

FIRST AMENDMENT TO PROPERTY ACQUISITION COST, DEFENSE, AND INDEMNITY AGREEMENT

The City of Sacramento ("**City**") and Sacramento Basketball Holdings LLC, a Delaware Limited Liability Company ("**SBH**"), as parties to that certain Property Acquisition Cost, Defense, and Indemnity Agreement designated as City Agreement Number 2013-0826 (the "**Agreement**"), by this First Amendment to Property Acquisition Cost, Defense, and Indemnity Agreement, dated May 20, 2014, hereby agree as follows:

1. A new subsection (G) is added to Section 1.1 of the Agreement, to read:

(G) Litigation expenses, attorneys' fees, and court costs that the court orders the City to pay; and any and all costs related to abandonment of the eminent domain action under Code of Civil Procedure section 1268.510. Provided, however, the costs related to abandonment of the eminent domain action are not reimbursable Acquisition Costs if: (1) all of the Project Agreements (as defined in the Comprehensive Project Agreement for the Sacramento Entertainment and Sports Center between the City, SBH, Sacramento Downtown Arena LLC, and Sacramento Kings Limited Partnership, dated May 20, 2014 ("the Comprehensive Project Agreement")) terminate under Section 7.2 of the Comprehensive Project Agreement; and (2) either (a) such termination was caused by a default by the City under a Project Agreement, or (b) the City voluntarily abandons the eminent domain action without the consent of SBH.

2. All other terms of the Agreement remain in full force and effect.

<p>City of Sacramento</p> <p>By: _____</p> <p>John F. Shirey City Manager</p> <p>Date: _____, 2014</p>	<p>Sacramento Basketball Holdings, LLC</p> <p>By: _____</p> <p>Chris Granger President</p> <p>Date: _____, 2014</p>
<p>Approved as to Form</p> <p>Sacramento City Attorney</p> <p>By: _____</p> <p>Matthew D. Ruyak Assistant City Attorney</p>	<p>Approved as to Form</p> <p>Pioneer Law Group, LLP</p> <p>By: _____</p> <p>Jeffrey K. Dorso Attorneys for SBH</p>

