negligent act or willful misconduct of Agency.

Agency shall indemnify, protect, defend and hold Developer harmless from any and all liability from bodily injury, death and property damage caused by or resulting from the acts or omissions of Agency, its officers, commission members, employees, advisory committee members or agents and for any and all costs incurred by Developer in defending against such liability claims, including attorney's fees, except for injury, death or property damage caused by the negligent act or willful misconduct of Developer.

This indemnification provision shall survive the termination of this agreement.

8. INDEMNIFICATION FOR HAZARDOUS SUBSTANCES. Developer shall indemnify, protect and defend Agency, its respective officers, directors, commission members, employees, advisory committee members, and agents, and hold them harmless from any and all liability, costs, fees, penalties and claims related to: (a) the removal, discharge or release of Hazardous Substances on the Property after Developer has taken possession of the Property; or (b) the existence of Hazardous Substances on the Property, which were not on the Property prior to Developer's taking possession of the Property.

9. LIABILITY INSURANCE. With regard to this OPA, the Developer shall obtain and maintain, and require the contractor and subcontractors for the Project to obtain and maintain, such insurance as will protect them, respectively, from the following claims which may result from the operations of the Developer, any contractor, subcontractor or anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable: (a) claims under workers' compensation benefit acts; (b) claims for damages because of bodily injury, occupational sickness or disease, or death of its employees; (c) claims for damages because of bodily injury, sickness or disease, or death of any person other than its employees; (d) claims for damages insured by usual personal injury liability coverage which are sustained (1) by any

person as a result of an offense directly or indirectly related to the employment of such person by the Developer, or (2) by any other person; claims for damages, other than to the construction itself, because of injury to or destruction of tangible property, including resulting loss of use; (e) claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance or use of any motor vehicle; and (f) claims for contractual liability arising from the Developer's obligations under this OPA.

9.1. LIABILITY INSURANCE POLICY LIMITS. Developer shall assure that the insurance required by this Section shall be written with a deductible of not more than TWENTY-FIVE THOUSAND DOLLARS (\$25,000).

9.2. WORKER'S COMPENSATION. Worker's compensation coverage shall be written for the statutory limits as required by the California Labor Code (commencing with Section 3700, as it may, from time to time, be amended) and having an employer's liability of not less than \$1,000,000 or statutory limits, whichever are greater.

9.3. COMPREHENSIVE GENERAL LIABILITY. Commercial general liability coverage shall include premises-operations, independent contractor's protective, products and completed operation (for four years), broad form property damage, and contractual liability coverage (or such other substantially similar coverage as may be approved by Agency Counsel). Such insurance shall have limits of liability which are not less than \$2,000,000, each occurrence, for bodily injury coverage; \$2,000,000 aggregate, for products and completed operations coverage; \$1,000,000 each occurrence for property damage coverage, single limit and aggregate; and which is the same as the foregoing coverages.

9.4. COMPREHENSIVE AUTOMOBILE LIABILITY. Comprehensive automobile liability coverage for any vehicle used for, or in connection with, the Project (owned, nonowned, hired, leased) having limits of liability which are not less than \$1,000,000.

9.5. FIRE, HAZARD AND EXTENDED COVERAGE INSURANCE. For the duration of OPA, Developer shall obtain and maintain fire and hazard insurance to the full insurable value of the Property with endorsements of extended coverage, vandalism, and malicious mischief, and with such other endorsements and in such amounts as the Agency may reasonably require to protect the Project. In the event of damage to the Project and subject to the requirements of Lender, Developer shall use the proceeds of such insurance to reconstruct the Project and the public improvements.

9.6. INSURANCE PROVISIONS. Each policy of insurance required under this OPA shall be obtained from a provider licensed to do business in California and having a current Best's Insurance Guide rating, or such other equivalent rating, as may reasonably be approved by Agency's legal counsel. Each policy shall contain the following provisions as applicable:

9.6.1. ADDITIONAL INSURED. During the term of construction, Agency shall be additional insured on all insurance policies, except the fire and hazard insurance and the worker's compensation policy, unless otherwise approved by Agency's legal counsel in writing.

9.6.2. SINGLE PROJECT INSURANCE. It is the intent of the parties that the Project have available all the specified insurance coverages. Developer shall not provide insurance coverages that are considered in aggregate with other Projects which Developer or its contractor might have concurrently under construction. The Agency may at its discretion permit an aggregate policy if

and only if Developer or the respective contractor has fully disclosed to Agency other projects which will or may be considered in aggregate with the Project, and thereafter, Developer shall immediately inform Agency of the change in or addition to any such projects. Nevertheless, Agency may, at any time require that the insurance coverage be provided solely for the Project.

9.6.3. CANCELLATION. Each policy shall bear an endorsement precluding cancellation or termination of the policy or reduction in coverage unless the Agency has been given written notice of such intended action at least thirty (30) days prior to its effective date.

9.6.4. FAILURE TO MAINTAIN. If Developer fails to obtain or maintain, or cause to be obtained and maintained, any insurance required by this OPA, the Agency shall have the right to purchase the insurance on Developer's behalf, and Developer shall promptly reimburse the full cost of such insurance to the Agency. If Developer fails to reimburse the Agency for insurance, the amount of unpaid reimbursement shall bear interest, at the maximum rate permissible under the law, until paid.

9.6.5. BLANKET COVERAGE. Developer's obligation to carry insurance as required under this Section 9 may be satisfied by coverage under a "blanket" policy or policies of insurance (as the term is customarily used in the insurance industry); provided, however, that the Agency shall nevertheless be named as an additional insured under such blanket policy or policies to the extent required by this Section, the coverage afforded the Agency will not be reduced or diminished thereby, and all of the other requirements of this Section 10 with respect to such insurance shall otherwise be satisfied by such blanket policy.

10. DEFAULTS AND REMEDIES. Except as otherwise provided in the OPA, if either party defaults in its obligations under this OPA, the defaulting party shall immediately commence and diligently proceed to cure the default within thirty (30) days after written notice of default from the other party or, if reasonable, such longer time as is reasonably necessary to remedy such default if such default cannot reasonably be cured within thirty (30) days for reasons beyond the control of the defaulting party, provided that the defaulting party shall promptly begin and diligently pursue such cure to completion. If the defaulting party does not promptly begin and diligently cure the default within a reasonable time, the other party may institute proceedings to cure the default, including without limitation, proceedings to compel specific performance by the defaulting party. Subject to any extension of time permitted by this OPA, a failure or delay by a party to perform any term or provision of this OPA constitutes a default of this OPA. As a condition precedent to termination of the OPA under this Section, each party shall first tender the return of all property or funds received from or on behalf of the other party. After such return of property and funds and termination of the OPA, neither Agency nor Developer shall have any further rights against or liability to the other under the OPA except as expressly set forth in this OPA to the contrary.

10.1. OTHER RIGHTS AND REMEDIES. Upon the occurrence of any default, and the expiration of any applicable notice and cure period without a cure having occurred within the specified cure period, the non-defaulting party shall have the right to institute such actions as it may deem desirable to remedy a default of this OPA as allowed under this OPA, at law or in equity

10.2. NONLIABILITY OF AGENCY OFFICIALS AND EMPLOYEES. No member, official or employee of Agency shall be personally liable to Developer, or any successor in interest, in the

event of any default or breach by Agency or for any amount which may become due to Developer or its successors, or on any obligations under the terms of this OPA.

10.3. ATTORNEY’S FEES AND RELATED COSTS. If an action is commenced between the parties, the prevailing party in that action shall be entitled to recover from the non-prevailing party all reasonable attorney fees and costs, witness fees, arbitrator’s fees, and court and arbitration costs. The term "prevailing party" shall include without limitation, the party who receives performance from the other party for an alleged breach of contract or a desired remedy where the performance is substantially equal to the relief sought in an action; the party who receives any award for relief through arbitration; or the party determined to be the prevailing party by a court of law. In any event, the prevailing party shall mean the party receiving a judgment, ruling or award that is more favorable than the last firm offer of settlement made by such party. Any award of damages following judicial remedy or arbitration as a result of the breach of this Agreement or any of its provisions shall include an award of prejudgment interest from the date of the breach at the maximum amount of interest allowed by law.

11. ENCUMBRANCE OF PROPERTY AND LENDER PROTECTIONS. Before issuance of a Certificate of Completion, the Developer may, upon written Agency approval, obtain a Loan and encumber the Property as security for the Loan, provided either that the proceeds of the Loan are used solely for construction of the Project improvements upon usual and customary and commercially reasonable terms or that the Loan is permanent project financing made upon usual and customary and commercially reasonable terms. After issuance of a Certificate of Completion, the Agency shall have no rights of approval regarding financing secured by the Property. As a condition to Agency’s approval of a Loan, Developer shall provide the Agency with a conformed copy of all documents related to the Loan. Agency acknowledges that a Lender will rely upon this OPA in making the Loan and that Agency’s obligations under this OPA are inducements to Lender’s making of the Loan.

11.1. NOTICES. If the Agency gives any notice of default to Developer under this OPA, the Agency shall contemporaneously give a copy of such notice to each Lender who has requested such notice in the following form of request for notice at the address stated in the such request for notice. Any such default notice that is not so delivered to Lender shall not be effective or binding with regard to Lender or otherwise affect Lender, but failure to deliver such default notice to Lender shall not affect its validity with respect to Developer. Lender shall use the following form for requesting notice:

[Date]

The undersigned, whose address for notices is stated immediately below its signature, does hereby certify that it is the Lender as such term is defined in that certain Owner Participation Agreement dated _____ between the Redevelopment Agency of the **County** of Sacramento and **Soccer Planet** (“OPA”). Lender requests, in accordance with Section 11.1 of the OPA, that if any default notice shall be given to Developer under the OPA, a copy of such default notice shall be given to Lender.

[Lender Name and Address for Notice]

11.2. ASSIGNMENTS AND TRANSFERS OF THE LOAN. Agency shall not be bound to recognize any assignment of the Loan or related encumbrance of the Property unless and until Lender has given Agency written notice of the name and address of the assignee (and if more than one person is an assignee, the designated name and address for notices) and such assignee

qualifies as a Lender under this OPA. Thereafter, such assignee shall be considered a Lender with respect to the Loan and the related encumbrance on the Property.

11.3. LENDER NOT OBLIGATED TO CONSTRUCT. Notwithstanding any of the provisions of the OPA, Lender shall not be obligated by the provisions of the OPA to construct or complete the Project. Nothing in this Section or any other provision of the OPA shall be construed to permit or authorize Lender to devote the Property to any uses, or to construct any improvements on the Property, other than those uses or improvements provided or permitted in the OPA.

11.4. LENDER'S OPTION TO CURE DEFAULTS. After any default of Developer's obligations under the OPA, each Lender shall have the right, at its option, to cure or remedy such default, within the time for cure allowed to Developer, and to add the cost of such cure to the debt and the lien secured by the Property. The Agency shall accept such performance as if it had been performed by Developer; provided, however, that such Lender shall not be subrogated to the rights of the Agency by undertaking such performance. If the breach or default relates to construction of the Project, however, Lender shall not undertake or continue the construction of the Project (beyond the extent necessary to conserve or protect Project or construction already made) unless Lender assumes, in writing satisfactory to the Agency, Developer's obligations to complete the Project on the Property in the manner provided in the OPA. Any Lender who properly completes the Project as provided in the OPA shall be entitled, upon written request made to the Agency, to Certificate of Completion from the Agency in a manner provided in the OPA. Such certification shall mean that any remedies or rights with respect to the Property that the Agency may have because of Developer's failure to cure any default with respect to the construction of the Project on other parts of the Property, or because of any other default of the OPA by the Developer shall not apply to the part of the Property to which such Certification relates. Nothing in this Section shall be deemed to limit, modify or release any claim or remedy that the Agency may have against the Developer for such default.

11.5. DEFAULT BY DEVELOPER. In the event of a default by Developer, Agency shall not terminate this OPA unless and until the Agency has given notice to Lender of such default, as provided in this Section 11.5 and Lender has failed to cure such default as provided in Section 11.5 provided, however that if such default cannot practicably be cured by the Lender without taking possession of the Property, then the Schedule of Performances (and, therefore, the Agency's right to terminate this OPA) shall be tolled if and so long as:

11.5.1. Lender has delivered to the Agency, prior to the date on which Agency is entitled to give notice of termination of this OPA, a written instrument satisfactory to Agency in which Lender or its designee unconditionally agrees that it will commence the cure of such default immediately upon Lender or its designee taking possession of the Property and will thereafter diligently pursue such cure to completion; provided, however, that neither the Lender nor its designee shall be obligated to pay damages to the Agency on account of such default, except to the extent of any monies due and unpaid from Developer.

11.5.2. Lender or its designee has rights to obtain possession of the Property (including possession by receiver) through foreclosure, deed in lieu of foreclosure or otherwise, and Lender or its designee promptly commences and diligently proceeds to obtain possession of the Property, and if Lender is prevented by court action or by any statutory stay from prosecuting foreclosure proceedings, that Lender is diligently seeking relief from such action or stay; and

11.5.3. Upon receiving possession of the Property, Lender or its designee promptly commences and diligently proceeds to cure such default.

11.5.4. From and after the cure of such Developer default, Lender or its designee is not required to obtain possession or to continue in possession of the Property. Nothing in this Section shall preclude the Agency from exercising any of its rights or remedies with respect to Developer during any period of such forbearance.

11.6. **FORECLOSURE.** Foreclosure of any encumbrance securing the Loan, or any sale under such encumbrance, whether by judicial proceedings or by virtue of any power contained in such encumbrance, or any conveyance of the Property from the Owner to the Lender or its designee through, or in lieu of, foreclosure or other appropriate proceedings in the nature of foreclosure, shall not require the consent of the Agency. Upon such foreclosure, sale or conveyance, the Agency shall recognize the resulting purchaser or other transferee as the Developer under this OPA, provided that such purchaser or transferee expressly assumes each and every obligation of the Developer under this OPA (except for the obligation to pay damages except to the extent of any monies due and unpaid from Developer under this OPA) by assumption agreement satisfactory to the Agency. If any Lender or its designee acquires Developer's right, title and interest under this OPA as a result of a judicial or nonjudicial foreclosure under any power contained in such encumbrance, or any conveyance of the Property from the Owner to the Lender or its designee through, or in lieu of, foreclosure or other appropriate proceedings in the nature of foreclosure, such Lender or its designee shall have the right to assign or transfer Developer's right, title and interest under this OPA to an assignee; provided, however, that the assignee or transferee shall thereafter be subject to all of the terms and conditions of this OPA.

11.7. **MODIFICATIONS.** No modification or amendment to the OPA which materially and adversely affects the Lender's interest in the Property shall be valid and effective unless the Lender's written consent to such modification or amendment has first been obtained, which consent shall not be unreasonably withheld.

11.8. **FURTHER ASSURANCES TO LENDERS.** Agency and Developer shall in good faith consider making such reasonable modifications to this OPA and executing such further instruments and agreements between them as a Lender may reasonably request, provided such modifications, instruments and agreements do not materially, adversely affect any party's expectations or benefit, rights or obligations under this OPA and provided such modifications, instruments, and agreements serve a material economic purpose.

11.9. **ESTOPPEL CERTIFICATE.** Any party may, at any time, request in writing of any other party to certify in writing that, to the knowledge of the certifying party, (i) this OPA is in full force and effect and a binding obligation of the parties; (ii) this OPA has not been amended or modified either orally or in writing, or, if so amended, identifying the amendments; and (iii) the requesting party is not in default in the performance of its obligations under this OPA, or, if in default, describing the nature and extent of any such defaults. A party receiving such a request shall execute and return such certificate to the requesting party, or give a detailed written response explaining why it will not do so, within ten (10) days following its receipt. The City Manager (as Agency's designee) shall be authorized to execute any such certificate requested by Developer from the Agency.

11.10. **PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER.** In reliance on the financial capability and experience of Developer, substantial public financing and other public aids have

been made available by law and by the federal and local governments to make development of the Property possible. Developer shall not, prior to issuance of a Certificate of Completion, assign Developer's interests or obligations under this OPA or undertake any act or transaction resulting in a significant change in the interests of the principals of Developer or the degree of their control of Developer without the prior written consent of Agency. The transfer or assignment, pursuant to this Section, requires the transferee or assignee to execute and deliver to Agency a valid, binding, written assumption of all obligations of Developer. Such a transfer as permitted in this Section 11 shall not relieve Developer, or any other party bound in any way by the OPA, from any of its obligations under the OPA. With respect to this provision, the Developer and the parties signing the OPA on behalf of the Developer represent that they have the authority of all of Developer's principals to agree to and bind them to this provision.

12. DOCUMENT INTERPRETATION. This OPA shall be interpreted in accordance with the following rules.

12.1. INTEGRATED DOCUMENTS; SEVERABILITY. This OPA and the documents incorporated in this OPA are to be considered as one document and default of any of them shall be considered a default of all of them. This OPA, including the incorporated documents, integrates all of the terms and conditions related or incidental to its subject matter, and supersedes all negotiations or previous agreements between the parties with respect to its subject matter. If any term or provision of this OPA shall, to any extent, be held invalid or unenforceable, the remainder of this OPA shall remain in full force and effect and the invalid or unenforceable provision shall be valid and enforceable as to any other person or circumstance.

12.2. CONFLICTING PROVISIONS. If conflicts are discovered in provisions of this OPA and such incorporated documents, this OPA shall control with regard to plan review and construction terms, the Funding Agreement shall control with regard to funding terms and the Regulatory Agreement shall control with regard to affordability restrictions. In any event, the conflicts shall be construed so as to meet the intent of this OPA.

12.3. WAIVERS AND AMENDMENTS. All waivers of the provisions of this OPA must be in writing and signed by Agency or Developer, as applicable, and all amendments to this OPA must be in writing and signed by Agency and Developer. Any delay by Agency in asserting any rights under this Section shall not operate as a waiver of such rights or to deprive Agency of or limit such rights in any way. Any waiver in fact made by Agency with respect to any specific default by Developer under this Section shall not be considered as a waiver of the rights of Agency with respect to any other defaults by Developer under this Section or with respect to the particular default except to the extent specifically waived in writing.

12.4. CAPTIONS, GENDER AND NUMBER. The section headings, captions and arrangement of this OPA are for the convenience of the parties to this OPA. The section headings, captions and arrangement of this instrument do not in any way affect, limit, amplify or modify the terms and provisions of this OPA. The singular form shall include plural, and vice versa, and gender references shall be construed to include all genders.

12.5. DRAFTER. This OPA shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared it. Unless otherwise indicated, all references to sections are to this OPA. All exhibits referred to in this OPA are attached to it and incorporated in it by this reference.

12.6. **MERGER.** All of the terms, provisions, representations, warranties, and covenants of the parties under this OPA shall survive the Close of Escrow and shall not be merged in the Grant Deed or other documents.

12.7. **TIME FOR PERFORMANCE.** In determining time for performance, it shall be construed that Agency and Developer shall each do the actions required of them, promptly and when specified in this OPA, and that each action specified in the Schedule of Performances shall be performed by the responsible party on or before the date scheduled for its completion.

12.8. **GOVERNING LAW.** This OPA shall be governed and construed in accordance with California law.

12.9. **INSPECTION OF BOOKS AND RECORDS.** Agency has the right, at all reasonable times, to inspect the books and records of Developer regarding the Property as reasonably necessary to carry out its purposes under this OPA.

12.10. **OWNERSHIP OF DATA.** If this OPA is terminated, for any reason, prior to the completion of the Project, Developer shall deliver to Agency any and all data acquired for development of the Property. Agency shall have full ownership and rights to use such data.

12.11. **SUCCESSORS.** This OPA shall inure to the benefit of and shall be binding upon the parties to this OPA and their respective heirs, successors, and assigns.

13. **NOTICES.** All notices to be given under this OPA shall be in writing and sent to the following addresses by one or more of the following methods:

13.1. Addresses for notices are as follows:

13.1.1. Agency: Redevelopment Agency of the County of Sacramento, 630 I Street, Sacramento, California 95814, Attention: Robert Stitt.

13.1.2. Developer: Soccer Planet, 9 Shorestone Court Sacramento, California 95831 Attention: Connie Herrera.

13.2. Notices may be delivered by one of the following methods:

13.2.1. Certified mail, return receipt requested, in which case notice shall be deemed delivered three (3) business days after deposit, postage prepaid in the United States Mail;

13.2.2. A nationally recognized overnight courier, by priority overnight service, in which case notice shall be deemed delivered one (1) business day after deposit with that courier;

13.2.3. Hand delivery with signed receipt for delivery from a person at the place of business of the receiving party and authorized to accept delivery for the receiving party, in which case notice shall be deemed delivered upon receipt, or

13.2.4. Telecopy, if a copy of the notice is also sent the same day by United States Certified Mail, in which case notice shall be deemed delivered one (1) business day after transmittal by telecopier, provided that a transmission report is automatically generated by the telecopier reflecting the accurate transmission of the notices to receiving party at the "Fax

Number” given in the Escrow Attachment or to such other address as Developer or Agency may respectively designate by written notice to the other.

14. DEFINITIONS.

14.1. “Agency” is the Redevelopment Agency of the City of Sacramento. The Agency is a public body, corporate and politic, exercising governmental functions and powers, and organized and existing under the Community Redevelopment Law of the State of California. The principal office of the Agency is located at 630 I Street, Sacramento, California 95814. Agency as used in this OPA includes the Redevelopment Agency of the City of Sacramento and any assignee of or successor to its rights, powers, and responsibilities. The Sacramento Housing and Redevelopment Agency is a joint powers agency which provides staffing for the operation of the Agency.

14.2. “Agency Funding” is the funding provided by the Agency under this OPA to Developer for the Project.

14.3. “Agency Funding Agreement” is the Construction and Permanent Loan Agreement.

14.4. “Certificate of Completion” is the certificate issued by the Agency certifying Developer's completion of the construction of the Project.

14.5. “CEQA” is the California Environmental Quality Act (commencing at Public Resources Code Section 21000), together with all rules and regulations promulgated under the statutes.

14.6. “County” is the County of Sacramento, a political subdivision of the State of California.

14.7. “Community Redevelopment Law” is the law governing redevelopment in the State of California and is found commencing at Health and Safety Code Section 33000.

14.8. “Completion Date” is the date on or before which Developer must complete the construction of the Project. The Complete Date for the Project is April 1, 2008.

14.9. “Construction Extension Fee” is the fee payable by Developer for each day by which the completion of construction is delayed beyond the date for completion of construction.

14.10. “Contractor” is the general contractor or contractors with whom Developer has contracted for the construction of the Project.

14.11. “Developer” is Soccer Planet, Inc., a California Corporation, Notwithstanding any other provision of this OPA, Developer may assign this OPA to a single asset entity in which Developer has a substantial interest and is the managing member, the general partner or the controlling shareholder and chief operations officer; provided (i) that the entity form and organizational documents have been approved by Agency Counsel, (ii) that the new entity has agreed in writing to be bound by all the provisions of this OPA and all agreements related to this OPA, and (iii) that the entity has been approved in writing, in advance, by the Agency's Executive Director. The principal office of the Developer is located at 9 Shorestone Court, Sacramento, CA 95831.

14.12. "Escrow" is the escrow for the transactions contemplated by this OPA.

14.13. "Escrow Instructions" means the escrow instructions for the close of the Escrow.

14.14. "Final Plans" are the full and final plans, drawings and specifications for the Project as described in, and approved by the Agency under, Section 3, which shall include all construction plans, drawings, specifications and other documents required to obtain all required building permits for the construction of the Project. The Final Plans may refer, as the context may indicate, to partial Final Plans prepared and submitted in accordance with this OPA. The Final Plans shall incorporate any related mitigation measures that may be required for compliance with CEQA. The Final Plans shall specifically include changes or corrections of the Final Plans approved as provided in this OPA. The Final Plans shall include all landscaping, on- and off-site work and artwork related to the Project. Except as approved by the Agency, the Final Plans shall conform in all material respects to all provisions of this OPA, including without limitation, the Preliminary Plans and the Scope of Development.

14.15. "Hazardous Substances" as used in this OPA shall include, without limitation to, all substances, wastes and materials designated or defined as hazardous or toxic pursuant to any of the following statutes, as they may be amended or superseded, from time to time: the Clean Water Act (33 U.S.C.1321 et. seq.); the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. 9601 et seq.); the Resource Conservation and Recovery Act (42 U.S.C. 6901 et seq.); the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101); the Environmental Protection Agency list of hazardous materials (40 CFR Part 302) and California Health and Safety Code Sections 25115, 25117, 25122.7, 25140 (Hazardous Waste Control Law), 25316 (Carpenter-Presley-Tanner Hazardous Substances Account Act), 25501 (Hazardous Materials Release Response Final Plans and Inventory) and 25281 (Underground Storage of Hazardous Substances); all applicable local regulations; and all regulations and promulgations pursuant to said laws.

14.16. "Legal Description" is the legal description of the various parcels of real property affected by this OPA. The Legal Description is attached as **Exhibit 1 Legal Description**.

14.17. "Lender" shall include all holders of any lien or encumbrance as security for a loan on all or any part of the Property. Each lender shall be a federal or state chartered financial institution, a pension fund, an insurance company or such other lender which Agency may approve in writing in advance, which approval Agency may withhold in exercise of its reasonable discretion and in consideration of the commercially reasonable protection of its interests under this OPA.

14.18. "Loan" is the loan or loans obtained from third parties for the construction or permanent financing, or both, of the Project.

14.19. "OPA" is this Owner Participation Agreement between Agency and Developer, including all documents incorporated in this OPA by reference.

14.20. "Preliminary Plans" are the Project designs prepared by the Project architect, Comstock Johnson Architects, dated November 22, 2006, a portion of which (consisting of various elevations) is attached as **Exhibit 2 Preliminary Plans**. Agency has approved the Preliminary Plans concurrently with the approval of this OPA.

14.21. "Plans" shall mean either or both Preliminary Plans and Final Plans as the context may indicate.

14.22. "Project" is all of the work to be accomplished under this OPA.

14.23. "Project Area" is the Franklin Boulevard Redevelopment Project Area, as defined in the Redevelopment Plan.

14.24. "Redevelopment Plan" is the redevelopment plan for the Project Area (as it may be amended from time to time) as adopted by the County Council of the County on June 17, 1986, by County Ordinance Nos. 86-064, 86-065, 86-066 and 86-067, Fourth Series. A copy of the Redevelopment Plan as initially adopted was recorded on July 29, 1986, in the Official Records of the County of Sacramento, in Book 86-07-29, beginning at pages 1633, 1738, 1690 and 1787, respectively.

"Regulatory Agreement" is the agreement containing covenants, conditions and restrictions, including without limitation, use restrictions, that run with the Property as a condition of Agency Funding.

14.25. "Schedule of Performances" is the schedule that establishes the dates by which obligations of the parties under this OPA must be performed and conditions of the OPA must be satisfied. The Schedule of Performances is attached as **Exhibit 3: Schedule of Performances**.

14.26. "Scope of Development" is the detailed description of the work to be done under this OPA for the Project. The Scope of Development attached as **Exhibit 4: Scope of Development**.

14.27. "Property" is that real property to be developed under this OPA, as more particularly described in the Legal Description. The Property includes all improvements contained within the Property.

14.28. "Unavoidable Delay" is a delay in the performance by a party of any obligation which delay is unforeseeable and beyond the control of such party and without its fault or negligence. Unavoidable Delay shall include acts of God, acts of the public enemy, acts of the Federal Government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, a general moratorium on financing for projects of the same type, and unusually severe weather (as for example, floods, tornadoes, or hurricanes) or delays of subcontractors due to such causes. In the event of the occurrence of any such enforced delay, the time or times for performance of such obligations of Agency and Developer shall be extended for the period of the enforced delay, as determined by Agency, provided that the party seeking the benefit of the provisions of this Section shall, within thirty (30) days after Developer has or should have knowledge of any such enforced delay, have first notified the other party, in writing, of the delay and its cause, and requested an extension for the period of the enforced delay.

THE PARTIES HAVE EXECUTED THIS OPA in Sacramento, California as of the date first written above.

DEVELOPER : SOCCER PLANET, INC.

AGENCY: THE REDEVELOPMENT AGENCY OF THE COUNTY OF SACRAMENTO

By: _____
Ramon Herrera
President

By: _____
LaShelle Dozier, Interim Executive
Director

Approved as to form:

Approved as to form:

John J. Rueda, Counsel for Developer

Agency Counsel

Exhibit 1

Legal Description

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF SACRAMENTO, UNINCORPORATED AREA, AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE: _

ALL THAT PORTION OF THE NORTHEAST 1/4 OF SECTION 31, TOWNSHIP 8 NORTH, RANGE 5 EAST, MOUNT DIABLO BASE AND MERIDIAN, AND THAT PORTION OF LOT 1 AND LOTS 7 AND 8 OF KIESSIG TRACT, ACCORDING TO THE OFFICIAL PLAT THEREOF, FILED IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY, CALIFORNIA, ON FEBRUARY 16, 1910, IN BOOK 10 OF MAPS, MAP NO. 6, AS SAID PORTIONS ARE SHOWN UPON THE RECORD OF SURVEY, "PORTION OF THE NORTHEAST 1/4 SECTION 31, TOWNSHIP 8 NORTH, RANGE 6 EAST. AND LOTS 1, 7 AND 8 OF KIESSIG TRACT," FILED IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY, CALIFORNIA, ON NOVEMBER 16TH, 1962 IN BOOK 19 OF SURVEYS, MAP NO. 41, DESCRIBED AS FOLLOWS: _

BEGINNING AT THE SOUTHWEST CORNER OF LOT 8 OF SAID KIESSIG TRACT; THENCE, FROM SAID POINT OF BEGINNING NORTH 00 DEGREES 00 MINUTES 47 SECONDS WEST 1324.01 FEET ALONG THE WESTERLY LINE OF LOT 8 AND LOT 1 OF SAID KIESSIG TRACT TO THE NORTHWEST CORNER OF SAID LOT 1 AND THE CENTERLINE OF 47TH AVENUE; THENCE, NORTH 89 DEGREES 47 MINUTES 30 SECONDS EAST 136.25 FEET ALONG THE NORTH LINE OF SAID LOT 1; THENCE, LEAVING SAID NORTH LINE, SOUTH 00 DEGREES 02 MINUTES 00 SECONDS EAST 571.73 FEET; THENCE, SOUTH 63 DEGREES 49 MINUTES 25 SECONDS EAST 212.29 FEET TO THE SOUTHEAST CORNER OF SAID LOT 1; THENCE NORTH 89 DEGREES 47 MINUTES 30 SECONDS EAST 342.93 FEET ALONG THE NORTHERLY LINE OF SAID LOTS 7 AND 8 TO THE NORTHEAST CORNER OF SAID LOT 7; THENCE, SOUTH A DISTANCE OF 641.57 FEET ALONG THE EASTERLY LINE OF SAID LOT 7 TO THE SOUTHEAST CORNER THEREOF; THENCE, NORTH 88 DEGREES 23 MINUTES 30 SECONDS EAST 236.32 FEET ALONG THE SOUTHERLY LINE OF SAID KIESSIG TRACT TO THE NORTHWEST CORNER OF THAT 6.59 ACRE PARCEL OF LAND SHOWN UPON THAT CERTAIN RECORD OF SURVEY RECORDED IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY IN BOOK 6 OF SURVEYS, MAP NO. 20; THENCE, SOUTH A DISTANCE OF 331.13 FEET ALONG THE WESTERLY LINE OF THE AFOREMENTIONED 6.59 ACRE PARCEL; THENCE, LEAVING SAID WESTERLY LINE SOUTH 57 DEGREES 53 MINUTES 50 SECONDS WEST 471.98 FEET; THENCE, SOUTH 01 DEGREES 07 MINUTES 00 SECONDS EAST 142.40 FEET; THENCE, SOUTH 88 DEGREES 53 MINUTES 00 SECONDS WEST 247.88 FEET; THENCE, NORTH 01 DEGREES 07 MINUTES 00 SECONDS WEST 168.14 FEET; THENCE NORTH 32 DEGREES 47 MINUTES 26 SECONDS WEST 477.37 FEET; THENCE, NORTH 00 DEGREES 18 MINUTES 30 SECONDS EAST 134.32 FEET TO THE POINT OF BEGINNING. _

EXCEPTING THEREFROM LOT 7 AS SHOWN ON THE "PLAT OF KIESSIG TRACT", RECORDED IN BOOK 10 OF MAPS, MAP NO. 6, RECORDS OF SAID COUNTY. _

ALSO EXCEPTING THEREFROM ALL THAT PORTION THEREOF DESCRIBED IN THAT CERTAIN GRANT DEED DATED APRIL 13, 1962, EXECUTED BY JEANETTE MARTINES, ET AL, IN FAVOR OF SKY VIEW DRIVE-IN THEATERS, A PARTNERSHIP, RECORDED MAY 25, 1962, IN BOOK 4451 PAGE 634. _

ALSO EXCEPTING THEREFROM ALL THAT PORTION THEREOF DESCRIBED IN DEED TO JANE A. COOK ET AL, RECORDED JUNE 12, 2007 IN BOOK 20070612 PAGE 2064, OFFICIAL

RECORDS., OFFICIAL RECORDS. _

A.P.N. 036-0162-031, AND 036-0162-042. _

PARCEL TWO: _

PARCEL A, AS DESIGNATED ON THE RECORD OF SURVEY "PORTION OF THE NORTHEAST ¼ SECTION 21, T.8N., R.5.E. AND LOTS 1, 7 AND 8 OF KIESSIG TRACT", FILED IN THE OFFICE OF THE RECORDER OF SACRAMENTO COUNTY, CALIFORNIA ON NOVEMBER 16, 1962 IN BOOK 19 OF SURVEYS, MAP NO. 41. _

A.P.N. 036-0162-032

Exhibit 2
Preliminary Plans

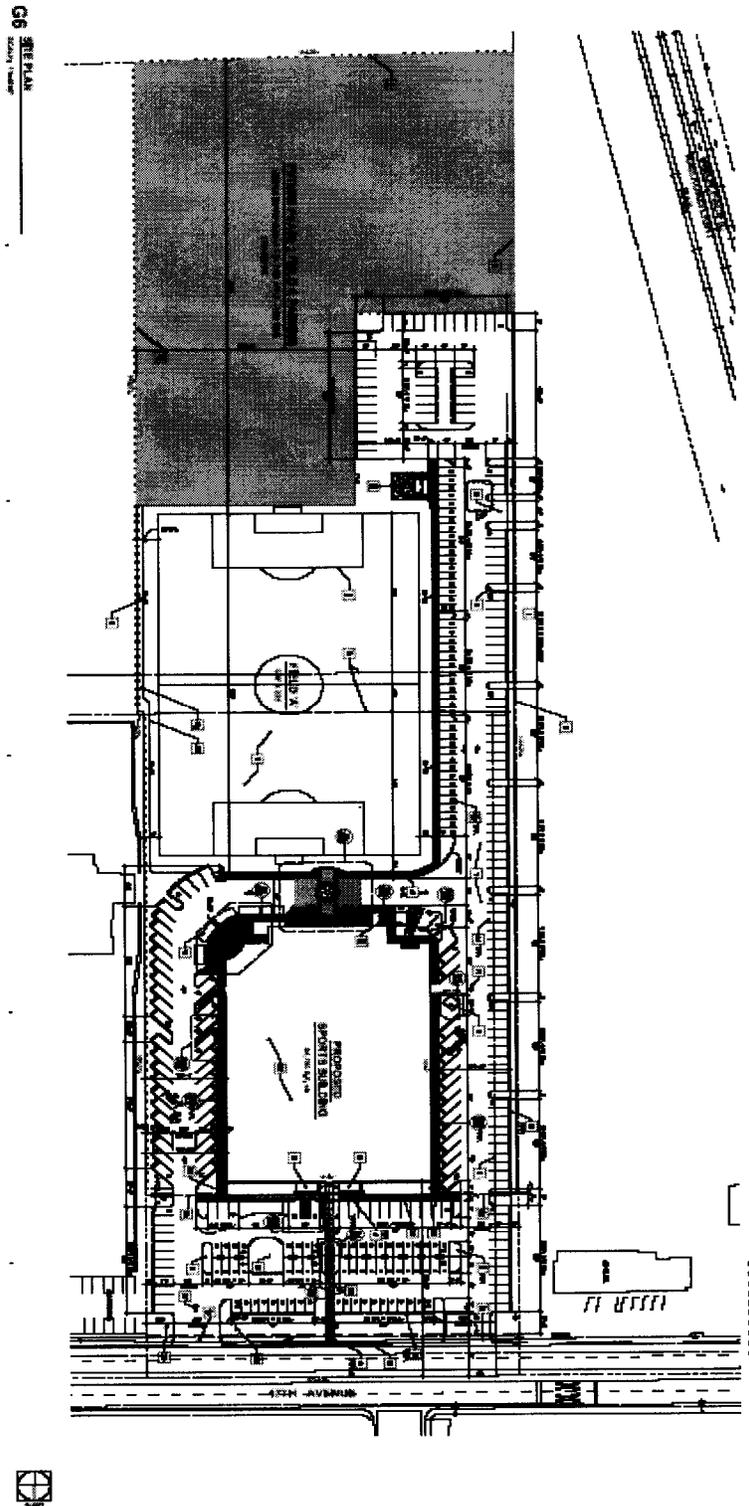


Exhibit 2

Preliminary Plans

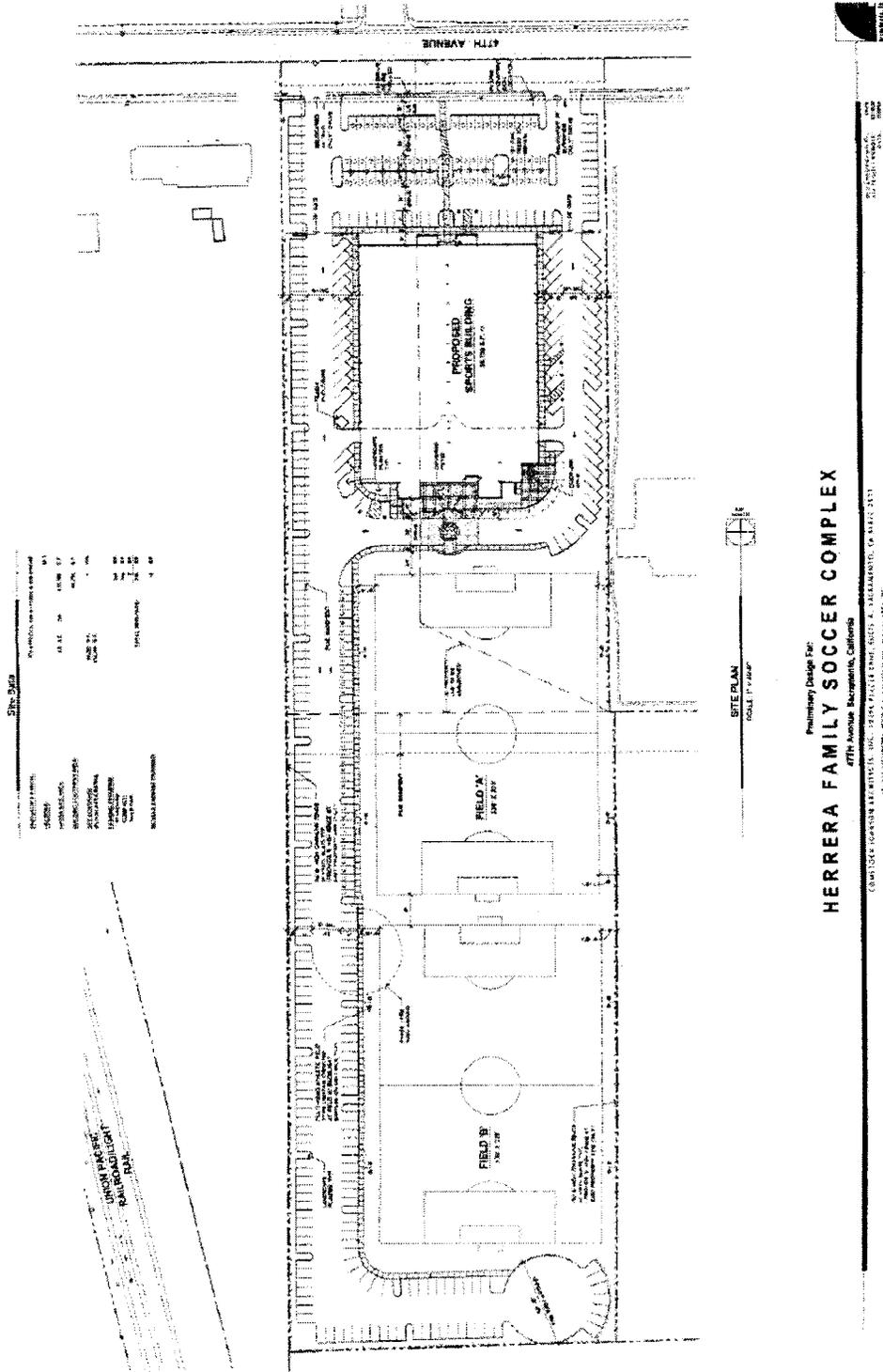


Exhibit 3

Schedule of Performances

- | | | |
|----|---|--------------------|
| 1) | Design Review Approval-County Planning Commission | February 28, 2004 |
| 2) | Conditional Use Permit-Board of Supervisors | April 5, 2005 |
| 3) | Construction Financing Secured
2008 | December 2007March |
| 4) | Completion of Construction Documents
2007 | March 2008December |
| 5) | County Approval of Plans & Building Permit
20087 | December March |
| 6) | Construction Start
2008 | Winter 2007/Spring |
| 7) | Complete Construction
2008/09 | Spring 2009Winter |

Exhibit 4

Scope of Development

New construction of a soccer facility on the subject parcel. Building and site plans will be consistent with the plan set prepared by Comstock Johnson, Peabody Engineering and Garth Ruffner.

The Project scope includes new construction of a 56,750 square foot building that will house two official size soccer fields, one mini field on a mezzanine, 5,000 square feet for a coffee shop, pro shop, offices and storage areas. In addition to the indoor facility, the Project also includes an outdoor official size soccer field. This field will be next to the building.