
TEAM USE AGREEMENT

between

SACRAMENTO DOWNTOWN ARENA LLC

and

SACRAMENTO KINGS LIMITED PARTNERSHIP

MAY 20, 2014

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TEAM USE AGREEMENT

This TEAM USE AGREEMENT (as the same may be amended, restated or otherwise modified from time to time, this "Agreement") is made and entered into as of May 20, 2014 (the "Effective Date") by and between SACRAMENTO DOWNTOWN ARENA LLC, a Delaware limited liability company ("Licensor"), and SACRAMENTO KINGS LIMITED PARTNERSHIP, a California limited partnership (the "Licensee"). The Licensor and the Licensee are sometimes referred to herein as the "Parties" and each as a "Party".

RECITALS

A. The Licensee owns and operates the National Basketball Association ("NBA") franchise currently known as the Sacramento Kings (the "Team").

B. Concurrently with the Parties' execution of this Agreement, (i) the Parties, Sacramento Basketball Holdings LLC, a Delaware limited liability company ("HoldCo") that is the sole member of the Licensor and the indirect controlling majority owner of the Licensee, and the City of Sacramento, a municipal corporation of the State of California (the "City"), have entered into the Comprehensive Project Agreement for the Sacramento Entertainment and Sports Center (the "Comprehensive Agreement"), (ii) the City and the Licensor have entered into the Arena Design and Construction Agreement (the "Design and Construction Agreement"), pursuant to which the Licensor has agreed to design and construct a multipurpose entertainment and sports center, including a practice facility, administrative offices, plazas, walkways, parking and outdoor entertainment areas (the "Arena"), on the land located at the Downtown Plaza in Sacramento, California described on Exhibit A (the "Arena Land"), (iii) the City and the Licensor have entered into the Arena Management, Operations and Lease Agreement, pursuant to which the City has agreed to lease the Arena Land and the Arena to Licensor and Licensor has agreed to operate, maintain and repair the Arena (the "Arena Agreement"), and (iv) the City and the Licensee have entered into the Non-Relocation Agreement, pursuant to which, subject to the terms thereof, Licensee has agreed to use the Arena as the exclusive venue for the Home Games and not relocate the Team (the "Non-Relocation Agreement").

C. The Licensor and the Licensee desire to enter into this Agreement, pursuant to which the Licensee is granted a license to use the Arena, including for the Team to play its Home Games at the Arena, on the terms and conditions set forth herein.

AGREEMENT

NOW THEREFORE, in consideration of their mutual promises herein contained, and for other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the Parties, each intending to be legally bound, do hereby agree as follows:

ARTICLE I DEFINITIONS

As used in this Agreement, capitalized terms shall have the meanings indicated below unless a different meaning is expressed or the context otherwise requires.

“AAA” shall have the meaning set forth in Section 21.1.1(d)(i).

“Accounting Firm” shall have the meaning set forth in Section 13.3.

“Additions and Capital Repairs” means, collectively, any capital improvements, capital additions, capital repairs, capital replacements, capital restoration or other capital work with respect to the Arena, including the furniture, fixtures, machinery or equipment thereat, the depreciable life of which, according to GAAP, is in excess of one (1) year.

“Advertising” means, collectively, all advertising, sponsorship and promotional activity, signage, designations (including Pouring Rights or similar designations and rights of exclusivity and priority), messages and displays of every kind and nature at or regarding the Arena, whether audio or visual and whether now existing or developed in the future, including the following: (i) Naming Rights; (ii) advertising on the website, mobile application, social media platform or other digital platform for the Arena created by or for the Licensor; (iii) permanent, non-permanent and transitory signage or advertising displayed on permanent (e.g., fixed panel) or non-permanent (e.g., rotating) advertising panels or on the interior or exterior of the Arena (including Arena marquee boards and other exterior signage); (iv) fixtures or equipment (such as scoreboard advertising and canopy advertising); (v) audio or video public address advertising and message board advertising; (vi) electronic insertion, fascia boards, liquid electronic displays, ribbon boards and other forms of electronic signage; (vii) all print and display advertising, including advertising on or in game programs, schedules, Licensee Event Tickets and yearbooks; (viii) promotional events or activities (including on the Floor) sponsored by Sponsors; (ix) the exhibition and promotion of products and services at the Arena (e.g., kiosks and special areas in the concourse) (x) advertising worn or carried by concessionaires or personnel engaged in the operation of any Event; (xi) any advertising affixed to or included with cups, napkins, utensils, plates or other similar items used to consume Concessions at the Arena; (xii) advertising of Concessions; (xiii) advertising through Licensee Broadcast Rights; and (xiv) promotional or premium item give-aways.

“Advertising Expenses” means all out-of-pocket and overhead expenses incurred by the Licensee in connection with the sale of Licensor Advertising Rights, including compensation of staff employed by the Licensee, and amounts payable to third parties (e.g., marketing expenses, installation and display expenses and sales commissions and other expenses set forth in Section 8.4), to support, market, price, sell, license and fulfill Licensor Advertising Rights (which shall include all expenses incurred by the Servicing Agent pursuant to Section 5.7 to the extent related to Licensor Advertising Rights); provided, that such out-of-pocket and overhead expenses that are also incurred by the Licensee with respect to the sale of Retained Advertising Rights and are not directly and specifically attributable to the sale of Licensor Advertising Rights shall be included in the Advertising Expenses based on the proportion of Licensor Advertising Revenue from such Licensor Advertising Rights relative to Advertising Revenue from such Licensor Advertising Rights and Retained Advertising Rights as of the date of determination. For example, in the case of out-of-pocket and overhead expenses described in the foregoing proviso, if such Licensor Advertising Revenue is \$1,200,000 and such Advertising Revenue is \$2,000,000, then 60% of such out-of-pocket and overhead expenses shall be included in the Advertising Expenses.

“Advertising Revenues” means the sum of (a) Retained Advertising Revenue plus (b) Licensor Advertising Revenue.

“Advertising Rights” means the right to display, transmit or utilize Advertising pursuant to agreements that are entered into pursuant to Article VIII.

“Affiliate” of a specified Person means a Person who is directly or indirectly controlling, controlled by, or under common control with, the specified Person, where “control” means the possession, directly or indirectly, of the power to direct the management and policies of the specified Person whether through the ownership of voting securities, by contract or otherwise.

“Agreement” shall have the meaning set forth in the Preamble.

“Alternate Site” means, subject to the Licensee’s compliance with the Non-Relocation Agreement, any facility approved by the NBA and the Licensee as a site for the Home Games.

“Alternate Site Condition” shall have the meaning set forth in the Non-Relocation Agreement.

“Annual Adjustment” shall have the meaning set forth in the Arena Agreement.

“Applicable Expenses” means all applicable (a) charges and expenses directly relating to the applicable revenue, including sales, entertainment or other similar Taxes, fees or charges (including the Capital Fund Ticket Fee and Ticket Surcharge), (b) third-party ticket charges (including convenience fees, processing or handling fees, administrative fees and similar fees collected by any ticketing company) and NBA assessed per-ticket franchise fees, (c) credit card fees and similar charges and (d) sales commissions and/or reimbursements incurred in connection with the earning of such applicable revenue.

“Applicable Law” means any law, statute, ordinance, rule, regulation, order or determination of any Governmental Authority.

“Approved Plans” shall mean the plans and specifications for the design, development and construction of the Arena reflected in the Construction Documents (as defined in, and prepared in accordance with, the Design and Construction Agreement).

“Arbitration” shall have the meaning set forth in Section 21.1.1(d).

“Arbitration Panel” shall have the meaning set forth in Section 21.1.1(d)(ii).

“Arbitration Procedures” means the arbitration procedures set forth in Section 21.1.2.

“Arbitrator” shall have the meaning set forth in Section 21.1.1(d)(ii) of this Agreement.

“Arena” shall have the meaning set forth in the Recitals.

“Arena Agreement” shall have the meaning set forth in the Recitals.

“Arena Box Office” means the box office and will call operations located at the Arena to be operated by the Licensor and that sells, prints and distributes admission tickets, including Licensee Event Tickets, to Events.

“Arena Land” shall have the meaning set forth in the Recitals.

“Arena Name” shall mean the name given to the Arena in any Naming Rights Agreement and any replacements thereof from time to time.

“Assignment” shall mean any sale, transfer, assignment, pledge, mortgage, encumbrance or any other transfer, including transfers as security for obligations, of this Agreement or a Party’s rights or obligations under this Agreement.

“Basketball Operating Standards” means the standards pursuant to which the Arena will be operated for Home Games at the Arena and other Licensee Events as set forth on Schedule I.

“Basketball Season” means each NBA season of the Team during the Term, which shall be the period beginning on the date officially promulgated by the NBA as the Team’s first NBA Pre-Season Game for such season and ending on the date on which the last NBA Playoff Game is to be played by any NBA team for such season.

“Basketball Special Events” means any NBA Playoff Game (other than the NBA Playoff Home Games) designated by the NBA to be played at the Arena and any NBA All-Star Game played at the Arena (and related events, such as rookie, future stars or celebrity game, basketball skills competition and slam dunk contest).

“Business Day” shall have the meaning set forth in the Arena Agreement.

“Capital Fund” shall have the meaning set forth in the Arena Agreement.

“Capital Fund Ticket Fee” shall have the meaning set forth in the Arena Agreement.

“City” shall have the meaning set forth in the Recitals.

“City Enforcement Failure” shall have the meaning set forth in Section 20.4.3.

“City Events” shall have the meaning set forth in the Arena Agreement.

“Claim” shall have the meaning set forth in Section 23.3.

“Club Seat License” means a license pursuant to which the Licensee (as Servicing Agent for the Licensor) grants another Person a license to use a Club Seat or Club Seats.

“Club Seats” means any seats designated as “club seats” (excluding any seat in a Suite or any Loge Seating) in the Arena that has services or amenities that are not available to General Seating (e.g., access to exclusive Restaurant Areas or club or lounge areas) and for which a premium is charged over standard ticket prices.

“Club Seats License Fees” means the difference between (a) all of the revenues derived from the sale or license of the use of the applicable Club Seats (excluding amounts for separately purchased Licensee Event Tickets as set forth in Section 12.1 and any amounts paid separately by the Premium Seating Licensee for parking or Concessions pursuant to Section 10.2 or 12.4) minus (b) the Ticket Component with respect to the use of the applicable Club Seats.

“Commencement Date” shall have the meaning set forth in Section 2.3.1.

“Common Areas” means the hallways, corridors, stairways, concourses, elevators, public restrooms, plazas, walkways and other portions of the Arena generally available to the public attending Events at the Arena.

“Communication Systems” means all audio and visual communication systems, including scoreboards, television and loudspeaker systems, public address systems, timers, clocks, message centers, video screens, cueing systems, transmission equipment, antennas, signs and marquees, within or at the Arena.

“Comparable Facilities” shall have the meaning set forth in the Arena Agreement.

“Comprehensive Agreement” shall have the meaning set forth in the Recitals.

“Concession Agreement” means any agreement between the Licensor and Concessionaire(s) for the operation of Concessions at the Arena.

“Concessionaire” means any Person (whether a third party, the Licensor or an Affiliate of the Licensor) operating a Concession at the Arena, whether from any Restaurant Area, club, Suite, concessions stand, catering or banquet facility, kiosk or other facility located at the Arena or by individual vendors circulating the Arena.

“Concession Revenues” means all revenue paid to or received by the Licensor, including from any third-party Concessionaire, in connection with the operation of Concessions at the Arena.

“Concessions” means the business of selling or furnishing foods and beverages (but not Merchandise) at the Arena.

“Condemnation Action” means a taking by any Governmental Authority (or other Person with power of eminent domain) by exercise of any right of eminent domain or by appropriation or condemnation.

“Condemnation Award” means all sums, amounts or other compensation for the Arena payable to the City, the Licensor or the Licensee, as applicable, as a result of, or in connection with, any Condemnation Action.

“Default Rate” means an annual interest equal to the Interest Rate plus five percent (5%).

“Defense Counsel” shall have the meaning set forth in Section 23.3.

“Design and Construction Agreement” shall have the meaning set forth in the Recitals.

“Dispute or Controversy” shall have the meaning set forth in Section 21.1.1(a).

“Downtown General Parking” means the City-owned parking facilities to be managed by the Licensor (or an Affiliate thereof) pursuant to the Parking Agreement, as such facilities may be reconfigured or replaced during the development and construction of the Arena and related developments.

“Effective Date” shall have the meaning set forth in the Preamble.

“Emergency” means any condition or situation that presents an imminent and significant threat (or if not immediately acted upon will present an imminent and significant threat) to the health or safety of users of the Arena or to the structural integrity of the Arena or any portion of either.

“Events” means all revenue and non-revenue producing sports, entertainment, cultural, civic and other activities and events conducted at the Arena.

“Event Schedule” shall have the meaning set forth in Section 2.2.6.

“Event Staffing” means staffing for any Licensee Events.

“Event Ticket” means the ticket or other indicia that authorizes admission to seating (or standing viewing area, if applicable) at the Arena for an Event.

“Excluded Events” means any City Events, NCAA approved or sponsored events, any NBA All-Star Game (and related events, such as rookie, future stars or celebrity game, basketball skills competition and slam dunk contest) and any NBA Playoff Games (including NBA Playoff Home Games), in each case to be played or conducted at the Arena.

“First Renewal Expiration Date” shall have the meaning set forth in Section 2.3.2.

“First Renewal Term” shall have the meaning set forth in Section 2.3.2.

“Floor” shall mean the basketball floor within the Arena designed for playing NBA basketball games.

“Force Majeure Event” shall have the meaning set forth in Section 26.4.

“GAAP” shall mean generally accepted accounting principles, consistently applied.

“General Seating” means all seats (and standing viewing areas, if any) at the Arena that are not Premium Seating.

“General Seating Ticket Receipts” means the gross amount of money or the value of other consideration received by the Licensee or the Licensor from the sale of Licensee Event Tickets for General Seating (which shall include all rebates and other payments by any ticketing company to the Licensor with respect to credit card fees, convenience fees, processing or

handling fees, administrative fees or other similar fees charged by such ticketing company to purchasers of Licensee Event Tickets for General Seating).

“Governmental Authority” means any federal, state and/or local entity, political subdivision, agency, department, commission, board, bureau, administrative or regulatory body or other instrumentality having jurisdiction over the Arena and/or the Parties.

“HoldCo” shall have the meaning set forth in the Recitals.

“Home Games” means all NBA Pre-Season Games, NBA Regular Season Games and NBA Playoff Games of the Team that under NBA Rules are designated as “home games” of the Team.

“Indemnified Party” shall have the meaning set forth in Section 23.3.

“Indemnifying Party” shall have the meaning set forth in Section 23.3.

“Initial Expiration Date” shall have the meaning set forth in Section 2.3.1.

“Initial Term” shall have the meaning set forth in Section 2.3.1.

“Interest Holder” shall have the meaning set forth in Section 19.2.

“Interest Rate” means the annual “prime” lending rate of interest published from time to time by the Wall Street Journal or its successor plus two percent (2%). If, at any time during the Term, the Wall Street Journal or its successor no longer announces a “prime” lending rate, then the Interest Rate shall be the annual interest rate that is announced by a national bank reasonably selected by the Parties and having an office in Sacramento, California as such national bank’s “prime” lending rate, plus two percent (2%). The Interest Rate shall change and be adjusted upon each announcement by the Wall Street Journal or its successor (or any substitute national bank selected by the Parties pursuant to this definition) of each change in the “prime rate” used to determine the Interest Rate in the manner described in this definition. All interest to be paid pursuant to this Agreement shall be paid at the Interest Rate and shall be computed on the basis of a 360-day year consisting of twelve (12) months of thirty (30) days each.

“JPA” has the meaning set forth in the Comprehensive Agreement.

“Licensee” shall have the meaning set forth in the Preamble.

“Licensee Arena Office” means the office space in the Arena for use by Licensee, the initial location of which will be identified in the Approved Plans.

“Licensee Broadcast Revenues” means all revenue received by the Licensee with respect to the Licensee Broadcast Rights.

“Licensee Broadcast Rights” means the right to transmit, broadcast, distribute and/or exhibit Licensee Events via Multimedia Distribution.

“Licensee Default” shall have the meaning set forth in Section 20.1.

“Licensee Equipment” means furniture, furnishings, equipment, supplies and other moveable items in the Arena owned or leased by the Licensee for the exclusive use of the Licensee.

“Licensee Event” means any (a) Home Games at the Arena, (b) Basketball Special Events and (c) Other Licensee Events.

“Licensee Event Parking” means parking at the Downtown General Parking by attendees of Licensee Events in connection with their attendance at Licensee Events.

“Licensee Event Parking Revenue” means all revenue paid to or received by the Licensor or its Affiliate with respect to Licensee Event Parking.

“Licensee Event Ticket” means the Event Ticket for Licensee Events.

“Licensee Exclusive Spaces” means the Licensee Locker Room, any lounge or other private area at the Arena for family members of Team players and coaches, the Licensee Storage Facilities, the Practice Facility, Team training and medical facilities at the Arena (e.g., weight room) and the Licensee Arena Office.

“Licensee Expenses” shall have the meaning set forth in Section 5.5.1.

“Licensee Locker Room” means the Licensee locker room space in the Arena for use by the Team, the initial location of which will be identified in the Approved Plans.

“Licensee Revenues” shall have the meaning set forth in Section 5.1.

“Licensee Serviced Net Revenues” shall have the meaning set forth in Section 5.2.

“Licensee Serviced Retained Rights” shall have the meaning set forth in Section 5.7.1.

“Licensee Serviced Retained Rights Agreements” shall have the meaning set forth in Section 5.7.1.

“Licensee Storage Facilities” means those storage facilities in the Arena utilized to store Licensee Equipment that is used to stage Licensee Events (including marketing materials, props and other material), the initial location of which will be identified in the Approved Plans.

“Licensee Temporary Advertising” means (a) temporary and/or moveable Advertising, such as banners, signs, displays, or audio or video messages, at the Arena identifying the Licensee, the Team and/or the Sponsors to the extent they are visible or transmitted during the Licensee Use Period, including in the following locations: the Floor, player benches, seat back coverings, the basketball goal supports’ padding, 24-second clock, the basketball goal, press table, scorer’s table (including rotational signage), the Licensee and trainer equipment and visiting team and trainer equipment, the press room and other media areas, Licensee Event Tickets, the video matrix or electronic scoreboards (for display or distribution of video or audio

messages during Licensee Events), the fascia boards, liquid electronic displays, publications and printed material, blimps that operate inside of the Arena and all other marketing venues and opportunities exploited by the Licensee at the Arena (which opportunities may be created by the Licensee's utilization of new technologies) and (b) advertising and other promotional activities conducted at the Arena during the Licensee Use Period, including, promotional events or activities (including on the Floor) sponsored by Sponsors, the exhibition and promotion of products and services at the Arena (e.g., kiosks and special areas in the concourse) and promotional or premium item give-aways.

“Licensee Use Period” shall have the meaning set forth in Section 2.1.2.

“Licensee Use Rights” shall have the meaning set forth in Section 2.1.1.

“Licensor” shall have the meaning set forth in the Preamble.

“Licensor Advertising Revenue” means all revenue paid to or received by the Licensee with respect to Licensor Advertising Rights.

“Licensor Advertising Rights” means the right to market, price, sell, grant, license, post, exhibit, display, public, broadcast and/or present Advertising Rights, other than Retained Advertising Rights.

“Licensor Default” shall have the meaning set forth in Section 20.3.

“Loge Seating” means the private viewing boxes (other than Suites), whether denominated as loge boxes or otherwise, in the Arena, the initial location of which will be identified in the Approved Plans.

“Loge Seating License” means a license pursuant to which the Licensee (as Servicing Agent for the Licensor) grants another Person a license to use Loge Seating.

“Loge Seating License Fees” means the difference between (a) all of the revenues derived from the sale or license of the use of the applicable Loge Seating (excluding amounts for separately purchased Licensee Event Tickets as set forth in Section 12.1 and any amounts paid separately by the Premium Seating Licensee for parking or Concessions pursuant to Section 10.2 or 12.4 minus (b) the Ticket Component with respect to the use of the applicable Loge Seating.

“Losses” shall have the meaning set forth in Section 23.1.

“Maintenance and Repair Standard” shall have the meaning set forth in the Arena Agreement.

“Merchandise” means apparel, programs, equipment, goods, products, pay-for-play entertainment, novelties, souvenirs or merchandise (including merchandise exclusively related to the Arena), whether or not Team or NBA related, that is held for sale or sold in, at or from the Arena whether sold from fixed, temporary or moveable locations, including shops (such as the Team Retail Store), kiosks or by individual vendors circulating through the Arena, in each case, excluding Concessions.

“Merchandising Agreement” shall have the meaning set forth in Section 7.3.1.

“Merchandise Operator” shall have the meaning set forth in Section 7.3.1.

“Merchandise Revenue” means all revenue paid to or received by the Licensor with respect to the sale of Merchandise.

“Multimedia Distribution” shall have the meaning set forth in Section 9.1.

“Naming Rights” means the right to name the Arena (which shall be the Arena Name), or any portion thereof, including identifying such name on the Arena concourses, the entrances to the Arena, the Arena roof, the exterior of the Arena, Premium Seating Areas, the Restaurant Areas or any other areas at the Arena, other than the Floor (which shall be deemed to be Retained Advertising Rights) and Licensee Exclusive Spaces.

“Naming Rights Agreement” means any agreement or agreements whereby the Naming Rights are granted to a Person by the Licensee (as Servicing Agent for the Licensor).

“NBA” shall have the meaning set forth in the Recitals.

“NBA Entities” means the NBA, NBA Properties, Inc., NBA Media Ventures, LLC, NBA Development League Holdings, LLC, NBA Store, LLC and NBA China Holdings, LLC, together with any other entity in which the NBA teams own an equal interest and their respective subsidiaries.

“NBA Franchise” means and includes membership in and all associated rights, privileges and powers granted by the NBA to the Team, and its successors and assigns, to operate a basketball team and conduct Home Games as a member of the NBA.

“NBA League Revenues” shall mean all revenues or other amounts payable to the Team pursuant to NBA Rules by reason of its NBA Franchise.

“NBA Playoff Home Games” means NBA Playoff Games that are Home Games.

“NBA Playoff Game” means professional basketball games that are played between NBA teams as part of the competition for the championship of the NBA, or any division thereof, each Basketball Season and that, under NBA Rules, are classified as a “playoff” game.

“NBA Pre-Season Home Games” means NBA Pre-Season Games that are Home Games.

“NBA Pre-Season Game” means NBA games played by the Team each Basketball Season prior to the date promulgated by the NBA as the first day of the regular season.

“NBA Regular Season Home Games” means NBA Regular Season Games that are Home Games.

“NBA Regular Season Game” means NBA games played by the Team each Basketball Season during the regular season established by the NBA.

“NBA Rules” shall mean (a) the Constitution and By-Laws of the NBA, (b) the governing documents of each of the NBA Entities, (c) all present and future rules, regulations, memoranda, resolutions, directives and policies of each of the NBA Entities and the NBA Commissioner, (d) any agreements and arrangements to which the Licensee is (or after the date of this Agreement may become) subject or by which it or its assets are (or may become) bound with or in favor of any of the NBA Entities and (e) any agreements and arrangements to which the NBA teams generally or any of the NBA Entities are (or after the date of this Agreement may become) subject or by which they or their assets are (or may become) bound, including all current and future television, radio and other agreements involving the broadcast of NBA games and all current and future collective bargaining agreements between the NBA and the National Basketball Players’ Association, in each case, as any of the foregoing may be amended, modified, extended or supplemented from time to time.

“NBA Standards” means the NBA Arena Standards Manual adopted by the NBA and in effect from time to time.

“Non-Relocation Agreement” shall have the meaning set forth in the Recitals.

“Operating Year” means each twelve (12) month period during the Term commencing on July 1 in any calendar year and ending on the next succeeding June 30; provided, however, that the first Operating Year shall commence on the Commencement Date and end on the last day of the immediately succeeding June.

“Operations Standard” shall have the meaning set forth in the Arena Agreement.

“Other Events” means any and all Events other than Licensee Events (and includes City Events).

“Other Licensee Event” shall have the meaning set forth in Section 2.1.4.

“Other Premium Seating” means any seating (other than, but similar to, Club Seats, Loge Seating and Suites) that is designated as premium seating in the Arena, has services or amenities that are not provided to General Seating, such as exclusive access for its patrons on a separate concourse and/or being serviced by separate catering services and maintenance support, and for which a premium is charged over standard ticket prices.

“Other Premium Seating License” means a license pursuant to which the Licensee (as Servicing Agent for the Licensor) grants another Person a license to use Other Premium Seating.

“Other Premium Seating License Fees” means the difference between (a) all of the revenues derived from the sale or license of the use of the applicable Other Premium Seating (excluding amounts for separately purchased Licensee Event Tickets as set forth in Section 12.1 and any amounts paid separately by the Premium Seating Licensee for parking or Concessions pursuant to Section 10.2 or 12.4) minus (b) the Ticket Component with respect to the use of the applicable Other Premium Seating.

“Parking Agreement” means the Arena Parking Operations Management Agreement, between the City and Licensor, dated as of the date hereof, pursuant to which the Licensor (or an Affiliate thereof) has agreed to operate, maintain and repair the Downtown General Parking.

“Party” or “Parties” shall have the meaning set forth in the Preamble.

“Permitted Uses” shall have the meaning set forth in Section 2.1.1 of this Agreement

“Person” means any individual, trust, estate, partnership, joint venture, company, corporation, association, limited liability company or other legal entity, business organization or enterprise.

“Pouring Rights” shall mean the right to make available, sell, dispense and serve beverages during Events and/or at the Arena, which right may or may not be to the exclusion of other beverage vendors, and to identify the holder of such right as the “official” provider of such beverage at the Arena.

“Practice Facility” means the Team’s practice facility at the Arena, the initial location of which will be identified in the Approved Plans.

“Practice Session” means the time, other than during a Promotional Exhibition, Warm-Up Session and Home Game at the Arena or other Basketball Special Event, during which the teams competing in the Home Game at the Arena or other Basketball Special Event shall be permitted to use the Floor to practice basketball.

“Premises” shall have the meaning set forth in Section 2.1.1 of this Agreement.

“Premium Seating” means all Suites, Loge Seating, Club Seats and Other Premium Seating.

“Premium Seating Areas” shall have the meaning set forth in Section 12.2.

“Premium Seating Licensee” means a Person who is a party to a Premium Seating License.

“Premium Seating License” means any Suite License, Loge Seating License, Club Seat License or Other Premium Seating License.

“Premium Seating License Expenses” means all out-of-pocket and overhead expenses incurred by the Licensee in connection with the sale of Premium Seating (which shall include all expenses incurred by the Servicing Agent pursuant to Section 5.7 to the extent related to Premium Seating), including, compensation of staff employed by the Licensee and amounts payable to third parties (e.g., marketing expenses and Applicable Expenses), to support, market, price, sell and license Premium Seating.

“Premium Seating License Fees” means the sum of the Club Seats License Fees, the Loge Seating License Fees, the Other Premium Seating License Fees and the Suite License Fees.

“Project Agreements” shall have the meaning set forth in the Comprehensive Agreement.

“Promotional Exhibition” means any exhibition of basketball skills or instructions for promotional purposes, but shall not include any Practice Session, Warm-Up Session or Home Game at the Arena or Basketball Special Event.

“Qualified Ticket” shall have the meaning set forth in the Arena Agreement.

“Renewal Terms” shall have the meaning set forth in Section 2.3.2.

“Required Restoration Condition” shall have the meaning set forth in Section 17.1.

“Restaurant Areas” means space in the Arena designated and used or to be used for dining (including bar) facilities that are open to the public, individuals attending Events and/or Premium Seating Licensees, the initial location(s) of which will be identified in the Approved Plans.

“Retained Advertising Revenue” means all revenue received by the Licensee with respect to the Retained Advertising Rights.

“Retained Advertising Rights” means the right to market, price, sell, grant, license, post, exhibit, display, publish, broadcast and/or present (a) Team Inventory Advertising and (b) all advertising or promotional opportunities at or regarding the Arena provided pursuant to NBA league sponsorship agreements.

“Second Renewal Expiration Date” shall have the meaning set forth in Section 2.3.2.

“Second Renewal Term” shall have the meaning set forth in Section 2.3.2.

“Servicing Agent” shall have the meaning set forth in Section 5.7.1.

“Servicing Standard” shall have the meaning set forth in Section 5.7.2.

“Sponsors” means Persons granted sponsorship rights with respect to the Team or the Arena.

“Substantial Completion” shall have the meaning ascribed thereto in the Design and Construction Agreement.

“Suite License” means a license pursuant to which the Licensee (as Servicing Agent for the Licensor) grants another Person a license to use a Suite.

“Suite License Fees” means the difference between (a) all of the revenues derived from or otherwise allocated to the sale or license of the use of the applicable Suite (excluding amounts for separately purchased Licensee Event Tickets as set forth in Section 12.1 and any amounts paid separately by the Premium Seating Licensee for parking or Concessions pursuant to Section 10.2 or 12.4 minus (b) the Ticket Component with respect to the use of the applicable Suite.

“Suites” shall mean the private luxury suites (including any related lounge area) in the Arena, the initial locations of which will be set forth in the Approved Plans.

“Symbolic Representation” means any replica, model, artistic or photographic rendering or other visual representation of the Arena or any portion thereof.

“Tax” shall mean any general or special, ordinary or extraordinary, tax, imposition, assessment, levy, usage fee, excise or similar charge (including any possessory interest, ad valorem or other property taxes), however measured, regardless of the manner of imposition or beneficiary, that is imposed by any Governmental Authority.

“Team” shall have the meaning set forth in the Recitals.

“Team Inventory Advertising” shall have the meaning set forth in Section 8.4.

“Team Retail Store” means the area(s) at the Arena in which a store is to be located for the on-site sale of Merchandise, the initial location of which will be identified in the Approved Plans.

“Term” shall mean the Initial Term, together with all Renewal Terms for which this Agreement is renewed as provided herein.

“Ticket Component” shall mean, in each Operating Year in which Premium Seating is licensed for one or more Licensee Events (“Included Events”), the product of (a) the Ticket Price for such Premium Seating for each Included Event in such Operating Year , multiplied by (b) the number of such Licensee Event Tickets available for issuance for such Premium Seating for such Included Event.

“Ticketing Agreement” shall have the meaning set forth in Section 11.5.

“Ticket Price” means, for each Licensee Event Ticket, the greater of (a) the retail price stated on the face of such Licensee Event Ticket and (b) (i) if such Licensee Event Ticket pertains to Premium Seating, the price charged for Licensee Event Tickets to the applicable Licensee Event by the Licensee for General Seating immediately adjacent to such Premium Seating area that is on the same Arena level of, or if there is no such General Seating on such same level, on the Arena level immediately below, such Premium Seating and (ii) otherwise, the amount charged for such Licensee Event Ticket by the Licensor or the Licensee, as applicable; provided, that, in each case such price shall be exclusive of sales taxes, the Ticket Surcharge, the Capital Fund Ticket Fee and all other handling fees and third-party ticket-seller fees and impositions. The Ticket Price shall also include all rebates and other payments by any ticketing company to the Licensor with respect to credit card fees, convenience fees, processing or handling fees, administrative fees or other similar fees charged by such ticketing company to Premium Seating Licensees.

“Ticket Surcharge” shall have the meaning set forth Section 5.4.

“Warm-Up Session” means the time period immediately prior to a Licensee Event during which the competing teams (including the Team) or other performers, as applicable, are permitted to use the Arena to prepare for such Licensee Event.

ARTICLE II

GRANT OF USE; TERM; USE OF PREMISES; ARENA AGREEMENT

2.1 Grant of Use.

2.1.1 Use. Subject to the terms and conditions of this Agreement, the Licensor hereby grants a license to the Licensee to use and occupy the Premises for Permitted Uses during the Term (the “Licensee Use Rights”). For the purposes hereof, the “Premises” means all portions of the Arena reasonably beneficial or desirable for, or incidental to, any Permitted Use, including the Licensee Exclusive Spaces, Restaurant Areas, spectator seats (including Premium Seating and General Seating), parking spaces for Licensee personnel and Premium Seating patrons as set forth in Article X, press areas, Premium Seating Areas, the Floor, broadcast studios, broadcast camera locations, Communication Systems control rooms, lighting control areas and Common Areas, in accordance with and subject to the terms and conditions hereinafter set forth. For purposes hereof, “Permitted Uses” means (i) use of the Premises for the playing, exhibiting and presenting of Licensee Events (including Home Games at the Arena) and related set-up, shut-down and other pre- and post-game and halftime activities and events; (ii) use of the Licensee Exclusive Spaces to conduct day-to-day business and basketball operations and activities and events related to the Team, including Other Licensee Events; (iii) use of the Premises to market and advertise the Team and Licensee Events; (iv) use of the Premises by Multimedia Distribution for watching, producing, broadcasting and reporting on Licensee Events and covering other Team activities; (v) use of the Premises for sales of Licensee Event Tickets and Premium Seating Licenses, Naming Rights, Merchandise and for other activities related to Licensee operations and the production of Licensee Revenue; (vi) exploitation of Advertising Rights; and (vii) for any other use incidental to the foregoing uses set forth in clauses (i)-(vi).

2.1.2 Event Day Use. Subject to Section 2.1.3, during the Term, the Licensee shall have the exclusive right to use the Premises for the Permitted Uses (a) with respect to a Home Game at the Arena or Basketball Special Event, during the entire day of such Home Game or Basketball Special Event (i.e., 12:00 a.m. to the later of 11:59 p.m. and two (2) hours after the conclusion of such Home Game or Basketball Special Event if it ends after 10:00 p.m.) and (b) with respect to each Other Licensee Event scheduled in accordance with Section 2.1.4, for a reasonable amount of time necessary to hold such Other Licensee Event, including set-up, tear-down, cleanup or other conversion activities related thereto (the “Licensee Use Period”); provided, however, that if the Licensor desires to schedule an Other Event at the Arena on the same date on which a Licensee Event is scheduled, then upon written notice by the Licensor to the Licensee, the Licensee, in its reasonable discretion, may waive its exclusive right to use the Premises during the entirety of the Licensee Use Period so long as the Licensee has exclusive use of the Premises during the time period consisting of four (4) hours prior to the scheduled commencement of the Licensee Event to two (2) hours after the conclusion of the

Licensee Event; provided, further, that if the City desires to schedule a City Minor Event (as defined in the Arena Agreement) at the Arena on the same date on which a Licensee Event is scheduled, then, subject to any limitations set forth in the Arena Agreement, the City shall be permitted to use such portion of the Arena for such City Minor Event that could not reasonably be expected to materially interfere with such Licensee Event so long as such City Minor Event does not take place during, or four (4) hours before or two (2) hours after, such Licensee Event. Prior to the commencement of each Licensee Use Period, the Licensor shall cause the Arena to be in substantially the condition required for the playing of a Home Game pursuant to Section 6.3. The Licensee shall have uninterrupted exclusive access to and from the Premises, including all accessory rights of entry, ingress and egress, during the Licensee Use Period.

2.1.3 Use of Licensee Exclusive Spaces; Access. During the Term, the Licensee shall have the exclusive right to use and occupy the Licensee Exclusive Spaces for any purpose at all times during the Term. The Licensee shall have uninterrupted exclusive access (subject to the following sentence) to the Licensee Exclusive Spaces, including accessory rights of entry, ingress and egress, at all times during the Term. The Licensor shall not have the right to enter the Licensee Exclusive Spaces without the prior written consent of the Licensee (except as expressly provided herein or during an Emergency when the Licensor may enter to the extent necessary). The Licensee's access to the Arena (other than the Licensee Exclusive Spaces) during Other Events is subject to control by the Licensor.

2.1.4 Other Licensee Uses. Subject to Section 2.1.3, on days for which a Home Game at the Arena or Basketball Special Event is not scheduled, if the Arena is available and not being used for an Other Event (including set-up, tear-down, cleanup or other conversion activities related thereto), the Licensee shall have the exclusive right upon reasonable prior notice to the Licensor to use the Premises (including the Premium Seating Areas) for Practice Sessions; Promotional Exhibitions; try-outs; scrimmages; marketing, promotion or other related purposes; press gatherings; Licensee charity events (which may be ticketed); luncheons, meetings, parties and other similar events; and any other Permitted Uses (an "Other Licensee Event"). Notwithstanding the foregoing, except in connection with Home Games at the Arena, Basketball Special Events and Licensee charity events, Other Licensee Events do not include, and Licensee may not, without the prior written consent of the Licensor, use the Premises for, (a) concerts, musical performances, theatre performances or other forms of entertainment open to the public; (b) conventions, exhibitions, markets, fairs or community- or civic-oriented events; (c) sporting events (which shall not include Promotional Exhibitions, Practice Sessions, Warm-up Sessions, tryouts or scrimmages); or (d) any other events open to the public that would customarily be hosted by an arena operator, it being agreed that Licensor has retained the exclusive right to host the same and retain all revenue generated thereby. To the extent practicable, the Licensee shall deliver to the Licensor a written notice requesting the date of a proposed Other Licensee Event no later than thirty (30) days prior to such date. Such notice shall set forth the requested date and time to be reserved for such Other Licensee Event and shall identify in reasonable detail the nature of the Other Licensee Event, the expected attendance, and any other information reasonably necessary for the Licensor to perform its duties under this Agreement.

2.1.5 City Events. The Licensee acknowledges that the City has the right to use the Arena for City Events as more particularly set forth in the Arena Agreement.

2.1.6 Other Licensor Uses. Except with the prior written consent of the Licensee with respect to clauses (i) and (ii) (which consent may be withheld or conditioned in its sole discretion), at no time during the Term shall the Licensor use, or authorize the City or any other Person to use, the Arena (or any part thereof): (i) for any sporting or athletic event involving the playing of basketball by any professional team or league or any other organization using the competitive services of professional basketball players (other than, subject to Section 2.1.3, national or regional touring basketball events not affiliated with any league (e.g., the Harlem Globetrotters), collegiate basketball teams whose players are deemed employees and/or a WNBA team), (ii) in a manner that could reasonably be expected to interfere with the operation of the Arena for Home Games or (iii) in violation of Applicable Law.

2.1.7 Affiliates. Subject to the terms and conditions of this Agreement, any of the Permitted Uses may be conducted directly by the Licensee or indirectly through other Persons pursuant to contracts with the Licensee or any of its Affiliates.

2.2 Scheduling Licensee Events.

2.2.1 Pre-Season Home Games. The Licensee shall have the first priority for scheduling NBA Pre-Season Home Games at the Arena during each Operating Year. The Licensee shall designate the specific dates to be reserved at the Arena for NBA Pre-Season Home Games for each Basketball Season at least thirty (30) days prior to the date on which the NBA requires notice of preferred scheduling dates with respect to NBA Pre-Season Home Games for such Basketball Season. The Licensee shall notify the Licensor of the definitive schedule for NBA Pre-Season Home Games with respect to a Basketball Season within five (5) Business Days after receipt thereof from the NBA. Once such dates on which NBA Pre-Season Home Games are scheduled to be played at the Arena are finalized, all other reserved dates at the Arena for NBA Pre-Season Home Games with respect to such Basketball Season shall be released for Other Events (except to the extent any such dates are reserved for other Home Games at the Arena or other Licensee Events).

2.2.2 Regular Season Home Games. The Licensee shall have the first priority for scheduling NBA Regular Season Home Games at the Arena during each Operating Year. The Licensee shall designate the specific dates to be reserved at the Arena for NBA Regular Season Home Games for each Basketball Season at least thirty (30) days prior to the date on which the NBA requires notice of preferred scheduling dates with respect to NBA Regular Season Home Games for such Basketball Season. The Licensee shall notify the Licensor of the definitive schedule for NBA Regular Season Home Games with respect to a Basketball Season within five (5) Business Days after receipt thereof from the NBA. Once such dates on which NBA Regular Season Home Games are scheduled to be played at the Arena are finalized, all other reserved dates at the Arena for NBA Regular Season Home Games with respect to such Basketball Season shall be

released for Other Events (except to the extent any such dates are reserved for other Home Games at the Arena or other Licensee Events).

2.2.3 Playoff Games. The Licensee shall have the first priority for scheduling NBA Playoff Games at the Arena from the end of the NBA regular season through June 30 of each Operating Year. The Licensee shall notify the Licensor promptly after receiving the NBA list of required hold dates at the Arena for NBA Playoff Games for each Basketball Season. All dates not on the list of required hold dates for NBA Playoff Games shall be released for Other Events (except to the extent any such dates are reserved for other Home Games at the Arena or other Licensee Events). After the NBA regular season is completed, and it is certain that the Team will not be participating in any, or any further, NBA Playoff Games, either because the Team fails to qualify for NBA Playoff Games due to its performance during the regular season or has been eliminated from the playoffs due to its performance during such playoffs, and that no other NBA Playoff Game will be scheduled by the NBA at the Arena, all hold dates at the Arena shall be released for Other Events (except to the extent any such dates are reserved for other Licensee Events).

2.2.4 Reservation of Dates; Scheduling Changes; Multiple-Date Attractions. The Licensor acknowledges that NBA Rules may require reservation of significant blocks of dates to accommodate league or conference scheduling, including NBA Playoff Games. If any Licensee Event shall be postponed, canceled or rescheduled after the Licensor has reserved a date therefor at the Arena, or if the Basketball Season is extended or otherwise altered such that new dates at the Arena are needed for Home Games at the Arena (e.g., due to a work stoppage), and no Other Event has been previously scheduled at the Arena for such other date(s), the Licensor shall reserve such other date(s) at the Arena for such Licensee Event(s) requested by the Licensee. If a date requested by the Licensee has been previously scheduled for any Other Event, then the Licensee may designate an alternate available date at the Arena for such Licensee Event and the Licensor shall reserve such date(s) at the Arena for such Licensee Event(s). If no alternate date acceptable to the Licensee and the NBA is available, the Licensee may hold such Licensee Event at an Alternate Site. The Licensor shall not schedule an Other Event that uses the Arena in excess of five (5) consecutive days in succession (not including days required to set up or breakdown such Other Event) during a Basketball Season without the prior written consent of the Licensee.

2.2.5 NBA Procedures. The Parties acknowledge that the procedures set forth in this Section 2.2 are designed to conform to the current NBA procedures for scheduling NBA games. In the event that during the Term the Basketball Season or scheduling procedures (including broadcasting arrangements) change, the provisions of this Section 2.2 shall be modified to the extent necessary in order to conform the scheduling procedures hereunder to the then-current Basketball Season and procedures, but in any event such procedures shall recognize the Licensee's first priority use of the Arena for Home Games at the Arena.

2.2.6 Event Schedule. On the first Business Day of each calendar month, the Licensor shall deliver a current and updated schedule of Events (the "Event Schedule") to

the Licensee for each Operating Year for which any Events have been scheduled or reserved. In addition, the Licensor shall promptly provide written updates to the Event Schedule to the Licensee reflecting all changes of which the Licensor is aware, including previously available dates that have become reserved dates and previously reserved dates that have become available. At all times, the Licensor shall cause the Event Schedule to cover at least the succeeding three hundred sixty-five (365) days.

2.2.7 NBA All-Star Game. The Licensee agrees to use reasonable efforts to attract the NBA All-Star Game and related events to the Arena within three (3) years after the Commencement Date; provided, however, the Parties acknowledge that the determination of the venue for the NBA All-Star Game is at the sole discretion of the NBA. The Licensor agrees to cooperate with the Licensee with respect to the reservation of dates on which the NBA All-Star Game and related events are traditionally held in a given Operating Year.

2.2.8 Affordable Programs. During the Term, the Licensee agrees to provide community organizations that support families with children within the Sacramento, California area an average of five hundred (500) complimentary Licensee Event Tickets per NBA Pre-Season Home Game and NBA Regular Season Home Game each Operating Year.

2.3 Term.

2.3.1 Initial Term; Substantial Completion. Subject to Section 2.3.5, the term (the “Initial Term”) of this Agreement shall commence on the Effective Date and, unless terminated earlier in accordance herewith, shall expire on the June 30 (or, if later, the end of the Basketball Season) of the 35th Operating Year following the Commencement Date (the “Initial Expiration Date”); provided, however, the Initial Term of the Licensee Use Rights shall not commence until 12:01 a.m. on the Commencement Date; provided, further, if the Commencement Date is after the NBA All-Star Game during the Basketball Season of the first Operating Year, then the Initial Term, unless terminated earlier in accordance herewith, shall automatically be extended for one (1) additional Operating Year. For the purposes of this Agreement, the “Commencement Date” shall mean a date within thirty (30) days after the Licensee is notified in writing by the Licensor that the Arena has reached Substantial Completion, which date shall be selected by the Licensee by written notice to the Licensor within such thirty (30)-day period; provided, however, that if the Arena has reached Substantial Completion between October 1st and June 30th, the Licensee may elect by written notice to the Licensor within such thirty (30)-day period to defer the Commencement Date to a date no later than the scheduled date of the Team’s first Home Game in the immediately following Basketball Season. For example, if the Commencement Date is (a) November 1, 2016, then the Initial Expiration Date will be June 30, 2051 (or, if later, the end of the 2050/2051 Basketball Season), (b) September 30, 2017, then the Initial Expiration Date will be June 30, 2052 (or, if later, the end of the 2051/2052 Basketball Season) or (c) March 1, 2017 (i.e., after the NBA All-Star Game during the Basketball Season of the first Operating Year), then the Initial Expiration Date will be June 30, 2052 (or, if later, the end of the 2051/2052 Basketball Season). The Licensor shall provide the Licensee with prompt written notice upon the Licensor’s

receipt of any material update with respect to the design, development and construction of the Arena, including when the Arena has reached Substantial Completion.

2.3.2 Renewal Terms. If this Agreement is not terminated prior to the Initial Expiration Date, the Licensee shall have the option to renew the Initial Term for an additional period of five (5) years (the “First Renewal Term”) beginning on the day after the Initial Expiration Date and, unless terminated earlier in accordance herewith, ending on the five (5) year anniversary of the Initial Expiration Date (the “First Renewal Expiration Date”). If this Agreement has not expired on the Initial Expiration Date and is not terminated prior to the First Renewal Expiration Date, the Licensee shall have the option to renew the First Renewal Term for an additional period of five (5) years (the “Second Renewal Term” and with the First Renewal Term, the “Renewal Terms”) beginning on the day after the First Renewal Expiration Date and, unless terminated earlier in accordance herewith, ending on the five (5) year anniversary of the First Renewal Expiration Date (the “Second Renewal Expiration Date”). Written notice of the Licensee’s exercise of its option to renew this Agreement shall be given to the Licensor by the Licensee no later than January 1 of the second to last Operating Year of the Initial Term or the First Renewal Term, as applicable. Otherwise, the Licensee’s right to renew the Term shall have expired and be without effect.

2.3.3 Expiration. Unless renewed or terminated earlier in accordance herewith, the Term shall expire on the Initial Expiration Date, without notice to, or action by, any Party. If renewed for the First Renewal Term as provided in Section 2.3.2, unless further renewed or terminated earlier in accordance herewith, the Term shall expire and terminate on the First Renewal Expiration Date, without notice to, or action by, any Party. If renewed for the Second Renewal Term as provided in Section 2.3.2, unless terminated earlier in accordance herewith, the Term shall expire and terminate on the Second Renewal Expiration Date, without notice to, or action by, any Party.

2.3.4 Termination. Unless otherwise agreed by the Parties, this Agreement shall automatically terminate, without any further action by any other Person, upon the termination of the Comprehensive Agreement.

2.3.5 Effectiveness. Notwithstanding anything in this Agreement to the contrary, the effectiveness of this Agreement shall be conditioned upon the NBA’s approval of this Agreement and the Licensee shall promptly deliver to the Licensor a copy of the letter from the NBA confirming such approval upon its receipt.

2.4 Early Use. Notwithstanding anything to the contrary in Section 2.3, the Licensee shall have the right (but not the obligation), subject to the terms of this Agreement, the Arena Agreement, Applicable Law and the reasonable requirements of the Licensor (as operator and general contractor/developer of the Arena), to use any portions of the Arena in the period between (a) the date reasonably estimated, in good faith by the Licensor pursuant to the Arena Agreement, to be one hundred twenty (120) days prior to the date on which the Arena will reach Substantial Completion and (b) the Commencement Date, for move-in, stocking, employee training, use of the Licensee Exclusive Spaces and other customary pre-opening activities; provided that the Licensee shall coordinate such use with the contractors performing any work in

the construction of the Arena so as not to interfere with or delay Substantial Completion. The use of any portion of the Arena from time to time pursuant to this Section 2.4 shall not obligate the Licensee to (i) pay any amounts under this Agreement prior to the Commencement Date or (ii) continuously use such portion of the Arena nor to perform obligations unrelated to such use under this Agreement.

2.5 Construction Documents. All Construction Documents shall be subject to the prior review and approval of the Licensee.

2.6 Arena Agreement. The Licensee acknowledges and agrees that, notwithstanding anything to the contrary herein, its Licensee Use Rights are subject to, and therefore shall not be broader than, the Licensor's rights under the Arena Agreement. Further, the Licensee acknowledges the terms and conditions of Section 1.1(F) of the Arena Agreement and hereby agrees, for the express benefit of the City, to execute and deliver the documents contemplated therein.

ARTICLE III INTANGIBLE RIGHTS

The Licensor hereby grants to the Licensee during the Term a non-exclusive, irrevocable, royalty-free, paid-up right and license to use, and sublicense third parties the right to use, the Symbolic Representations owned by or licensed to the Licensor in association with marketing, promoting and advertising Licensee Events and in connection with the Licensee's sale of Licensor Advertising Rights hereunder. The Licensor acknowledges that, during the Term or at any time thereafter, the Licensor does not have, nor shall the Licensor assert, any intellectual property rights or any license in any intellectual property rights owned by the Licensee or the NBA.

ARTICLE IV REMEDIES

Unless otherwise provided in this Agreement, if the Licensor shall successfully exercise any right or remedy against the City, or any insurance policy maintained by the City, under the Arena Agreement, any amount recovered by the Licensor (net of all costs of collection) shall be equitably apportioned between the Licensee and the Licensor to reflect the relative harm or Losses suffered by each of them as a result of the matter giving rise to the applicable claim.

ARTICLE V REVENUES AND EXPENSES; TAXES

5.1 Licensee Revenues. The Licensee shall be entitled to retain, and the Licensor shall promptly pay to the Licensee to the extent received by the Licensor, all Licensee Revenues. For purposes of this Agreement, "Licensee Revenues" shall mean, without duplication, all revenue relating to Licensee Events and/or the Licensee, including all (a) General Seating Ticket Receipts; (b) the Ticket Component with respect to the use of all Premium Seating; (c) Retained Advertising Revenue; (d) NBA League Revenues; and (e) other revenues to which the Licensee is entitled pursuant to this Agreement or otherwise (including with respect to Licensee Event Tickets for Premium Seating for NBA Playoff Home Games at the Arena that are purchased

separately pursuant to Section 12.3). The Parties acknowledge that the Licensee's rights to the Licensee Revenues are rights that derive from the Licensee's ownership of the Team, irrespective of this Agreement and the Arena Agreement.

5.2 Payments to the Licensor. The Licensee, which, subject to the obligations contained in Section 5.7, has the exclusive right to sell Licensor Advertising Rights and Premium Seating (and collect and receive all Premium Seating License Fees and Licensor Advertising Revenue) pursuant to Article VIII and XII, shall pay to the Licensor the following amounts (collectively, the "Licensee Serviced Net Revenues") to the extent the applicable payor thereof does not pay such amount directly to the Licensor:

5.2.1 An amount equal to (a) the Premium Seating License Fees minus (b) the Premium Seating License Expenses.

5.2.2 An amount equal to (a) Licensor Advertising Revenue minus Advertising Expenses.

Within twenty (20) days after the last day of each calendar month, the Licensee shall prepare and provide to the Licensor a settlement statement of Licensee Serviced Net Revenues owed by the Licensee to the Licensor pursuant to this Section 5.2, current through Licensee Events through the last day of such calendar month. Licensee Serviced Net Revenues shown in such statement as payable to the Licensee shall be remitted to the Licensee with such statement. If and to the extent the Licensee is required to refund any amount to a Sponsor or a Premium Seating Licensee due to the failure to provide Licensor Advertising Rights or Premium Seating (including due to a Force Majeure Event or NBA Rules), then the Licensor shall bear (whether by direct payment to the applicable party, reimbursement to the Licensee or an offset against amounts otherwise payable to the Licensor hereunder) the amount so refunded (or portion thereof as is determined in good faith by the Licensor and the Licensee based on the fair market value of the Licensor Advertising Rights and/or Premium Seating not so provided to the Sponsor or Premium Seating Licensee, as applicable, if any portion of the amount so refunded also is attributable to other rights not received by the Sponsor or Premium Seating Licensee). The Licensee's obligations under this Section 5.2 with respect to any earned but unpaid Licensee Serviced Net Revenues during the final Operating Year survive the expiration or earlier termination of this Agreement. The Licensee acknowledges and agrees that the Licensee shall have no right to receive or retain any revenue from any Other Event. The Licensor shall be responsible for paying any taxes associated with Premium Seating License Fees and Licensor Advertising Revenue.

5.3 Revenue Retained by the Licensor. The Licensor (or its Affiliate in the case of Licensor Event Parking), which has the right to sell Merchandise, Concessions and Licensee Event Parking pursuant to Articles VII and X, shall be entitled to retain, and the Licensee shall promptly pay to the Licensor to the extent received by the Licensee, an amount equal to the sum of (a) Merchandise Revenue plus (b) Licensee Event Parking Revenue plus (c) Concession Revenues.

5.4 Ticket Surcharges.

5.4.1 All Qualified Tickets for Licensee Events shall be subject to a ticket surcharge equal to five percent (5%) of the Ticket Price (or, if lesser, the discounted or promotional price, if any, of the applicable Qualified Ticket) of such Qualified Tickets (the "Ticket Surcharge"); provided, however, that no Ticket Surcharge with respect to a Qualified Ticket shall be owing to the extent the Ticket Price is refunded to a holder of such Qualified Ticket.

5.4.2 To the extent the Licensee receives payments for Qualified Tickets for Licensee Events, on the second to last Business Day of each calendar month, the Licensee shall remit to the Licensor an amount equal to the sum of the Ticket Surcharge in respect of the payments so received by the Licensee.

5.5 Licensee Expenses.

5.5.1 Except as expressly required to be provided by or paid by the Licensor under the terms of this Agreement (including pursuant to Sections 5.2, 6.1 and 6.2), the Licensee shall be responsible for all Licensee Expenses. For purposes of this Agreement, "Licensee Expenses" shall mean all costs and expenses (a) actually incurred by the Licensor or the Licensee that are directly attributable to the Licensee's use of the Arena for a specific Licensee Event pursuant to Sections 6.3 and 6.4 and the proviso in Section 6.1.2 and (b) for which the Licensee is responsible pursuant to Sections 11.4.1 or 11.4.2.

5.5.2 Within fifteen (15) days after the end of each calendar month, the Licensor shall prepare and provide to the Licensee a settlement statement of Licensee Expenses incurred by the Licensor, current through Licensee Events through the last day of such calendar month. Amounts shown in such statement as payable by the Licensee shall be paid by the Licensee to the Licensor within five (5) Business Days after the Licensee's receipt thereof.

5.6 Licensee Event Report. Within one (1) Business Day following each Licensee Event, the Licensor shall prepare and provide the Licensee a report listing (a) all General Seating Ticket Receipts collected by the Licensor; (b) turnstile attendance count; and (c) any other Licensee Revenues received or collected by the Licensor, in each case with respect to such Licensee Event.

5.7 Rights and Obligations Regarding Licensee Serviced Retained Rights.

5.7.1 The Licensor hereby appoints the Licensee as its exclusive servicer and marketing agent (the Licensee, in such capacity, the "Servicing Agent") for, and the Servicing Agent hereby agrees to assume and perform, the sale, marketing and administration of the Licensor Advertising Rights and Premium Seating (collectively, the "Licensee Serviced Retained Rights") and the negotiation, drafting and administration of all agreements (including Premium Seating Licenses and Naming Rights Agreements) through which the Licensee exercises the Licensee Serviced Retained Rights (the "Licensee Serviced Retained Rights Agreements") in a manner consistent with the Servicing Standard.

5.7.2 The Servicing Agent shall perform its obligations as Servicing Agent in accordance with Applicable Law, the terms of this Agreement and the terms of the respective Licensee Serviced Retained Rights Agreements, and, to the extent consistent with the foregoing, further as follows: (i) on a commercially reasonable basis using that level of skill and judgment commensurate with that practiced by persons regularly performing such services, (ii) in such a manner so as not to intentionally detract from the generation of revenues from the Premium Seating License Fees and Licensor Advertising Revenue in favor of the generation of Licensee Revenues and (iii) with a view to the timely collection of all scheduled payments of Premium Seating License Fees and Licensor Advertising Revenue under the Licensee Serviced Retained Rights Agreements or, if a Licensee Serviced Retained Rights Agreement comes into and continues in default and if, in good faith and reasonable judgment of the Servicing Agent, no satisfactory arrangements can be made for the collection of the delinquent payments of Premium Seating License Fees and Licensor Advertising Revenues, the use of commercially reasonable efforts to maximize the recovery of such payments on such Licensee Serviced Retained Rights Agreements (the requirements set forth in the immediately foregoing clauses (i), (ii) and (iii), the “Servicing Standard”).

5.7.3 Without limiting the foregoing, the Servicing Agent shall perform the following marketing and administrative services, in accordance with the Servicing Standard, with respect to the Licensee Serviced Retained Rights:

(a) market the Licensee Serviced Retained Rights in accordance with the Servicing Standard;

(b) produce and provide Event Tickets for the Premium Seating marketed under this Agreement and perform all ticket administration services in connection therewith;

(c) consistent with the Servicing Standard, determine whether admission to any Restaurant Areas shall be limited to Premium Seating Licensees, and whether a separate fee shall be required in connection with such admission and, if so, the amount of such fee;

(d) develop proposals with respect to the marketing of the Premium Seating and proposals for the inclusion of additional or different amenities and services to be included in Premium Seating that can be expected to increase the Premium Seating License Fees;

(e) negotiate on the Licensor's behalf and upon consultation with the Licensor disputes with contracting parties in relation to the Licensee Serviced Retained Rights and the provisions of Licensee Serviced Retained Rights Agreements related to Licensee Serviced Retained Rights and resolve such disputes, consistent with the Servicing Standard and in its good faith and reasonable judgment;

(f) disclose to third parties that the Servicing Agent is acting solely as agent for, and on behalf of, Licensor with respect to the Servicing Agent's services under this Section 5.7; and

(g) provide such reports as reasonably requested by the Licensor with respect to the Licensee Serviced Retained Rights and the Premium Seating License Fees and Licensor Advertising Revenue derived therefrom.

5.7.4 From and after the date hereof, the Servicing Agent shall present any proposed Licensee Serviced Retained Rights Agreement to the Licensor, for the Licensor's review, and any Licensee Serviced Retained Rights Agreement so executed shall, with respect to Licensee Serviced Retained Rights, be entered into by Licensee solely in its capacity as Servicing Agent for the Licensor; provided, however, that if the Licensee is entering into a Licensee Serviced Retained Rights Agreement as Servicing Agent for the Licensor, the Licensee shall not enter into any such Licensee Serviced Retained Rights Agreement without the prior approval of the Licensor with respect to the provision therein related to Licensee Serviced Retained Rights, which approval may only be withheld if the Licensor determines in good faith that the Servicing Agent has not complied with the Servicing Standard with respect to such Licensee Serviced Retained Rights.

5.7.5 Upon a material monetary default by a counterparty under a Licensee Serviced Retained Rights Agreement that relates to Licensee Serviced Retained Rights, the Servicing Agent shall notify the Licensor of said default, and, upon the request of the Licensor, the Servicing Agent shall, consistent with the Servicing Standard: (i) use commercially reasonable efforts to enforce such Licensee Serviced Retained Rights Agreement in accordance with its terms; (ii) use commercially reasonable efforts to cause the counterparty thereunder to effect a cure of such default; or (iii) if such efforts are not availing and such default has not been cured within thirty (30) days after the expiration of the applicable cure period under such Licensee Serviced Retained Rights Agreement, to terminate such portion of the Licensee Serviced Retained Rights Agreement that relates to Licensee Serviced Retained Rights in accordance with the terms thereof and to market the affected Licensee Serviced Retained Right in accordance with the requirements of Sections 5.7.3, 5.7.4, and 5.7.5.

ARTICLE VI

MANAGEMENT; MAINTENANCE; EVENT STAFFING; AND CAPITAL REPAIRS

6.1 Management.

6.1.1 Operating Standards. The Licensor shall, at its sole cost and expense (except for those costs and expenses that are Licensee Expenses), manage and operate the Arena in accordance with, and provide all services required by it pursuant to, this Agreement and the Arena Agreement on a twenty-four (24) hour per day, year-round basis. Such services will be provided in a professional manner and at a level of quality and consistency necessary to meet the Operations Standard.

6.1.2 Permits. The Licensor shall, at its sole cost and expense, obtain all necessary licenses and permits (including a liquor license, to the extent the applicable Concessionaire does not possess such liquor license) required in connection with the operation of the Arena; provided, however, that the cost of licenses or permits required for a specific Licensee Event (such as a special license for pyrotechnic displays, but not including liquor licenses or other ordinary and necessary licenses required for normal Event operations) shall be a Licensee Expense.

6.2 Utilities and Maintenance.

6.2.1 Utilities. The Licensor shall, at its sole cost and expense, furnish sufficient water, sewer, natural gas, heat, air-conditioning, electric, telephone, Internet and other utilities, hookups and capacities as are necessary to operate the Arena and for the Permitted Uses. The electricity for the Arena shall be sufficient to light the Arena with the degree of illumination required for color telecasting and other media broadcast (as contemplated by Section 9.1) of the Licensee Events in accordance with NBA Rules and shall at all times be sufficient, in the Licensee's reasonable judgment, to permit the Licensee to fully enjoy all of the Permitted Uses under this Agreement.

6.2.2 Maintenance. The Licensor, at its cost and expense, shall timely make all repairs and undertake all maintenance at the Arena, including the Premises, in accordance with the Maintenance and Repair Standard. In furtherance of the foregoing, the Licensor shall operate and maintain in good, clean order, condition and repair the Arena and its fixtures, machinery, equipment, improvements and other components (including all utilities, hookups and capacities set forth in Section 6.2.1), the Communication Systems, the Common Areas, the Premium Seating and General Seating, the Restaurant Areas, the Licensee Exclusive Spaces (and the Licensor shall have the right to enter at reasonable times upon prior notice to the Licensee, the Licensee Exclusive Spaces in connection therewith), the Floor and the remainder of the Premises, so that the Arena shall be in first-class condition ready for all Licensee Events and other Permitted Uses and otherwise in the condition that satisfies the Maintenance and Repair Standard. None of the facilities or equipment required for Licensee Events shall be diminished or eliminated without the Licensee's prior written consent, other than replacing damaged or obsolete furniture, fixtures, machinery or equipment. The Licensor shall provide adequately trained janitorial, pest control, maintenance and support staff to perform the Licensor's maintenance obligations (including during Licensee Events).

6.2.3 The Licensor's Non-Performance. If the Licensor fails in the performance of any maintenance obligations set forth in Section 6.2.2 (other than any failure that constitutes an Emergency, in which case Section 6.5.4 shall govern), the Licensee may notify the Licensor in a written notice specifying the manner in which the Licensor has failed to perform. If the Licensee delivers such a notice to the Licensor and the Licensor does not cure any failure on or before fifteen (15) days after the Licensor's receipt of such written notice, the Licensee may (but is not obligated to), in addition to other rights and remedies available to the Licensee, undertake responsibility for such uncured obligation. In such event, the Licensor shall be responsible within fifteen (15) days after

written demand to reimburse the Licensee for all reasonable costs and expenses associated with the Licensee's undertaking of such obligations.

6.3 Basketball Facilities and Equipment. On the day of each Home Game at the Arena, Basketball Special Event and, to the extent applicable, Other Licensee Event, the Licensor shall set-up all facilities, systems and equipment then necessary for the performance of the Licensee Event to satisfy the Basketball Operating Standards, including the Floor, basketball goals, backup basketball goals, nets, lines and striping, time keepers and score keepers tables, adequate signs and markers, the Team and visiting team benches, tables and chairs, complete and effective lighting system, Communication Systems, a telephone hook-up from each team's bench on floor level to coaches and assistant coaches and broadcast booths. The foregoing shall be available and operational at least four (4) hours before, and continuing throughout, each Home Game at the Arena, Basketball Special Event and, to the extent applicable, Other Licensee Event, after which time the Licensor shall tear-down such facilities (unless the immediately succeeding event is a Home Game at the Arena, other Basketball Special Event or applicable Other Licensee Event, in which case the Parties may reasonably determine to not tear-down such facilities). Any cost or expense with respect to the set-up, tear-down or other conversion activities related to any such Licensee Event shall be a Licensee Expense.

6.4 Staffing; Security for Licensee Events. In managing the operations of the Arena, the Licensor shall (a) cooperate with the Licensee to ensure that due consideration is given to the Licensee's customer service goals and the Licensee's requests concerning Event Staffing and customer service matters and (b) be responsible for the safety and security of the Arena and the immediately surrounding areas during all Licensee Events. The Licensor shall, at the Licensee's sole cost and expense as a Licensee Expense, furnish a mutually agreed upon level of Event Staffing (including security personnel and all police, traffic management, fire, paramedic, ambulance, hazardous materials response teams, and other governmental and/or municipal services) sufficient to satisfy the Basketball Operating Standards. The Licensee shall have the right to establish reasonable grooming, dressing and cleanliness standards for Event Staffing and other Licensor employees who will have contact with ticket holders, Premium Seating Licensees, Licensee guests and patrons during Licensee Events. The Licensor shall consult with, and obtain the approval of, the Licensee regarding the determination of security measures and the exclusion or ejection of individuals or items in the interest of safety or security with respect to Licensee Events. Notwithstanding the foregoing in this Section 6.4, the Licensee shall at all times have the right, at its election and at its sole cost and expense as a Licensee Expense, to provide Licensee personnel for Licensee Events, including guest services coordinators and Premium Seating coordinators, for the purpose of supplementing Event Staffing and shall employ, at its sole cost and expense as a Licensee Expense, the players, coaches and all basketball operations support staff, including statisticians, time keepers, score keepers, public address announcers and other basketball operations-related staffing with respect to the Licensee Event. To the extent the costs and expenses related to Event Staffing in this Section 6.4 are not directly attributable to a specific Licensee Event and are also applicable to staffing Other Events, such costs and expenses shall be equitably allocated to the Licensee as a Licensee Expense based on the number of Licensee Events relative to such Other Events during the period of determination.

6.5 Additions and Capital Repairs.

6.5.1 Obligation to Make Additions and Capital Repairs. Subject to Section 6.5.5, during the Term, the Licensor shall be responsible for and, at its sole cost and expense shall timely make, all Additions and Capital Repairs required to be made to the Arena or the furniture, fixtures, machinery or equipment located therein, including Concession equipment, pursuant to the terms of Section 4.3(G) or 4.3(H) of the Arena Agreement.

6.5.2 Manner of Performance. The Licensor shall (a) undertake such Additions and Capital Repairs with reasonable diligence and (b) perform such work at times and in a manner that, to the extent reasonable under the circumstances, minimizes interference with the Licensee's use, occupancy and possession of the Arena. Other than with respect to Emergencies governed by Section 6.5.4, the Licensee shall notify the Licensor of any condition or situation that would require the Licensor to perform Additions and Capital Repairs under this Section 6.5 within a reasonable time after becoming aware of such condition or situation.

6.5.3 The Licensor's Non-Performance. If the Licensor fails to perform its obligations under Section 6.5.1 (other than any failure that constitutes an Emergency, in which case Section 6.5.4 shall govern), the Licensee shall have the right to notify the Licensor in writing, which notice shall specifically set forth the manner in which the Licensor has failed to fulfill such obligations. If the Licensor (a) does not cure any failure on or before thirty (30) days after the Licensor's receipt of such written notice or (b) has notified the Licensee that it does not have the funds necessary to fulfill such obligation, the Licensee may (but is not obligated to), in addition to any other rights and remedies available to the Licensee, undertake responsibility for such uncured obligation. In such event, the Licensor shall, within fifteen (15) days after written demand from the Licensee, reimburse the Licensee for all reasonable costs and expenses associated with the Licensee's undertaking of such obligations and, to the extent the Licensor does not so reimburse the Licensee within such fifteen (15)-day period, the Licensee shall have the right to deduct such costs and expenses from any amounts payable by the Licensee to the Licensor pursuant to this Agreement. The Licensor shall provide notice to the Licensee as promptly as practicable if (i) the City provides notice to the Licensor that the Licensor is required to make any Additions or Capital Repairs or (ii) the City requires the Licensor to engage a new management company pursuant to Section 11.2 of the Arena Agreement.

6.5.4 Emergency and Repairs. In the event of any Emergency, the Licensee shall promptly notify the Licensor of such Emergency, and the Licensor shall promptly respond within a reasonable time period consistent with the nature of the situation. If the Licensor has not promptly made the repairs necessary to alleviate such Emergency or has notified the Licensee that it does not have the funds necessary to alleviate such Emergency, unless the City has made such repairs pursuant to the Arena Agreement, the Licensee may (but is not obligated to), in addition to any other rights and remedies available to the Licensee, make the repairs necessary to alleviate such Emergency. To the extent practicable, the Licensee shall contact the Licensee prior to the Licensee's taking any action pursuant to this Section 6.5.4 to discuss the actions to be taken with respect to the Emergency or such repairs and to attempt to avoid the duplication of efforts by the Licensee and the Licensor. The Licensor shall, within fifteen (15) days after

written demand from the Licensee, reimburse the Licensee for all reasonable costs and expenses associated with respect to such Emergency and, to the extent the Licensor does not so reimburse the Licensee within such fifteen (15)-day period, the Licensee shall have the right to deduct such costs and expenses from any amounts payable by the Licensee to the Licensor pursuant to this Agreement. Depending on the nature of the repair, such expenditure shall be a repair or maintenance or Addition or Capital Repair, as applicable, that is reimbursed by the Licensor, except to the extent it is an expenditure for Additions and Capital Repairs for which funds are available for reimbursement from the Capital Fund. The Licensor shall provide notice to the Licensee as promptly as practicable if the City exercises any of its “self-help” rights or remedies pursuant to Section 4.3(H) of the Arena Agreement.

6.5.5 Licensee Additions and Capital Repairs. Except as provided in Sections 6.5.3, 6.5.4 and 15.2, the Licensee shall not, without the Licensor’s prior consent, make Additions and Capital Repairs to any portion of the Arena. The Licensee shall provide the Licensor with reasonable prior notice of, and construction plans and specifications for, any and all proposed Additions and Capital Repairs, as well as a proposed schedule of construction for such Additions and Capital Repairs. All Additions and Capital Repairs performed by the Licensee in accordance herewith, including the preparation of plans, specifications and engineering reports therefor, shall (a) be done at the Licensee’s expense as a Licensee Expense, (b) be done in a good and workmanlike manner, (c) not weaken or impair the structural strength of the Arena or fundamentally affect the character or suitability of the Arena for use as a multipurpose arena facility, (d) be in compliance with all applicable NBA Rules and the Arena Agreement and (e) be done in a manner as to not unreasonably interfere with the operation of the Arena.

6.5.6 City Approval. Notwithstanding the foregoing in this Section 6.5, the Licensor shall not be in breach of any provision in this Section 6.5 to the extent the Licensor is required to obtain, and the Licensor uses commercially reasonable efforts to obtain, any approval from the City pursuant to the Arena Agreement and such approval is not obtained.

6.6 Capital Fund.

6.6.1 The Parties acknowledge that all Qualified Tickets for Licensee Events are subject to the Capital Fund Ticket Fee pursuant to, and in accordance with, the Arena Agreement. The Capital Fund containing all Capital Fund Ticket Fees shall be held and disbursed in accordance with the terms and conditions of the Arena Agreement as a non-exclusive source of payment for the costs and expenses incurred by the Licensor in connection with Additions and Capital Repairs.

6.6.2 To the extent the Licensee receives payments for Qualified Tickets, on the second to last Business Day of each calendar month, the Licensee shall remit to the Licensor an amount equal to the Capital Fund Ticket Fee in respect of such payments so received by the Licensee, and the Licensor shall promptly remit such amount to the City.

6.6.3 Upon the expiration or earlier termination of this Agreement, the Licensor shall promptly distribute to the Licensee an amount equal to the product of (a) all amounts remaining in the Capital Fund that are retained by, or distributed to, the Licensor pursuant to the Arena Agreement multiplied by (b) a fraction, the numerator of which is the aggregate Capital Fund Ticket Fee deposited into the Capital Fund in respect of Qualified Tickets for Licensee Events and the denominator of which is the aggregate Capital Fund Ticket Fee deposited into the Capital Fund in respect of Qualified Tickets for all Events, in each case during the Term (other than the last Operating Year).

6.7 Enforcement of Rights; Amendments to Arena Agreement. Without limiting the generality of any other provision of this Agreement, the Licensor shall at all times use commercially reasonable efforts to enforce all obligations of the City under the Arena Agreement, the Parking Agreement and all other related agreements. The Licensor shall not approve or permit any amendment to, or grant any waiver of, (a) any of Sections 1, 2, 3, 4.2, 4.3, 4.4, 4.6, 4.7, 4.8, 5, 7.2, 8, 9, 10.4, 11, 16, 19 or 20 of the Arena Agreement or (b) any other provision of the Arena Agreement so as to adversely impact the rights or obligations of the Licensee hereunder, in each case without the prior written consent of the Licensee. If the City has breached any provision of the Arena Agreement or the City asserts that the Licensor has breached any provision of the Arena Agreement, then the Licensor shall promptly provide the Licensee with notice thereof.

ARTICLE VII CONCESSIONS; MERCHANDISE; AND TEAM RETAIL STORE

7.1 Concessions.

7.1.1 Concessionaire. Subject to this Section 7.1, the Licensor shall select a Concessionaire(s) for the Arena and enter into a Concession Agreement(s) regarding the applicable Concessions, including the provision of such Concessions at Licensee Events. The Licensor shall consult with the Licensee prior to the initial selection, notify the Licensee of a potential selection, and permit the Licensee to interview any such new or potential successor Concessionaire and permit the Licensee to review drafts of any such Concession Agreement. The Licensor shall reasonably consult with the Licensee regarding the terms of any Concession Agreement and, in any event, the Concession Agreement shall provide that the Licensee be a third-party beneficiary thereof. No Concessionaire will be retained, and no Concession Agreement will be entered into (including any Concession Agreement with an Affiliate of the Licensor) or amended (to the extent any amendment relates to the provision of Concessions at Licensee Events), without the prior written approval of the Licensee, which shall not be unreasonably withheld, conditioned or delayed. The Licensor shall use commercially reasonable efforts to enforce the terms of any Concession Agreements. If a Concessionaire has breached any provision of a Concession Agreement or a Concessionaire asserts that the Licensor has breached any provision of a Concession Agreement, then the Licensor shall provide the Licensee with notice thereof as promptly as practicable. For the avoidance of doubt, this Section 7.1.1 shall apply even if the Concessionaire is the Licensor or the Licensor's Affiliate.

7.1.2 Products. The kind and quality of Concessions and the menu, name brands and pricing of Concession products to be sold at Licensee Events shall be determined in accordance with the Concession Agreement and, unless otherwise agreed to by the Licensee, in any event shall be subject to the approval of the Licensee, which shall not be unreasonably withheld, conditioned or delayed.

7.1.3 Restaurant Areas. The Licensor and the Licensee shall work cooperatively to determine and establish operating policies for the Restaurant Areas during Licensee Events. The Licensor and the Licensee shall meet, confer and agree on marketing and promotion. Subject to the terms of the Concession Agreement, the Licensor shall have final approval of all operating policies relating to the Restaurant Areas, including staffing.

7.2 Merchandise.

7.2.1 Sale of Merchandise. Subject to this Section 7.2, the Licensor shall operate, or, at the option of the Licensor, contract with a third party to operate (a “Merchandise Operator”), Merchandise sales at the Arena for all Events. The Licensor shall consult with the Licensee prior to the initial selection, notify the Licensee of a potential selection, and permit the Licensee to interview any such new or potential successor Merchandise Operator and permit the Licensee to review drafts of any such agreement with respect to the sale of Merchandise at the Arena (the “Merchandising Agreement”). The Licensor shall reasonably consult with the Licensee regarding the terms of any Merchandising Agreement and, in any event, the Merchandising Agreement shall provide that the Licensee be a third-party beneficiary thereof. No Merchandise Operator will be retained, and no Merchandising Agreement will be entered into (including any Merchandising Agreement with an Affiliate of the Licensor) or amended (to the extent any amendment relates to the provision of Merchandise at Licensee Events), without the prior written approval of the Licensee, which shall not be unreasonably withheld, conditioned or delayed. The Licensor shall use commercially reasonable efforts to enforce the terms of any Merchandising Agreements. If a Merchandise Operator has breached any provision of a Merchandising Agreement or a Merchandise Operator asserts that the Licensor has breached any provision of a Merchandising Agreement, then the Licensor shall provide the Licensee with notice thereof as promptly as practicable. For the avoidance of doubt, this Section 7.2.1 shall apply even if the Merchandise Operator is the Licensor or the Licensor’s Affiliate.

7.2.2 Licensee Control of Items Sold; Locations; Personnel. The Licensor shall determine the kind, quality, quantity and pricing of Merchandise to be sold at Licensee Events. The Licensor shall have the right to determine the placement, number and size of each location (e.g., for retail kiosks or portable and temporary displays) for the sale of Merchandise within and outside the Arena (in addition to the Team Retail Store). The Licensor shall have the right to determine the number of vendors circulating the Arena to sell Merchandise during Licensee Events. Merchandise shall be consistent with NBA Rules. All personnel utilized for the sale of Merchandise at the Team Retail Store and other locations within the Arena shall be employees or contractors of the Licensor and not of the Licensee.

7.3 Team Retail Store. The Licensor shall, to the extent requested by the Licensee, cause the Team Retail Store to be open to the general public on a year-round basis.

ARTICLE VIII ADVERTISING

8.1 Advertising. Subject to the provisions of Section 5.7, the Licensee, as Servicing Agent for the Licensor with respect to Licensor Advertising Rights, shall have the exclusive right during the Term to market, price, sell, grant, license, post, exhibit, display, publish, broadcast and/or present Advertising (including Licensor Advertising Rights), and collect and receive the revenue therefrom, on such terms and conditions and pursuant to such policies as determined by the Licensee in its sole discretion. Neither the Licensor nor any Person other than the Licensee shall have the right to sell any Advertising (including Licensor Advertising). The Licensee shall use commercially reasonable efforts to perform its obligations, and to enforce the obligations of all Sponsors, under all agreements entered into with respect to Licensor Advertising. The Licensee shall provide the Licensor a copy of each entered into by the Licensee with a Sponsor that includes Licensor Advertising Rights (including each Naming Rights Agreement).

8.2 Naming Rights.

8.2.1 In furtherance of Section 8.1, the Licensee, as Servicing Agent for the Licensor, shall have the exclusive right to sell, grant or license all Naming Rights; provided, that all Naming Rights shall not (a) be in bad taste or, at the time they are sold, license or granted by the Licensee (as Servicing Agent for the Licensor) to an applicable third party, a cause for embarrassment to the City, or (b) include any companies known for tobacco products, guns, adult entertainment, or marijuana or other non-pharmaceutical drugs. For the avoidance of doubt, the City, as third party beneficiary of this Section 8.2, shall be entitled to seek specific performance to enforce the Naming Rights' satisfaction of the foregoing criteria.

8.2.2 Following receipt by the Licensor of written notice from the Licensee of the determination of the Arena Name, each Party shall use (and the Licensor shall have the right to use with respect to Other Events) the Arena Name in all correspondence, communications, advertising and promotion that such Party may undertake with respect to the Arena, including in all press releases and other communication and media and in connection with the promotion of the sale of tickets to Events, including Licensee Event Tickets. The Licensor shall have the right to use the Arena Name in connection with Other Events.

8.3 Other Events. The Licensor may permit signage and other Advertising inventory (including, to the extent not prohibited by the Licensee's agreements with Sponsors, such Advertising inventory that may conflict with category exclusivities granted by the Licensee in connection with its sale of Advertising) to be displayed at the Arena during such Other Event by the promoters or sponsors of such Other Events so long as such promoters or sponsors are promoting or sponsoring such Other Event substantially all locations where such Other Event is being presented. The Licensee acknowledges that certain Other Events (e.g., NCAA basketball games and certain concerts) will require as a condition of its use of the Arena that certain

Advertising be blocked, removed, not lit, not activated or materially obstructed during such Other Event and that the Licensor will be permitted to allow the foregoing so long as the Licensor reasonably consults with the Licensee prior to entering into an agreement with respect to such Other Event and such Advertising is blocked, removed, not lit, not activated or materially obstructed to the least extent possible to comply with the requirements of such Other Event.

8.4 Cooperation; Advertising Installation, Etc. The Licensor agrees to use commercially reasonable efforts to cooperate with the Licensee with respect to the Licensee's fulfillment of its obligations pursuant to any agreements entered into by the Licensee with respect to Advertising. The Parties acknowledge that the Licensee shall have the right to enter into agreements, and retain all revenue, with respect to all Team-related advertising, sponsorship and promotional inventory, including, without limitation, designation as official sponsor of the Team, advertising on Team or Licensee-controlled platforms, hospitality offerings, use of Team-related intellectual property, Licensee Temporary Advertising and advertising (e.g., commercials and promotional spots) in connection with Licensee Broadcast Rights and Advertising with respect to the Licensee Exclusive Spaces (collectively, "Team Inventory Advertising"). Such agreements may be entered into by the Licensee with Sponsors and also include Licensor Advertising (including Naming Rights Agreements). If Advertising Rights sold by the Licensee include Licensor Advertising Rights and Team Inventory Advertising, the Advertising Revenue therefrom attributable to the Team Inventory Advertising shall be the fair market value of the Team Inventory Advertising included in such Advertising Rights (determined in good faith by the Licensor and the Licensee taking into account industry practice). To the extent not paid for by the Sponsor or paid pursuant to the Design and Construction Agreement, the costs related to the initial installation, routine maintenance and replacements (including, with respect to the Naming Rights, removing, destroying, replacing and/or converting uniforms, letterhead, business cards, business forms, napkins, cups, directional signage, exterior signage, door signage, permanent advertising, promotional materials, URL for web pages, basketball court markings, dasher board markings, seat back covers and all other similar inventory) with respect to Advertising shall be deemed to be Advertising Expenses.

8.5 Digital Platforms. Subject to NBA Rules and to the extent feasible, the Licensee and the Licensor hereby agree to develop and establish on each of the Team's and the Arena's primary website, mobile application, social media platform or other digital platform one-step hyper-text links that are each graphically represented by prominently displayed icons that allow "one-click" direct access to the Internet sites of the Team or the Arena, as applicable. The Licensee and the Licensor also agree that each of the Team's and the Arena's primary website, mobile application, social media platform or other digital platform, if any, will provide textual and graphic information about the Team and upcoming Home Games. Nothing in this Section 8.5 shall prohibit the Licensee or the Licensor from creating and developing any website, mobile application, social media platform or other digital platform in addition to their individual primary sites, applications and platforms.

8.6 Kiosks. In furtherance of Section 8.1, the Licensee shall have the right to sell or license to others the right to display products and other Advertising in kiosks or portables and displays at and throughout the Arena during Licensee Use Periods in connection with the promotion of products and services at the Arena.

ARTICLE IX
MEDIA DISTRIBUTIONS

9.1 Media Distribution. The Licensee shall have the exclusive right to control and retain all revenue from all broadcasts, reproductions and transmittals of the pictures, descriptions and accounts of Licensee Events via Multimedia Distribution, and all other activities of the Licensee and the visiting teams incidental to Licensee Events in the Arena permitted by this Agreement and whether distributed locally, nationally, internationally or otherwise. The Licensee shall have no right to control or to receive the revenue from any broadcasts, reproductions and transmittals of the pictures, descriptions or accounts of Other Events in the Arena via Multimedia Distribution and whether distributed locally, nationally, internationally or otherwise. The right to control or license and to receive revenue from any and all broadcasts, reproductions and transmittal of the pictures, descriptions and accounts of all Other Events via Multimedia Distribution shall be retained by the Licensor. For the purposes of this Agreement, “Multimedia Distribution” shall mean any and all forms, means or modalities of electronic or other tangible or non-tangible exhibition or transmission (whether now known or hereafter developed) of video, audio or audio/video programming, including radio, over-the-air television, cable television, over-the-air pay television, multipoint and multichannel multipoint distribution system television, direct broadcast satellite television, satellite radio, subscription television, master antenna and satellite antenna television and lower power television, closed circuit television, Internet distribution and interactive media. The Licensor shall provide access to the Arena for media personnel and equipment at no cost to the Licensee or the media.

9.2 Media Access. The Licensor shall ensure that the press areas, Practice Facility, Floor, broadcast areas and Common Areas continue to be wired or otherwise equipped throughout the Term with media distribution inputs and outputs for receipt and transmission of Multimedia Distribution reasonably acceptable to the Licensee and the NBA.

ARTICLE X
PARKING

10.1 Licensee Parking at Arena. The Licensor shall make available at all times, without charge to the Licensee, a mutually agreed upon number of permanently designated parking spaces at the Arena Land (which shall in no event decrease in any subsequent Operating Year without the prior written consent of the Licensee), the initial location of which will be identified in the Approved Plans, that may be used by the Licensee at its discretion, including by providing such parking spaces to its employees, owners and designees (including coaches, players and officials during Licensee Events) and/or Premium Seating patrons. Such spaces will be operated and maintained at all times by Licensor at the sole cost and expense of the Licensor in accordance with Article VI and the Licensor shall at all times provide reasonable security measures with respect to such spaces (taking into account the use of such spaces (a) by the Team’s players and (b) during non-Events). The Licensee, in its sole discretion, shall determine whether any amounts shall be charged to third parties in connection with the use of such spaces and shall have the right to collect and retain any such amounts.

10.2 Downtown General Parking. The Licensor shall make available to the Licensee at all times, without charge to the Licensee and at no charge to the persons parking at such spaces, a

mutually agreed upon number of parking spaces at the Downtown General Parking (which shall in no event decrease in any subsequent Operating Year without the prior written consent of the Licensee). The Licensor shall ensure that during the period commencing at least three hours prior to, and ending at least one hour thirty minutes after, all Licensee Events attendees of Licensee Events shall be permitted to park at the Downtown General Parking. Except as otherwise agreed upon by the Licensee and subject to the Parking Agreement, (i) any parking fees charged for use of the Downtown General Parking for attendees of Licensee Events shall be subject to the prior written approval of the Licensee and (ii) the Licensor (or its Affiliate that operates the Downtown General Parking pursuant to the Parking Agreement) shall, at its cost and expense, operate, maintain and repair the Downtown General Parking in accordance with the provisions of the Parking Agreement. All advertising, sponsorship and promotional activity at the Downtown General Parking shall be deemed Licensor Advertising for purposes of this Agreement, including Article VIII. The Parties agree to work in good faith to adopt a parking plan for designating parking spaces that are conveniently located for Premium Seating Licensees, which may be located at the Downtown General Parking. The cost of parking provided to the Premium Seating Licensees during Licensee Events shall be paid to the Licensor by the Premium Seating Licensees (unless parking is provided to such Premium Seating Licensee at no additional charge to such Premium Seating Licensee as part of its Premium Seating License, in which case if any owner or operator of such applicable parking charges a fee for such parking then the Licensor shall pay such fee). The Licensor shall not approve or permit any amendment to, or grant any waiver of, the Parking Agreement, without the prior written consent of the Licensee. If the City has breached any provision of the Parking Agreement or the City asserts that the Licensor has breached any provision of a Parking Agreement, then the Licensor shall promptly provide the Licensee with notice thereof.

ARTICLE XI

TICKETS AND ADMISSIONS TO LICENSEE EVENTS

11.1 In General. Subject to the Licensee's obligations pursuant to Section 2.2.8, the Licensee shall have the exclusive right, in its sole discretion, to determine the purchase price and other terms for, and contract with respect to, Licensee Event Tickets and to control the seating assignments in the Arena for Licensee Events, including to determine the number and location of complimentary and/or discounted Licensee Event Tickets. The Parties acknowledge that such rights are rights that derive from the Licensee's ownership of the Team, irrespective of this Agreement and the Arena Agreement. During Licensee Events, the Arena scorers' table, the Floor, the press room and other designated media areas shall be under the exclusive control of the Licensee, which may issue credentials for admission to such areas. The Licensor shall have the exclusive right to market, promote, sell and control the pricing of tickets for Other Events.

11.2 Arena Box Office. Subject to Section 11.1, the Licensor agrees to make the Arena Box Office facilities open to the public for purchase and distribution of Licensee Event Tickets (a) subject to clause (b) of this Section 11.2, during normal business hours on Business Days and Saturdays throughout the Basketball Season and (b) on all days of a Licensee Event at least two (2) hours before the beginning of such Licensee Event and ending no sooner than one (1) hour after the end of such Licensee Event. The Arena Box Office shall be operated and managed by the Licensor's personnel whose principal duties shall include coordinating ticket

sales for all Events; provided, that employees from the Licensee's ticket operations staff shall have reasonable access to the Arena Box Office when it is open to the public.

11.3 Box Office Personnel.

11.3.1 Personnel Costs. Subject to Section 11.3.2, the Licensor shall be responsible for the hiring and firing of all Arena Box Office personnel. The Licensor shall also be responsible for all costs, including salaries and other costs, related to staffing the Arena Box Office.

11.3.2 Operating Standards. The service to be provided at the Arena Box Office shall create a standard of quality that is consistent with the Operations Standard so as to promote and enhance operations of the Arena and the Licensee. In the event any Arena Box Office personnel member is offensive, abusive, or otherwise not suitable for employment at such position, the Licensee shall have the right to require the Licensor to remove said personnel from the Arena Box Office.

11.4 Licensee Rights.

11.4.1 Marketing and Promotion. The Licensee shall have the exclusive right to market, promote, sell and control single game, season, corporate, package and group Licensee Event Tickets including for Premium Seating. All costs associated with such marketing, promotion, sales and control shall be a Licensee Expense. Except as provided in Section 12.1, the Licensor shall not have any right to market, promote, sell, license or control any Premium Seating.

11.4.2 Advertising; Ticket Sales. The Licensee shall have the exclusive right to market, promote, sell and control the Advertising on tickets and ticket envelopes for all Licensee Events (including on tickets and ticket envelopes purchased at the Arena Box Office for Licensee Events). With respect to tickets and ticket envelopes on which the Licensee sells Advertising, the Licensee shall ensure that the Arena Box Office is supplied with a reasonably adequate inventory of tickets and envelopes at all times. The costs and expenses associated with the ticket stock and ticket printing for Licensee Events shall be a Licensee Expense.

11.5 Ticketing System. Pursuant to an agreement between the Licensor and a ticketing company that grants to such company the right to sell Licensee Event Tickets (a "Ticketing Agreement"), the Arena Box Office shall use a computerized ticketing system to print and distribute Licensee Event Tickets that is reasonably competitive with other first-class systems as to price, technology and service. The Licensor shall consult with the Licensee prior to the initial selection, notify the Licensee of a potential selection, and permit the Licensee to interview any such new or potential successor ticketing company and permit the Licensee to review drafts of the Ticketing Agreement. The Licensor shall reasonably consult with the Licensee regarding the terms of any Ticketing Agreement and, in any event, the Ticketing Agreement shall provide that the Licensee be a third-party beneficiary thereof. No ticketing company will be retained, and no Ticketing Agreement will be entered into (including any Ticketing Agreement with an Affiliate of the Licensor) or amended (to the extent such amendment relates to the Licensee Event

Tickets), without the prior written approval of the Licensee, which shall not be unreasonably withheld, conditioned or delayed. The Licensor shall use commercially reasonable efforts to enforce the terms of any Ticketing Agreement. The ticketing system used pursuant to the Ticketing Agreement shall track and print all Licensee Event Ticket manifested to the ticketing system for individual sales for all Licensee Events. The Licensee may have computer terminals and ticket printers for communication with such ticketing system and advance ticket sales. If a third party has breached any provision of a Ticketing Agreement or a third party asserts that the Licensor has breached any provision of a Ticketing Agreement, then the Licensor shall provide the Licensee with notice thereof as promptly as practicable.

11.6 Admission to Arena. The Licensor shall not grant any person admission to the Arena for any Licensee Event unless such person has acquired and displays a Licensee Event Ticket or other indicia of admission (e.g., a press pass) to such Licensee Event issued by the Licensor or the Licensee in accordance with this Agreement.

11.7 Ticket Records. The Licensor shall maintain, at its expense, the hardware and software for an access control system reasonably acceptable to the Licensee. The Licensor shall retain for audit purposes all electronic or other records of admitted patrons collected during an Operating Year. Electronic or other records of admitted patrons to the Arena shall be kept by the Licensor for a period of at least one hundred eighty (180) days following the end of the Operating Year to which they pertain.

11.8 City Tickets. The Licensee acknowledges and agrees that, to the extent permitted by Applicable Law, the City shall be granted ten (10) Licensee Event Tickets for General Seating to Home Games at the Arena, the location of which shall be determined by the Licensee, in its sole discretion; provided, that, unless otherwise mutually agreed to by the City and the Licensee, (a) at least four (4) of such Licensee Event Tickets will be located in the lower bowl on either side of the Arena between the NBA foul lines (but shall not be Club Seats unless all such seats in the lower bowl between the foul lines are Club Seats) and (b) the remainder of such seats shall be located in the lower half of the upper bowl on either side of the Arena between the NBA foul lines or in the lower bowl. The terms of the City's use of such Licensee Event Tickets shall be in accordance with the terms and conditions applicable to other ticketholders as may be in effect from time to time, as well as the City's ticket distribution policy.

11.9 Press Passes. The Licensee may issue press and related passes for Licensee Events for all media, visiting team, performers (e.g., dance teams and halftime performers) and NBA personnel, including all persons engaged in the broadcasting and reproduction of any Licensee Event and those persons necessary for the installation and removal of broadcast and reproduction equipment, pursuant to the directions of the Licensee from time to time. All such persons shall be entitled to gain access to all areas of the Arena that the Licensee is authorized to use under this Agreement during the Licensee Use Periods.

ARTICLE XII PREMIUM SEATING

12.1 General. Subject to the City's right to use, and permit third parties to use, the Premium Seating for all City Events pursuant to Sections 1.2(A) and (B) of the Arena Agreement

and further subject to the provisions of Section 5.7, the Licensee, as Servicing Agent for the Licensor, shall have the exclusive right during the Term to sell or license to third parties all Premium Seating for all Events and to collect and receive all revenues therefrom. The Licensee, as Servicing Agent for the Licensor, shall have the exclusive right, in its sole discretion, to determine the purchase price and to control the Premium Seating assignments in the Arena (including to determine the amount and location of complimentary and/or discounted Premium Seating) with respect to all Premium Seating for all Events. If, in addition to the payment of any Premium Seating License Fees, Licensee Events Tickets for a Licensee Event are purchased separately by a Premium Seating Licensee or other Person (such as for NBA Playoff Home Games at the Arena as set forth in Section 12.3), the gross amount of money or the value of other consideration received by the Licensee or the Licensor from the sale of such Licensee Event Tickets shall be retained by (or paid to) the Licensee.

12.2 Premium Seating Areas. The Club Seats, Loge Seating, Suites, Other Premium Seating and certain areas located within the proximity of the Premium Seating and necessary for the operation of the Premium Seating, including Common Areas leading from Premium Seating to such areas, as well as areas within the Arena to which Premium Seating Licensees have exclusive access (e.g., certain Restaurant Areas or club or lounge areas) (the “Premium Seating Areas”), will be operated by the Licensor for Licensee Events under rules and policies determined by the Licensor and the Licensee. Subject to Section 12.3, the Premium Seating Areas will be available to be licensed to third parties by the Licensor for all Other Events, subject to the terms of the applicable Premium Seating License. The amount of Premium Seating available shall be subject to the approval of the NBA.

12.3 Premium Seating Arrangements. Admission to and use of Premium Seating may be governed by a written Premium Seating License, which will include access and operation provisions and other rules governing the use of the Premium Seating.

12.3.1 Club Seats. Club Seat Licenses shall provide the holder with Licensee Event Tickets for all Home Games at the Arena (other than for any NBA Playoff Home Game at the Arena, which may be separately purchased by the applicable Club Seat licensee), and a first right to purchase the Event Tickets to such holder’s Club Seats or, if not available, Club Seats of comparable quality, to all Basketball Special Events and Other Events that are ticketed (other than City Events).

12.3.2 Suites and Loge Seating. Suite Licenses and Loge Seat Licenses shall provide the holder with Licensee Event Tickets for all Home Games at the Arena (other than for any NBA Playoff Home Game at the Arena, which may be separately purchased by the applicable Suite licensee or Loge Seating licensee) and Event Tickets for all Other Events that are ticketed (other than Excluded Events), and a first right to purchase all of the Event Tickets to such holder’s Suite with respect to Excluded Events that are ticketed (other than City Events).

12.3.3 Other Premium Seating. The terms and conditions of any Other Premium Seating shall be determined by the Licensee in its sole discretion (provided, that, the Other Premium Seating Licenses shall not include admission to any Other Events without the prior written consent of the Licensor).

12.4 Premium Seating; Concessions. The Licensor shall provide adequate staffing to provide Concessions service to the Premium Seating Areas at all Events in accordance with the Concession Agreement. All costs of Concessions provided to the Premium Seating Licensees during Licensee Events shall be paid to the Licensor by the Premium Seating Licensees (unless such Concessions are provided to Premium Seating Licensee at no additional charge to the Premium Seating Licensee as part of its Premium Seating License, in which case if Concessionaire charges a fee for such Concessions, then the Licensor shall pay such fee), subject to the terms of the applicable Concession Agreement.

12.5 City Suite. The Licensee acknowledges and agrees that, to the extent permitted by Applicable Law, the City shall have the option to use one (1) Suite, including Event Tickets therefor, as more particularly described in the Arena Agreement. Notwithstanding Section 12.3.2 and that Excluded Events include City Events, the City shall have the right to use such Suite with respect to City Events without having to pay any additional amount for Event Tickets with respect to such City Events.

12.6 Operation. The catering services to the Premium Seating and the operation of the Restaurant Areas shall be subject to the terms of the Concessions Agreement.

ARTICLE XIII RECORDS AND AUDITS

13.1 Licensor's Record Keeping. Except to the extent the Licensee maintains such books and records pursuant to Section 13.2, the Licensor shall maintain correct and complete books and records with respect to the operations of the Arena and keep such records for six (6) years after the Operating Year to which they pertain. When reasonably possible, but in any event within one hundred eighty (180) days after the last day of each Operating Year, the Licensor shall, at its expense, provide the Licensee a copy of the certified audit of the Licensor's financial statements for such Operating Year conducted in accordance with GAAP. The Licensee, and its attorneys and accountants, shall be entitled to inspect such books and records maintained by the Licensor of the Arena at the offices of the Licensor at reasonable times during a Business Day upon not less than three (3) Business Days' prior written notice. At the Licensee's expense, the Licensee may annually, during the Term, conduct a review of the books and records of the Arena operations. Upon three (3) Business Days' prior written notice from the Licensee, the Licensor shall provide or make available to the Licensee, all books and records reasonably requested by the Licensee, to conduct such review. If the audit or such a review reveals an overpayment or underpayment of the Licensee Revenue, the Licensor shall either pay or collect from the Licensee the overpayment or the underpayment, as the case may be, within thirty (30) days after the reconciliation of the Licensee Revenue, together with interest at the Interest Rate on the overpayment or underpayment, as the case may be, from the date of determination until the date of payment. In the event of a dispute between the Parties with respect to the results of any such audit or review, the Parties shall refer such dispute to a mutually agreed upon national independent accounting firm, and the Parties shall cooperate with such accounting firm to enable such accounting firm to resolve the dispute as promptly as practicable.

13.2 Licensee's Record Keeping. The Licensee shall maintain correct and complete books and records with respect to the calculation of all payments to be made by the Licensee to

the Licensor hereunder and keep such records for six (6) years after the Operating Year to which they pertain. The Licensor and its attorneys and accountants shall be entitled to inspect such books and records maintained by the Licensee at the offices of the Licensee at reasonable times during a Business Day upon not less than three (3) Business Days' prior written notice. At the Licensor's expense, the Licensor may annually, during the Term, conduct a review of such calculations. Upon three (3) Business Days prior written notice from the Licensor, the Licensee shall provide or make available to the Licensor, all books and records reasonably requested by the Licensor, to conduct such review. If a review reveals an overpayment or underpayment of the payments to be made pursuant to Section 5.2, the Licensee shall either pay or collect from the Licensor the overpayment or the underpayment, as the case may be, within thirty (30) days after the reconciliation thereof, together with interest at the Interest Rate on the overpayment or underpayment, as the case may be, from the date of determination until the date of payment.

13.3 Dispute Resolution. Notwithstanding Article XXI, in the event of a dispute between the Parties with respect to the results of any such audit or review, the Parties shall refer only the disputed matters set forth in Section 13.1 and 13.2 to a mutually agreed upon national independent accounting firm (the "Accounting Firm"), and the Parties shall cooperate with such accounting firm to enable such accounting firm to resolve the dispute as promptly as practicable. The Accounting Firm shall address only those items in dispute and may not assign a value greater than the greatest value for such item claimed by either Party or smaller than the smallest value for such item claimed by either Party. In the absence of manifest error, the resolution of disputed items by the Accounting Firm shall constitute an arbitral award that is final, binding and non-appealable. The costs and expenses of the Accounting Firm incurred pursuant to this Section 13.3 shall be borne by the Licensee, on the one hand, and the Licensor, on the other hand, in proportion to the allocation by the Accounting Firm of the dollar amount of disputed matters, such that the prevailing party (or parties) pay a lesser proportion of such costs and expenses.

13.4 Survival. Sections 13.1-13.4 shall survive any termination or expiration of the Term.

ARTICLE XIV ASSIGNMENT

14.1 Assignment. Subject to Section 14.2, neither Party shall make or enter into an Assignment of this Agreement of this Agreement without the prior written consent of the other Party (which consent shall not be unreasonably withheld, conditioned or delayed) and if so approved the applicable assignee shall agree to be bound by all of the terms and conditions hereunder.

14.2 Permitted Transfers. The following Assignments shall be permitted without the consent of any Party:

14.2.1 The Licensee may make an Assignment of this Agreement to any Affiliate of the Licensee, provided that any such Assignment shall not change, limit, release or otherwise affect the rights, obligations and liabilities of the Licensee to the Licensor

under this Agreement and such Affiliate shall agree to be bound by all of the terms and conditions of this Agreement;

14.2.2 A Party may pledge, mortgage, grant a security interest in, encumber or collaterally assign its interest in this Agreement to secure indebtedness for borrowed money of such Party; and

14.2.3 The Licensee may make an Assignment of this Agreement to any Person that acquires the Team with the approval of the NBA, provided such assignee shall agree to be bound by all of the terms and conditions hereunder.

14.3 Other Project Agreements. Notwithstanding anything to the contrary in this Agreement, in connection with and as a condition to any Assignment of this Agreement, (a) if the Licensor assigns this Agreement, the Licensor must also assign the Arena Agreement to the same assignee in connection therewith and (b) if the Licensee assigns this Agreement, the Licensee must also assign the Non-Relocation Agreement to the same assignee in connection therewith.

ARTICLE XV LICENSEE EQUIPMENT; ADDITIONAL IMPROVEMENTS

15.1 Licensee Equipment. The Licensee may place and store Licensee Equipment in the Licensee Locker Room, the Licensee Storage Facilities and in the other Licensee Exclusive Spaces without any charge therefor. All Licensee Equipment shall be the property of the Licensee and may be removed at any time by the Licensee.

15.2 Additional Improvements. Subject to Sections 6.5.4, 6.5.5 and 17.1, the Licensee shall have the right at its expense, but not the obligation, to make additional improvements to the Licensee Exclusive Space from time to time as the Licensee may choose.

ARTICLE XVI INSURANCE

16.1 Licensee Insurance. Beginning on the Commencement Date, and thereafter at all times during the Term, the Licensee shall, at its sole cost and expense, obtain, keep and maintain insurance in such amounts and against such risks as are customarily maintained by NBA teams who only have use rights (or equivalent rights) to the arena or events center where they play their home games and do not have material arena or events center operating responsibilities, except to the extent the Licensee is already covered as an additional insured by the policies of the Licensor. All such policies of insurance applicable to the Arena shall name the Licensor and the City as an additional insured (except for any policies where it is not commercially customary or practicable to so name the Licensor and the City) and such other Persons as agreed by the Licensor and the Licensee.

16.2 Licensor Insurance. Beginning on the Commencement Date, and thereafter at all times during the Term, the Licensor shall, at its sole cost and expense, obtain, keep and maintain insurance in the form and amounts required of the Licensor under the Arena Agreement,

including Minimum Property Insurance Coverage (as defined in the Arena Agreement). The Licensor shall name the Licensee as an additional insured under all such policies.

16.3 Blanket or Master Policy. The insurance required to be carried by the Licensor pursuant to the provisions of this Article XVI may, at the Licensor's option, be effected by blanket or umbrella policies issued to the Licensor covering the Arena and other properties owned or leased by the Licensor or Affiliates thereof, provided such policies otherwise comply with the provisions of this Agreement and provide to the Arena not less than the specified coverage, including, the specified coverage for all insureds required to be named as insureds under this Agreement.

16.4 Other Insurance Requirements. The Licensor also agrees to provide evidence of coverage for business income interruption and may also maintain any other forms and types of insurance that the Licensor shall deem reasonable in respect of the Arena. The Licensor shall provide the Licensee prompt written notice of any notice it receives of any cancellation, modification or renewal of any such insurance or program.

16.5 Failure to Maintain. If at any time and for any reason any of the Licensee or the Licensor fails to provide, maintain, keep in force and effect, or deliver to the other Parties proof of any of the insurance required hereunder and such failure continues for ten (10) days after notice thereof from one of those three Parties, then any other Party may, but shall have no obligation to, procure single interest insurance for such risks covering the other Party (or, if no more expensive, the insurance required by this Agreement), and the Party that failed to meet its obligations hereunder, as the case may be, shall, within ten (10) days following the other Party's demand and notice, pay and reimburse such other Party the costs incurred.

16.6 Additional Policy Requirements.

16.6.1 Insurers; Certificate and Other Requirements.

(a) All insurance policies required to be procured under this Article XVI (including endorsements thereto) shall be effected under valid policies issued by insurers licensed to do business in the State of California that have an A.M. Best rating of "A-VIII" or better (or equivalent).

(b) Each and every insurance policy required to be carried hereunder by or on behalf of any Party shall provide (and any certificate evidencing the existence of each such insurance policy shall certify) that the insurer will endeavor to notify the insured of any cancellation with a provision substantially as follows: "should any of the above described policies be cancelled before the expiration date thereof, the issuing insurer will mail not less than thirty (30) days written notice to the certificate holder."

16.6.2 Delivery of Evidence of Insurance. With respect to each and every one of the insurance policies required to be procured or maintained under the terms of this Agreement, (A) on or before the date that each such policy is required to be first procured, (B) at least thirty (30) days before the expiration of any such policy, (C) with respect to insurance required by Section 16.2 and 16.4, prior to the first day of each

Operating Year, and (D) otherwise from time to time upon a Party's reasonable request therefor, the Licensee or the Licensor, as the case may be, shall deliver to the other Parties evidence showing that such insurance (including any endorsements required by this Agreement) is in full force and effect. Such evidence shall include certificates of insurance issued by a responsible officer of the issuer of such policies, or in the alternative, a responsible officer of an agent authorized to bind the named issuer, setting forth the name of the issuing company, the coverage, limits, deductibles, and the term thereon. By no later than (i) thirty (30) days after the effective date of any insurance policy required under this Agreement, the Licensee or the Licensor, as the case may be, shall provide the other Party with reasonable evidence that premiums have either been paid in full or, if the premiums are payable in installments, the installments have been paid to date and (ii) one hundred twenty (120) days after the effective date of any issuance policy required under this Agreement, the Licensee or the Licensor, as the case may be, shall provide the other Party with a complete copy of such insurance policy and all endorsements thereto.

16.6.3 Waiver of Recovery. None of the Licensee or the Licensor shall be liable to any other Party or to any insurance company (by way of subrogation or otherwise) insuring the other Party for any injury to persons, or any resulting loss of income, or losses under workers' compensation laws and benefits, even though such loss or damage might have been occasioned by the negligence (whether ordinary or gross) of such Party, its agents or employees, if and to the extent any such loss or damage is actually covered by insurance benefiting the Party suffering such loss or damage. The provisions of this Section 16.6.3 are not intended to limit the claims of any Party to the face amount or coverage of insurance policies herein provided for or to evidence a waiver by any Party of any claim for damages in excess of the face amount or coverage of any such insurance policies. Neither the issuance of any insurance policy required under, or the minimum limits specified in this Article XVI with respect to the Licensee's or the Licensor's insurance coverage, shall be deemed to limit or restrict in any way the Licensee's or the Licensor's liability arising under or out of this Agreement. Notwithstanding the foregoing, the failure of any Party to obtain or maintain any insurance policy required hereunder shall be a defense for the other Parties to any claim asserted by such defaulting Party against any or all of the other Parties by reason of any loss sustained by such defaulting Party that would have been covered by any such insurance policy.

16.7 Third-Party Indemnification and Insurance. The Licensor shall obtain for the Licensee and any of its Affiliates contractual indemnities and rights as an additional insured under any contractually required insurance comparable to any indemnities and additional insured rights obtained for the Licensor or the City, as applicable, from any (a) Concessionaire, (b) user or other licensee or sublicensee of the Arena and (c) contractor, subcontractor, supplier, vendor, consultant or other Person performing any work or providing any services, labor, materials or supplies with respect to all or any part of the Arena.

ARTICLE XVII
DAMAGE, DESTRUCTION OR DETERIORATION; CONDEMNATION

17.1 Damage; Repair Obligation. In the event of damage, destruction or deterioration of the Arena that results in an Alternate Site Condition, then this Agreement shall remain in full force and effect and the Licensor shall, subject to the terms and conditions set forth in Section 9.1 of the Arena Agreement, repair and restore the Arena to the Required Restoration Condition (as defined in the Arena Agreement). In connection with such repair and restoration, (a) Licensee shall have the right to review and approve all construction plans therefor and to participate in the design and construction process and (b) the Licensor shall not approve any material changes in any material aspect of the Arena (including the Licensee Exclusive Spaces) as originally constructed without the Licensee's prior written approval. The Parties acknowledge and agree that changes may be desired by either Party to upgrade the Arena to the then-current modern standards of first-class home arenas of NBA teams to comply with NBA Rules and/or due to the amount being expended by the Licensor in accordance with Section 9.1 of the Arena Agreement. Notwithstanding the foregoing, if the Licensor terminates the Arena Agreement pursuant to Section 9.1 of the Arena Agreement, the Licensor shall promptly provide notice thereof to the Licensee and then the Licensee shall have the right to terminate this Agreement by delivering written notice to the Licensor and the City within ninety (90) days thereafter. If the Licensee so terminates this Agreement, any such termination shall be without penalty to the Licensee.

17.2 Condemnation.

17.2.1 Total Condemnation. If the Arena Agreement is terminated pursuant to Section 9.3(A) of the Arena Agreement due to a Condemnation Action, the Licensor shall promptly provide notice thereof to the Licensee and then the Licensee shall have the right to terminate this Agreement by delivering written notice thereof to the Licensor and the City within ninety (90) days thereafter. If the Licensee so terminates this Agreement, any such termination shall be without penalty to the Licensee. If either Party receives notice of any proposed or pending Condemnation Action affecting the whole or any part of the Arena, it shall promptly notify the other Party.

17.2.2 Partial Condemnation. If the Licensee does not have a right to terminate this Agreement as a result of a Condemnation Action or elects not to do so, the Licensor will, subject to the terms and conditions set forth in Section 9.3(B) of the Arena Agreement, at no cost to the Licensee, repair and restore any damage to the Arena resulting from such Condemnation Action to the Required Restoration Condition.

17.2.3 Proceedings; Condemnation Award. To the maximum extent permitted by Applicable Law, the Licensor and the Licensee each shall have the right, at its own expense, to appear in any Condemnation Action and to participate in any and all hearings, trials and appeals relating thereto even if this Agreement has been terminated. Neither Party shall settle or compromise any right of the other Party to receive a Condemnation Award without the prior written consent of the other Party. Subject to the other provisions of this Section 17.2 and the rights and obligations of the City and the Licensor under Sections 9.3(C) and 9.4 of the Arena Agreement, in any Condemnation Action the

Licensee shall have the right to assert a claim for, and receive all Condemnation Awards for, (a) the loss in value of its rights hereunder as if this Agreement had not terminated, (b) the value of any of the Licensee Exclusive Spaces taken or damaged as a result of the Condemnation Action, (c) any damage to, or relocation costs of, the Licensee's business as a result of the Condemnation Action and (d) any other damages to which the Licensee may be entitled under Applicable Law. If any Condemnation Award is not specifically allocated among the Parties by the applicable Governmental Authority, as between the Licensor and the Licensee the entire amount of the Condemnation Award shall be allocated and distributed to the Licensor.

17.3 Restoration. If any Alternate Site Condition occurs and does not result in termination of this Agreement pursuant to this Article XVII, then the Licensee, at its option and subject to the terms and conditions of the Non-Relocation Agreement, shall have the right to play Home Games in an Alternate Site. Further, during the existence of the Alternate Site Condition, the Licensor shall (a) perform its obligations in accordance with Section 17.1 and Section 17.2.2 and, to the extent not prevented by the Alternate Site Condition, its other obligations hereunder and (b) seek to provide temporary additional areas in the Arena or elsewhere where the Licensee can perform activities otherwise permitted to be performed by the Licensee hereunder in the damaged areas of the Arena. If the Licensor is prohibited from repairing the Arena to the Required Restoration Condition due to a final judgment (taking into account all appeals) by a court or due to Applicable Law, then regardless of whether the Licensee has the right to terminate this Agreement pursuant to Section 17.1, the Licensee shall have the right to terminate this Agreement upon written notice to the Licensor.

ARTICLE XVIII

REPRESENTATIONS, WARRANTIES AND COVENANTS

18.1 Representations and Warranties. Each Party represents and warrants to the other Party that:

18.1.1 Organization. Such Party is a limited liability company or limited partnership duly organized and validly existing under the laws of its state of organization. Such Party has all requisite power and authority to enter into this Agreement.

18.1.2 Authorization; No Violation. The execution, delivery and performance by such Party of this Agreement have been duly authorized by all necessary action, will not violate the organizational documents of such Party and will not result in the breach of, or constitute a default under, any material agreement to which such Party is a party or by which such Party or its material assets may be bound or affected. This Agreement has been duly executed and delivered by such Party and constitute valid and binding obligations of such Party.

18.1.3 No Conflicts. This Agreement is not prohibited by and do not conflict with any other agreements, instruments, judgments or decrees to which such Party is a party or is otherwise subject.

18.1.4 Litigation. No suit is pending or, to the knowledge of such Party, threatened against such Party that could have a material adverse effect upon such Party's performance under this Agreement or the financial condition or business of such Party. There are no outstanding judgments against such Party that would have a material adverse effect upon its assets, properties or franchises.

18.1.5 No Broker's Fees or Commissions. Such Party has not incurred or created any liabilities or claims for broker's commissions or finder's fees in connection with the negotiation, execution or delivery of this Agreement.

18.2 Mutual Covenants. Each Party covenants and agrees to the other Party as follows:

18.2.1 Additional Documents and Approval. The Licensor and the Licensee, whenever and as often as each shall be reasonably requested to do so by the other Parties, shall execute or cause to be executed any further documents, take any further actions and grant any further approvals as may be necessary or expedient in order to consummate the transactions provided for herein.

18.2.2 Notice of Matters. Should the Licensee or the Licensor receive knowledge about any matter that may constitute a breach of any of its representations, warranties or covenants set forth herein, it shall promptly notify the other Party of the same in writing.

ARTICLE XIX NON-RELOCATION; SENIORITY

19.1 Non-Relocation. Concurrently with the execution and delivery of this Agreement, the Licensee has executed the Non-Relocation Agreement.

19.2 Seniority of this Agreement to Licensor Financing. This Agreement shall be and remain senior to any mortgage, deed of trust and/or security agreement now or hereafter encumbering the Licensor's leasehold interest in the Arena and the Arena Land, provided, however, that so long as a lender desiring to record any mortgage, deed of trust and/or security agreement now or hereafter encumbering the Licensor's leasehold interest in the Arena and the Arena Land has entered into a subordination, non-disturbance and attornment agreement with the Licensee, the Licensee agrees to subordinate its rights under this Agreement to such mortgage, deed of trust and/or security agreement now or hereafter encumbering the Licensor's leasehold interest in the Arena and the Arena Land, pursuant to such subordination, non-disturbance and attornment agreement.

ARTICLE XX DEFAULT

20.1 Licensee Default. Each of the following events will, unless otherwise expressly agreed by the Licensor in writing, constitute a "Licensee Default" under this Agreement:

20.1.1 Any failure by the Licensee to pay the amounts required to be paid by it pursuant to Article IV or V within fifteen (15) days after receipt of written notice of failure to pay any such amount when due from the Licensor.

20.1.2 The Licensee materially breaches or fails to comply with any material provision of this Agreement applicable to the Licensor other than the obligation to pay the amounts required to be paid by it pursuant to Article IV or V, and such breach or noncompliance continues for a period of thirty (30) days after written notice thereof by the Licensor to the Licensee; or, if such breach or noncompliance cannot reasonably be cured within such 30-day period, the Licensee does not commence to cure such breach or noncompliance within such 30-day period or, after commencing to cure such breach or noncompliance, does not thereafter pursue such cure in good faith to completion.

20.1.3 The Licensee files a petition in bankruptcy or insolvency, or for reorganization or arrangement under any Applicable Laws related to bankruptcy or insolvency, or voluntarily takes advantage of any such Applicable Laws by answer or otherwise, or dissolves or makes a general assignment for the benefit of creditors, or involuntary proceedings under any such Applicable Laws or for the dissolution of the Licensee are instituted against the Licensee, or a receiver or trustee is appointed for the Arena or for all or substantially all of the Licensee property, and such involuntary proceedings are not dismissed or such receivership or trusteeship vacated within ninety (90) days after such institution or appointment.

20.2 Licensor's Remedies. If any Licensee Default occurs, the Licensor shall have the right, at the Licensor's election, to exercise any one or more of the remedies described below. Exercise of any of such remedies shall not prevent the concurrent or subsequent exercise of any other remedy provided for in this Agreement or otherwise available to the Licensor at law or in equity, except as otherwise expressly stated herein.

20.2.1 The Licensor may, at the Licensor's option but without obligation to do so, and without releasing the Licensee from any obligations under this Agreement, make any payment or take any action as the Licensor deems necessary or desirable to cure any Licensee Default in such manner and to such extent as the Licensor in good faith deems necessary or desirable. The Licensee shall pay the Licensor, upon demand, all reasonable advances, costs, and expenses of the Licensor in connection with making any such payment or taking any such action, including reasonable attorneys' fees, together with interest on all such amounts at the Default Rate from the date of payment of any such advances, costs, and expenses by the Licensor.

20.2.2 The Licensor may institute an Arbitration in accordance with Article XXI or court proceeding in accordance with Section 21.1.3 against the Licensee seeking damages, specific performance, other equitable relief, or any combination of the foregoing.

20.2.3 If the Licensor prevails on any suit brought under Section 20.2.2, obtains a judgment or award for damages, specific performance, other equitable relief, or any combination of the foregoing and the Licensee either (A) fails to pay such damages within ten days after such judgment or award becomes final (taking into account all appeals), or (B) fails to otherwise comply with such judgment or award within the time periods set forth therein or, if no time periods are set forth therein, within reasonable period of time after such judgment or award becomes final (taking into account all

appeals) but, subject to a Force Majeure Event, in no event more than one hundred twenty (120) days after such judgment or award becomes final (taking into account all appeals), the Licensor may, by written notice to the Licensee, terminate this Agreement, which termination shall be effective on the date specified in such notice (but not less than thirty (30) days after the date of such notice), and following receipt of such notice, the Licensee shall vacate the Arena on or before the effective date thereof, failing which, the Licensor may institute dispossessory proceedings. Notwithstanding the foregoing, the Parties acknowledge and agree that (i) pursuant to Section 4.6 of the Arena Agreement, the Licensor shall not so terminate this Agreement without the prior written consent of the City, which consent may be withheld, conditioned, or delayed in the City's sole discretion, (ii) if the Licensor has the right to terminate this Agreement pursuant to this Section 20.2 during, or within thirty (30) days prior to the commencement of, a Basketball Season and so elects to exercise such termination right, such termination shall be effective no earlier than ten (10) Business Days after the end of such Basketball Season and (iii) any election to terminate this Agreement may be exercised only in the same manner as an "unlawful detainer" action for termination of a lease interest.

20.3 Licensor Default. Each of the following events will, unless otherwise expressly agreed by the Licensee in writing, constitute a "Licensor Default" under this Agreement:

20.3.1 The Licensor materially breaches or fails to comply with any material provision of this Agreement applicable to the Licensor, and such breach or noncompliance continues for a period of thirty (30) days after written notice thereof by the Licensee to the Licensor; or, if such breach or noncompliance cannot reasonably be cured within such 30-day period, the Licensor does not commence to cure such breach or noncompliance within such 30-day period or, after commencing to cure such breach or noncompliance, does not thereafter pursue such cure in good faith to completion.

20.3.2 The Licensor files a petition in bankruptcy or insolvency, or for reorganization or arrangement under any Applicable Laws related to bankruptcy or insolvency, or voluntarily takes advantage of any such Applicable Laws by answer or otherwise, or dissolves or makes a general assignment for the benefit of creditors, or involuntary proceedings under any such Applicable Laws or for the dissolution of the Licensor are instituted against the Licensor, or a receiver or trustee is appointed for the Arena or for all or substantially all of the Licensor property, and such involuntary proceedings are not dismissed or such receivership or trusteeship vacated within ninety (90) days after such institution or appointment.

20.4 Licensee's Remedies. If any Licensor Default occurs, the Licensee shall have the right, at the Licensee's election, to exercise any one or more of the remedies described below. Exercise of any of such remedies shall not prevent the concurrent or subsequent exercise of any other remedy provided for in this Agreement or otherwise available to the Licensee at law or in equity, except as otherwise expressly stated herein.

20.4.1 The Licensee may, at the Licensee's option but without obligation to do so, and without releasing the Licensor from any obligations under this Agreement, make any payment or take any action as the Licensee deems necessary or desirable to cure any

Licensor Default in such manner and to such extent as the Licensee in good faith deems necessary or desirable. The Licensor shall pay the Licensee, upon demand, all reasonable advances, costs, and expenses of the Licensee in connection with making any such payment or taking any such action, including reasonable attorneys' fees, together with interest on all such amounts at the Default Rate from the date of payment of any such advances, costs, and expenses by the Licensee.

20.4.2 The Licensee may institute an Arbitration in accordance with Article XXI or court proceeding in accordance with Section 21.1.3 against the Licensor seeking damages, specific performance, other equitable relief, or any combination of the foregoing.

20.4.3 If the Licensee prevails on any suit brought under Section 20.4.2, obtains a judgment or award for damages, specific performance, other equitable relief, or any combination of the foregoing and the Licensor either (A) fails to pay such damages within ten days after such judgment or award becomes final (taking into account all appeals), or (B) fails to otherwise comply with such judgment or award within the time periods set forth therein or, if no time periods are set forth therein, within reasonable period of time after such judgment or award becomes final (taking into account all appeals) but, subject to a Force Majeure Event, in no event more than one hundred twenty (120) days after such judgment or award becomes final (taking into account all appeals), the Licensee may, by written notice to the Licensor, terminate this Agreement, which termination shall be effective on the date specified in such notice (but not less than thirty (30) days after the date of such notice). Notwithstanding the foregoing, the Parties acknowledge and agree that the Licensee shall not so terminate this Agreement unless (x) the Licensor and the Licensee are not Affiliates of one another and (y) the City is not using its commercially reasonable efforts to enforce the Licensor's corresponding obligation under the Arena Agreement that is related to the Licensor's breach of this Agreement that resulted in the applicable judgment or award that is not being complied with (a "City Enforcement Failure") and the City Enforcement Failure continues for a period of thirty (30) days after written notice thereof by the Licensee to the City. The Licensee hereby acknowledges and agrees, for the express benefit of the City, that no City Enforcement Failure shall be deemed to have occurred if the City is not enforcing the relevant obligation of the Licensor under the Arena Agreement as a result of any prohibition on such enforcement pursuant to any agreement between the City and any Leasehold Mortgagee or Mezzanine Lender (as such terms are defined in the Arena Agreement), including any such agreements contained in the Arena Agreement.

20.5 Waiver. The Parties hereby waive any and all rights to consequential, punitive or exemplary damages for a Licensee Default or a Licensor Default, as the case may be.

ARTICLE XXI DISPUTE RESOLUTION

21.1 Dispute Resolution.

21.1.1 Arbitration.

(a) Settlement By Mutual Agreement. In the event of any dispute, controversy or claim between or among the Parties arising under or relating in any way to this Agreement or the Parties' dealings relating hereto, including without limitation, any dispute, controversy or claim relating to the negotiations, execution, delivery, effectiveness, validity, interpretation, implementation, termination, cancellation or enforcement of this Agreement or any portion hereof, including this Article XXI (a "Dispute or Controversy"), the Parties shall first attempt in good faith to settle and resolve such Dispute or Controversy by mutual agreement in accordance with Section 21.1.1(b).

(b) Settlement Procedure. In the event a Dispute or Controversy arises, and before pursuing arbitration, either or both Parties shall provide written notice of such Dispute or Controversy to the other Party, and within fifteen (15) days after delivery of any such notice, one or more officer(s) from each Party shall meet at a mutually agreed time and place to attempt, with diligence and in good faith, to resolve and settle the Dispute or Controversy. If a mutual agreement in principle is not achieved at such meeting, the participating officers shall cooperate in a commercially reasonable manner to determine if techniques such as mediation or other techniques of amicable alternative dispute resolution might be useful. If a technique is agreed upon, a specific timetable and completion date for implementation shall also be agreed upon.

(c) Failure to Settle by Alternate Dispute Resolution. If such technique, timetable or completion date contemplated by Section 21.1.1(b) is not agreed upon within thirty (30) days after delivery of the notice implementing the procedures of this Section 21.1.1, or if no resolution is obtained through such alternative technique, or if no such settlement takes place within the fifteen (15)-day period referenced above, then any Party may by written notice to the other Party submit the Dispute or Controversy to Arbitration in accordance with the provisions of this Section 21.1.1. Subject to Section 21.1.2, no Party shall commence an Arbitration or for the limited reasons set forth in Section 21.1.2) a court proceeding without first giving a notice implementing the procedures of this Section 21.1.1. Any Arbitration or court proceeding commenced in violation of this proceeding shall be stayed (with attorneys' fees and costs awarded to the responding or defending party) until the procedures of this Section 21.1 have been complied with. Notwithstanding the foregoing, to the extent the City is a party to such Dispute or Controversy because the City is enforcing its third party beneficiary rights hereunder, then such Dispute or Controversy shall be adjudicated in accordance with the terms of Article 18 of the Arena Agreement.

(d) Resolution of Dispute or Controversy. Any Dispute or Controversy that cannot be resolved pursuant to Section 21.1.1(b) shall be submitted to, and resolved exclusively and finally through, the following arbitration process ("Arbitration"):

(i) Except as set forth below, the Arbitration Process shall be administered by the American Arbitration Association (“AAA”) under the Commercial Arbitration Rules in effect at the time the Dispute or Controversy is submitted to the AAA for Arbitration.

(ii) The panel (the “Arbitration Panel”) will consist of three neutral arbitrators (each, an “Arbitrator”) selected in accordance with applicable AAA procedures. In proposing a list of candidates for Arbitrators, AAA will take into account the Parties’ desire to obtain potential Arbitrators with significant experience in the operation of comparable sports or entertainment facilities or in the entertainment and sports business generally, or with specific experience regarding the nature of the Dispute.

(iii) Barring extraordinary circumstances, an initial conference with the Arbitration Panel shall be scheduled to take place in Sacramento, California within thirty (30) days after the appointment of the third Arbitrator. At such conference, a schedule shall be established for such discovery, if any, as a majority of the Arbitration Panel deems appropriate in light of the nature of the Dispute or Controversy and the Parties’ desire to resolve Disputes or Controversies in a prompt and cost-effective manner, and the date of the Arbitration hearing shall be established by vote of a majority of the Arbitration Panel.

(iv) Barring extraordinary circumstances, the award will be rendered no later than fourteen (14) days from the date of the conclusion of the hearing.

(v) Unless the affected Parties otherwise agree, the Arbitration shall take place in Sacramento, California. Each Party irrevocably consents to the delivery of service of process with respect to any Arbitration in any manner permitted for the giving of notices under Section 26.3.

(vi) The Arbitration Panel shall not have the authority to alter, change, amend, modify, waive, add to or delete from any provision of this Agreement.

(vii) If the Parties initiate multiple arbitration proceedings, the subject matters of which are related by common questions of law or fact and that could result in conflicting awards or obligations, such proceedings shall be consolidated into a single arbitral proceeding.

(viii) Notwithstanding anything contained in the AAA rules to the contrary, subject to Article XXIII, unless the Arbitration Panel finds that one or more claims or defenses were frivolous or knowingly false when made, each Party shall bear the cost of its own legal representation

and expert witness fees, as well as its share of the fees and costs payable to the AAA and the arbitrators, in any Arbitration under this Agreement. If the Arbitration Panel finds that one or more claims or defenses were frivolous or knowingly false when made, the Arbitration Panel shall be entitled to require the Party that made such frivolous or knowingly false claims or defenses to bear all or a portion of the other Party's legal fees and expert witness fees incurred in connection with such frivolous claims or defenses.

(ix) All provisions of this Agreement applicable to Disputes or Controversies generally, including the limitations on damages set forth herein, shall apply to the Arbitration.

21.1.2 Emergency Relief. Notwithstanding any provision of this Agreement to the contrary, each Party may seek injunctive or other equitable relief (but not a declaratory judgment) from a court of law, as described in the next paragraph with respect to any Dispute or Controversy. If a Dispute or Controversy requires emergency relief before the matter may be effectively resolved through arbitration, the Arbitration procedures set forth above will continue to govern the ultimate resolution of the Dispute or Controversy notwithstanding the fact that a court of competent jurisdiction may have entered an order providing for injunctive or other equitable relief.

21.1.3 Court Proceedings. Any action that seeks injunctive or other equitable relief or confirmation of an award rendered in an Arbitration or pursuant to Article XX may only be brought by suit, action or proceeding before any federal or state court located in Sacramento, California, and each Party hereby submits to the jurisdiction of such courts for the purpose of any such suit, action or proceeding and agrees that Sacramento, California is the proper venue for such action or proceedings. To the extent that service of process by mail or overnight courier is permitted by Applicable Law, each Party irrevocably consents to the service of process in any such suit, action or proceeding in such courts by the mailing of such process by registered or certified mail, postage prepaid, or overnight courier at its address for notice provided in Section 26.3.

21.1.4 This Article XXI shall survive any termination or expiration of the Term.

ARTICLE XXII SURRENDER

22.1 Surrender of Possession. The Licensee shall, on or before the end of the Term peaceably and quietly leave, surrender and yield up to the Licensor (a) the Arena, free of subtenancies and in a reasonably clean condition and free of debris, (b) all keys for the Arena and (c) any other property used by the Licensee for the use or occupancy of the Arena, but excluding the Licensee Equipment.

ARTICLE XXIII INDEMNIFICATION

23.1 The Licensee. The Licensee agrees to indemnify and hold harmless the Licensor from and against any and all liabilities, damages, suits, claims and judgments of any nature (including reasonable attorneys' fees and expenses) ("Losses") arising from or in connection with (a) any gross negligence or willful misconduct of the Licensee or its officers, employees, agents or contractors or (b) any breach by the Licensee of any representation or warranty or breach of its obligations under this Agreement, in each case, except to the extent such Losses arise from the gross negligence or willful misconduct of the Licensor.

23.2 The Licensor. The Licensor agrees to indemnify and hold harmless the Licensor from and against any and all Losses arising from or in connection with (a) any gross negligence or willful misconduct of the Licensor or its officers, employees, agents or contractors, (b) any breach by the Licensor of any representation or warranty or breach of its obligations under this Agreement or (c) any Other Event, in each case, except to the extent such Losses arise from the gross negligence or willful misconduct of the Licensee.

23.3 Procedures. If any Party (an "Indemnified Party") shall discover or have actual notice of matter for which the other Party (the "Indemnifying Party") is liable under this Article XXIII (each a "Claim"), the Indemnified Party shall, within five (5) days, notify the Indemnifying Party in writing thereof together with a statement of such information respecting such matter as the Indemnified Party then has; provided, however, the failure to notify the Indemnifying Party shall not relieve the Indemnifying Party from any liability that it may have to the Indemnified Party except and solely to the extent that such failure or delay in notification shall have adversely affected the Indemnifying Party's ability to defend against, settle or satisfy any such Claim. The Indemnifying Party shall be entitled, at its cost and expense, to appoint counsel ("Defense Counsel") to defend any such Claim by all appropriate legal proceedings provided the Indemnifying Party shall have first notified the Indemnified Party of the Indemnifying Party's intention to do so within twenty (20) days after the Indemnifying Party's receipt of such notice from the Indemnified Party. If the Indemnified Party elects to join in any defense of a Claim (which shall be at the Indemnified Party's sole cost and expense), the Indemnifying Party shall have full authority to determine all action to be taken with respect thereto. If, after such opportunity, the Indemnifying Party elects not to defend such Claim, the Indemnified Party shall have the right to appoint Defense Counsel to conduct the defense of such Claim in good faith, which defense will be vigorously and diligently prosecuted by the Indemnified Party to a final conclusion or, with the consent of the Indemnifying Party, settlement, and the Indemnifying Party shall be bound by such final conclusion or approved settlement. If required by the Indemnifying Party, the Indemnified Party shall cooperate fully with the Indemnifying Party and the Indemnifying Party's attorneys in contesting any such Claim or, if appropriate, in making any counterclaim or cross complaint against the Person asserting the Claim against the Indemnified Party, but the Indemnifying Party will reimburse the Indemnified Party for any expenses incurred by the Indemnified Party in so cooperating. The Indemnifying Party shall pay to the Indemnified Party in cash all amounts to which the Indemnified Party may become entitled by reason of the provisions of this Article XXIII, such payment to be made within thirty (30) days after such amounts are finally determined either by mutual agreement or by judgment of a court of competent jurisdiction. Notwithstanding that the Indemnifying Party

is actively conducting a defense or contest of any Claim against the Indemnified Party, such Claim may be settled, compromised or paid by the Indemnified Party without the consent of the Indemnifying Party; provided, however, that if such action is taken without the Indemnifying Party's consent, the Indemnifying Party's obligations with respect thereto shall be terminated, and the Indemnifying Party shall have no obligation to the Indemnified Party. If the Indemnifying Party elects to defend such Claim, the Indemnifying Party shall have the right to conduct the defense of such Claim in good faith and settle the Claim in good faith without the prior consent of the Indemnified Party so long as such settlement or compromise (i) does not cause the Indemnified Party to incur any present or future material cost, expense, obligation or liability of any kind or nature, (ii) does not require any admission or action or forbearance from action by the Indemnified Party, and (iii) the Indemnified Party is released from all Losses respecting such Claim.

23.4 Survival. The obligations contained in this Article XXIII will survive the expiration or earlier termination of this Agreement but only with respect to an event that may give rise to a Claim that occurs prior to such termination.

ARTICLE XXIV COVENANT OF QUIET ENJOYMENT

So long as the Licensee performs all of the Licensee's obligations under this Agreement, the Licensor shall do nothing (other than the acts permitted or required by this Agreement) that will prevent the Licensee or its licensees, guests or invitees from peaceably and quietly enjoying, using, and occupying the Arena during the Term in the manner described in this Agreement, and the Licensor shall defend the Licensee's quiet enjoyment, use and occupancy of the Arena in the manner described in this Agreement against the claims of all Persons claiming by, under or through the Licensor.

ARTICLE XXV ATTORNMEN AND NON-DISTURBANCE; ESTOPPEL

25.1 Attornment. Subject to Section 14.1, if the Licensor's interests under the Arena Agreement are sold or otherwise transferred pursuant to any right or power conferred in any mortgage, or as a result of proceedings under such mortgage, the purchaser at such sale, or any Person otherwise acquiring title through or by virtue of such sale, shall succeed to Licensor's interests under the Arena Agreement subject to this Agreement, and in such event the Licensee shall attorn to such purchaser and recognize such purchaser as the lessor under this Agreement, and such purchaser shall have all of the rights and benefits and shall become bound to the Licensee to perform all of the Licensor's obligations, under this Agreement, including, without limitation, obligations accruing prior to the effective date of such sale or transfer.

25.2 Estoppel Certificate. Each of the Parties shall, upon the reasonable request of the other (or any current or prospective source of financing for the Licensor, the Licensee or any of their Affiliates or any transferee or assignee), and in each case within ten (10) Business Days after the other Party has requested it, execute and deliver to the appropriate Persons a certificate in recordable form stating:

25.2.1 that this Agreement is unmodified and is in full force and effect (or, if there have been modifications, that this Agreement is in full force and effect as modified and stating the modifications or, if this Agreement is not in full force and effect, that such is the case);

25.2.2 to the knowledge of the Party providing the certificate, that there are no defaults by it or the other Parties (or specifying each such default as to which it may have knowledge);

25.2.3 confirmation of the commencement and expected expiration dates of the Term;

25.2.4 the date(s) to which any financial obligation of the Party has been paid under this Agreement;

25.2.5 to its knowledge, whether there are any counterclaims against the enforcement of any Party's obligations; and

25.2.6 any other matters reasonably requested.

ARTICLE XXVI MISCELLANEOUS

26.1 Notices. Any notice, consent or other communication required or contemplated by this Agreement shall be in writing, and shall be delivered in person, by reputable overnight carrier, or by facsimile, to the recipient at the addresses set forth below:

For the Licensee:

Sacramento Kings Limited Partnership
1 Sports Parkway
Sacramento, California 95834
Attention: President
Fax: 916.928.6939

with a copy to:

Katten Muchin Rosenman LLP
525 W. Monroe, Suite 1900
Chicago, Illinois 60661
Attention: Adam R. Klein
Fax: 312.902.1061

and

Jeffrey K. Dorso, Esq.
Pioneer Law Group, LLP
1122 S Street

Sacramento, California 95811
Fax: 916.496.8500

For the Licensor:

Sacramento Downtown Arena LLC
1 Sports Parkway
Sacramento, California 95834
Attention: President
Fax: 916.928.6939

with a copy to:

Katten Muchin Rosenman LLP
525 W. Monroe, Suite 1900
Chicago, Illinois 60661
Attention: Adam R. Klein
Fax: 312.902.1061

and

Jeffrey K. Dorso, Esq.
Pioneer Law Group, LLP
1122 S Street
Sacramento, California 95811
Fax: 916.496.8500

Notices shall be deemed given upon receipt. Any Party may, from time to time, by written notice given to the other Parties pursuant to the provisions of this Section 26.1, change the address or designees for notices to such Party or designate one or more additional Persons to whom notices are to be sent.

26.2 Relationship of Parties. No partnership or joint venture is established between the Parties this Agreement. No Party shall have any right or authority to assume or to create any obligation or responsibility, expressed or implied, on behalf of or in the name of the other Party, or to bind such Party in any manner or thing whatsoever, except as set forth herein. Subject to the indemnification provisions of Article XXIII, none of the Parties hereto shall be liable for any acts, omissions or negligence on the part of any other Party, its employees, agents, independent contractors and licensees resulting in either bodily injury, personal injury or property damages.

26.3 Severability. If any provision of this Agreement shall be adjudged invalid or unenforceable by a court of competent jurisdiction, or a final (taking into account all appeals) arbitration award, the remaining provisions of this Agreement shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by the law, provided that no such severance shall serve to deprive any of the Parties of the enjoyment of its substantial benefits under this Agreement.

26.4 Force Majeure. Failure in performance by any Party under this Agreement due to a Force Majeure Event shall not be deemed a breach of this Agreement. In addition, when this Agreement provides a time for the performance of any obligation, the time provided is extended if compliance is not possible due to a Force Majeure Event. The extension time shall be equal to one day for each day the Force Majeure Event prevents compliance. "Force Majeure Event" means any act, event, or condition that is beyond the reasonable control of the Party asserting the Force Majeure Event, if it prevents or delays such Party from performing any obligation under this Agreement including the following: any act of public enemy, terrorism, blockade, war, insurrection, civil disturbance, explosion, or riot; epidemic; landslide, earthquake, fire, storm, flood, or washout, or other catastrophic weather event; any other act of God; strike, lockout, or other industrial disturbance.

26.5 Binding Effect. This Agreement, and the terms, provisions, promises, covenants and conditions hereof, shall be binding upon and shall inure to the benefit of the Parties hereto and their respective permitted successors and assigns.

26.6 Table of Contents; Captions. The table of contents and captions and paragraph headings, being used solely for convenience of reference, shall not be deemed to limit or alter any provisions, or be deemed relevant in construing, of this Agreement.

26.7 Entire Agreement. This Agreement constitutes the entire understanding and agreement of the Parties with respect to the subject matter thereof and supersede all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter thereof.

26.8 Amendment; Waiver. No alteration, amendment or modification of this Agreement shall be valid unless executed by an instrument in writing by the Parties and approved in writing by the City (to the extent required under the Arena Agreement) and the NBA. Any failure of any Party to insist in any one or more instances upon the strict performance of any of the covenants, agreements, terms, provisions or conditions of this Agreement or to exercise any election contained herein shall not be construed as a waiver or relinquishment for the future of such covenant, agreement, term, provision, condition, election or option, but the same shall continue and remain in full force and effect. The Parties acknowledge and agree that, pursuant to Section 4.6 of the Arena Agreement, the Licensor shall not approve or permit any amendment to any provision of this Agreement so as to adversely impact the rights or obligations of the City under the Arena Agreement or under any other Project Agreement, without the prior written consent of the City, which consent may be withheld, conditioned, or delayed in the City's sole discretion.

26.9 Choice of Law. The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

26.10 Counterparts. This Agreement may be executed in any number of counterparts (including through delivery by PDF or other electronic transmission), each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

26.11 Interest. Any payment required under this Agreement that is not timely made shall bear interest at the Interest Rate from the due date until paid in full.

26.12 Subject to NBA Rules; Conflict with NBA Rules. This Agreement is subject to NBA Rules (including the Constitution and By-Laws and all rules, regulations and agreements of the NBA as they presently exist or as they may, from time to time, be entered into, amended or adopted). In the event of any conflict between the terms of this Agreement and the NBA Rules in effect from time to time, the NBA Rules shall govern and control in all respects.

26.13 Interpretive Matters.

26.13.1 The words “include,” “includes” and “including” shall be deemed to be followed by “without limitation” whether or not they are in fact followed by such words or words of like import and no inference shall be drawn from the presence or absence of the words “without limitation” or any words of similar meaning.

26.13.2 The words “hereof,” “herein,” “hereunder” and comparable terms refer, unless otherwise expressly indicated, to this entire Agreement and not to any particular Article, Section, Subsection or other subdivision thereof or attachment thereto. References in an instrument to “Article,” “Section,” “Subsection” or another subdivision or to an attachment are, unless the context otherwise requires, to an article, section, subsection or subdivision of or an attachment to this Agreement. All references to exhibits or schedules are to exhibits or schedules attached to this Agreement.

26.13.3 Words in the singular number shall include the plural.

26.13.4 Pronouns of whatever gender shall include Persons of every kind and character. References to any gender include, unless the context otherwise requires, references to all genders.

26.13.5 The words “shall” and “will” have equal force and effect.

26.13.6 Unless otherwise specified, all references to a specific time of day shall be based upon Pacific Standard Time or Pacific Daylight Savings Time, as applicable on the date in question in Sacramento, California.

26.13.7 References to “\$” or to “dollars” shall mean the lawful currency of the United States of America.

26.13.8 Unless specified to the contrary, any reference to a Party having a “right” shall not create an obligation on the part of such Party to exploit the right.

26.14 No Recourse Against NBA. The Licensor acknowledges that it shall have no recourse against, and hereby covenants not to bring any claim against the NBA, any of its member teams (other than the Licensee), any of their respective Affiliates or any of the employees, owners, directors, shareholders, partners, members, governors, agents or representative of any of the foregoing as a result of any breach by the Licensee of this Agreement or any other act or omission by the Licensee.

26.15 No Third-Party Beneficiaries. The City is a third party beneficiary of, and may enforce the Parties respective obligations under, Sections 2.1.2, 2.1.5, 2.2.8, 2.3, 2.6, 8.2.1, 11.8, 12.5, 20.2.3, 20.4.3, 20.5, 21.1(c) and 26.8. The Trustee (as defined in the Arena Agreement) is a third party beneficiary of, and may enforce the Licensee's obligation under, Section 2.6. Except for the City's and the Trustee's third party beneficiary rights and as otherwise specifically provided herein, this Agreement is solely for the benefit of the Parties and their successors and assigns permitted under this Agreement and no provision of this Agreement shall be deemed to confer upon any other Person any remedy, claim, liability, reimbursement or cause of action or right.

26.16 Expenses. Unless otherwise specifically provided to the contrary, each party shall bear its own expenses in connection with the negotiation and preparation of this Agreement, and the performance of all of its obligations under this Agreement.

26.17 Payments. If any payment under any such Agreement is required to be made on a day other than a Business Day, the date of payment shall be extended to the next Business Day.

26.18 Confidentiality. Except as otherwise provided by Applicable Law, each Party agrees that such Party shall not, directly or indirectly, disclose or otherwise make available to any third party, the terms or existence of this Agreement. Notwithstanding anything to the contrary in the preceding sentence, each Party may disclose (and provide a copy of) this Agreement (a) to such Party's managers, officers, members, lenders, legal counsel, accountants and other advisors who need to know such information in connection with providing applicable professional services to such Party and (b) to the extent required by the NBA. In addition, the Licensor may disclose (and provide a copy of) this Agreement to the City.

26.19 Survival. This Article XXVI shall survive any termination or expiration of the Term.

* * *

IN WITNESS WHEREOF, the Parties have entered in this Agreement as of the day and year first above written.

SACRAMENTO DOWNTOWN ARENA LLC,
a Delaware limited liability company

By: Sacramento Basketball Holdings LLC, its
Sole Member

By: _____

Name: _____

Its: _____

**SACRAMENTO KINGS LIMITED
PARTNERSHIP,** a California limited partnership

By: Royal Kings Limited Partnership, its General
Partner

By: Sacramento Basketball Holdings GP LLC, its
General Partner

By: Sacramento Basketball Holdings LLC, its
Sole Member

By: _____

Name: _____

Its: _____

Schedule I

BASKETBALL OPERATING STANDARDS

The Arena will be operated in a manner comparable to that provided for the conduct of NBA games in Comparable Facilities (regardless of responsibility for the costs of such operations in Comparable Facilities) and, in any event, in a manner to provide a first-class fan experience for NBA games that is in accordance with NBA Rules and NBA Standards. Basketball Operating Standards shall include (i) sufficient on-site, uniformed security as shall be reasonably necessary to maintain and ensure public order and safety in and around the Arena in accordance with NBA Rules (including the NBA's Arena Security Procedures and Guidelines) and in any event for the successful and interruption-free operation of Licensee Events and to protect the parties and users thereof, (ii) a trained ushering staff that provides cordial ushering services as necessary to accommodate efficient patron seating and other ushering services, (iii) high standards of cleanliness in all Arena facilities open to patrons, (iv) sufficient Event Staffing to ensure reasonable flow of people entering and exiting the Arena and (v) clean, efficient and well-staffed Concessions operations appropriate to provide first-class and efficient services with reasonable wait times to patrons and otherwise meeting the requirements of the Concession Agreements.

Exhibit A

ARENA LAND

All that certain real property situate in the City of Sacramento, County of Sacramento and State of California described as follows:

Being all of Lots A-2, A-4, AC-1, AC-2, AC-3, AC-4, E-2, GS-3, H, M-2, P, R-1, R-2, S-3, T, U-4, U-5, V, Y-1, Y-2 and a portion of lots F, R, G, U-2 and U-3 of that certain Parcel Map filed for record on July 29, 1970 in Book 3 of Parcel Maps at Page 24, Sacramento County Official Records, also being all of that certain real property described in the Quitclaim Deed to the City of Sacramento filed for recorded on December 26, 2013 at Book 20131226 Page 0696 Sacramento County Official Records, also being a portion of Parcel One as described in the deed to Downtown Plaza Sacramento, LLC recorded on August 14, 2012 at Book 20120814 Page 1600, Sacramento County Official Records and also being a portion of that certain parcel of land described in the deed to the Redevelopment Agency of the City of Sacramento recorded on October 31, 1979 in Book 791031, Page 1981, Sacramento County Official Records and being more particularly described as follows:

Beginning at the southwesterly corner of Parcel R-2, said point being the intersection of the easterly right of way line of 5th Street with the northerly right of way line of L Street as said parcels and streets are shown and delineated on that certain Parcel Map filed for record July 29, 1970 in Book 3 of Parcel Maps at Page 24, Sacramento County Official Records;

Thence along the easterly line of 5th Street North 18°29'01" East a distance of 491.80 feet;

Thence leaving said easterly right of way line of 5th Street, South 71°33'00" East a distance of 379.78 feet;

Thence South 26°30'00" East a distance of 157.46 feet to the intersection with the former centerline of the abandoned "K" Street and the northerly line of Parcel F-1 as shown and delineated on that certain Parcel Map filed for record on March 21, 1980 in Book 56 of Parcel Maps at Page 15, Sacramento County Official Records;

Thence along said centerline of "K" Street, South 71°31'05" East a distance of 166.33 feet to the westerly line of that certain parcel of land described in the deed to 630 K Street Partners LLC, a California Limited Liability Company recorded on June 20, 2013 in Book 20130620, Page 0626 Sacramento County Official Records;

Thence leaving said centerline and along said westerly line and along the arc of a non-tangent curve, concave to the northwest, whose radial bears South 73°45'04" East,

having a radius of 38.50 feet, through a central angle of 92°13'59" for a distance of 61.98 feet;

Thence North 71°31'05" West a distance of 1.20 feet;

Thence South 18°29'35" West a distance of 170.33 feet to the southwest corner of said lands;

Thence leaving said westerly line and along the southerly line of Lands of 630 K Street Partners LLC South 71°32'19" East a distance of 100.32 feet to the westerly right of way line of 7th Street;

Thence along said westerly right of way line South 18°28'23" West a distance of 30.00 feet to the northeasterly line of Lands of Jafar Nassar, River Valley Properties, Inc. William O. Noack and Yvonne P. Noack, Trustees of the Wyn Trust and Ratib and Shomisa Norzei as described in the deed recorded on May 6, 2013 in Book 20130506, Page 1501, Sacramento County Official Records;

Thence leaving said westerly right of way line and along said northerly line North 71°32'19" West a distance of 80.26 feet to the northwesterly corner of said lands;

Thence leaving said northerly line and along the westerly line of said lands and the westerly line of the lands of the of Marshall Hotel Investors LP, recorded on November 13, 2009 in Book 20091113, Page 1391 Sacramento County Official Records, South 18°28'23" West a distance of 140.32 feet to the northerly right of way line of "L" Street;

Thence leaving said westerly lines and along said northerly right of way line North 71°33'32" West a distance of 280.79 feet;

Thence continuing along said northerly right of way line North 71°29'06" West a distance of 357.02 feet to the **Point of Beginning**.

EXCEPTING THEREFROM the following described portion of land;

Commencing at the southwesterly corner of Parcel R-2, said point being the intersection of the easterly right of way line of 5th Street with the northerly right of way line of L Street as said parcels and streets are shown on that certain Parcel Map filed for record July 29, 1970 in Book 3 of Parcel Maps at Page 24, Sacramento County Official Records;

Thence along the easterly line of 5th Street North 18°29'01" East a distance of 222.81 feet to the **Point of Beginning**;

Thence leaving said line South 71°31'12" East a distance of 4.27 feet;

Thence North $18^{\circ}28'48''$ East a distance of 135.67 feet;

Thence North $71^{\circ}31'12''$ West a distance of 4.26 feet to the easterly right of way line of 5th Street;

Thence along said right of way line, South $18^{\circ}29'01''$ West a distance of 135.67 feet to the **Point of Beginning**

The above described exception lies below an Elevation of 2.17 feet (0.00 feet as shown on Book 3 of Parcel Maps at Page 24) and above the inclined planes formed by the elevations of the top deck of the existing concrete parking structure as shown and delineated on that certain Parcel Map recorded in Book 3 of Parcel Maps at Page 24, Sacramento County Official Records;

ALSO FURTHER EXCEPTING THEREFROM the following described parcel:

Being a portion of Parcel R-2 and Beginning at the southwesterly corner of Parcel R-2, said point being the intersection of the easterly right of way line of 5th Street with the northerly right of way line of L Street as said parcels and streets are shown and delineated on that certain Parcel Map filed for record July 29, 1970 in Book 3 of Parcel Maps at Page 24, Sacramento County Official Records;

Thence along the easterly line of 5th Street North $18^{\circ}29'01''$ East a distance of 131.53 feet;

Thence leaving said easterly right of way line of 5th Street and along the northerly line of Parcel R-2, South $71^{\circ}41'54''$ East a distance of 23.83 feet:

Thence along the easterly line of Parcel R-2, South $18^{\circ}29'00''$ West a distance of 131.62 feet to the northerly right of way line of "L" Street,

Thence along the northerly right of way line North $71^{\circ}29'06''$ West a distance of 23.83 feet to the **Point of Beginning**.

The lower vertical limit of the above described exception is an inclined plane extending from an Elevation of 21.5 feet along the southerly line to an Elevation of 31.0 feet along the northerly line of said exception area and has no upper vertical limit.

ALSO FURTHER EXCEPTING THEREFROM the following described parcel:

Beginning at the southwesterly corner of Parcel R-2, said point being the intersection of the easterly right of way line of 5th Street with the northerly right of way line of L Street

as said parcels and streets are shown and delineated on that certain Parcel Map filed for record July 29, 1970 in Book 3 of Parcel Maps at Page 24, Sacramento County Official Records;

Thence along the easterly line of 5th Street North 18°29'01" East a distance of 131.53 feet to the Point of Beginning;

Thence continuing along said easterly line of 5th Street, North 18°29'01" East a distance of 360.27 feet;

Thence leaving said easterly right of way line of 5th Street, South 71°33'00" East a distance of 379.78 feet;

Thence South 26°30'00" East a distance of 18.86 feet;

Thence North 71°33'00" West a distance of 152.56 feet;

Thence along the arc of a tangent curve, concave to the southeast, having a radius of 190.00 feet, through a central angle of 89°57'01" for a distance of 298.29 feet;

Thence South 18°29'59" West a distance of 93.94 feet;

Thence along the arc of a tangent curve, concave to the northeast, having a radius of 190.00 feet, through a central angle of 29°23'19" for a distance of 97.46 feet;

Thence South 18°30'54" West for a distance of 101.50 the northerly right of way line of "L" Street;

Thence long the northerly right of way line of "L" Street, North 71°29'06" West a distance of 51.17 feet;

Thence leaving said right of way line of "L" Street and along the easterly line of said Parcel R-2, North 18°30'54" East for a distance of 131.62 feet;

Thence along the northerly line of Parcel R-2, North 71°41'54" West for a distance of 23.83 feet to the **Point of Beginning**.

The lower vertical limit of the above described exception is Elevation 37.0 and has no upper vertical limit.

ALSO FURTHER EXCEPTING THEREFROM the following described parcel:

Commencing at the southwesterly corner of Parcel R-2, said point being the intersection of the easterly right of way line of 5th Street with the northerly right of way line of L Street as said parcels and streets are shown and delineated on that certain Parcel Map filed for record July 29, 1970 in Book 3 of Parcel Maps at Page 24, Sacramento County Official Records;

Thence along the easterly line of 5th Street North 18°29'01" East a distance of 491.80';

Thence leaving said easterly right of way line of 5th Street, South 71°33'00" East a distance of 379.78 feet;

Thence South 26°30'00" East a distance of 157.46 feet to the intersection with the former centerline of "K" Street and the northerly line of Parcel F-1 as shown and delineated on that certain Parcel Map filed for record on March 21, 1980 in Book 56 of Parcel Maps at Page 15, Sacramento County Official Records; Said point being the **Point of Beginning**.

Thence along said centerline of "K" Street, South 71°31'05" East a distance of 166.33 feet to the westerly line of that certain parcel of land described in the deed to 630 K Street Partners LLC, a Limited Liability Company recorded on June 20, 2013 in Book 20130620, Page 0626 Sacramento County Official Records;

Thence leaving said centerline and along said westerly line and along the arc of a non-tangent curve, concave to the northwest, whose radial bears South 73°45'04" East, having a radius of 38.50 feet, through a central angle of 92°13'59" for a distance of 61.98 feet;

Thence leaving said westerly line North 71°31'05" West a distance of 87.89 feet;

Thence North 26°30'00" West a distance of 56.55 feet to the centerline of the former "K" Street and the **Point of Beginning**;

The above described exception area has a lower vertical limit of elevation 37.0 feet and has no vertical upper limit.

ELEVATION NOTE:

Elevations shown herein are based on the National Geodetic Control Monument JS1113, being a brass disk set in the top of a granite step located at the southwest entrance to the federal building located at the northeast corner of the intersection of 8th Street and "I" Street in the City of Sacramento, California and has a published elevation of 31.55 feet based on the North American Vertical Datum of 1988.

The elevations shown herein are 2.17 feet higher than the elevations referenced on 3 PM 24, 56 PM 15 and 65 PM 41, Official Records Sacramento County.
Elevation 0.00 on 3 PM 24 is Elevation 2.17 herein.

The above described parcel is shown on Exhibit "B" attached hereto and made a part hereof.

