

AMENDMENT NO. 1
TO
SECURITY AGREEMENT

THIS AMENDMENT NO. 1 TO SECURITY AGREEMENT ("this Amendment"), dated as of April 28, 2003, is executed by SACRAMENTO KINGS LIMITED PARTNERSHIP (the "Team Owner"), in favor of U.S. Bank, National Association, as trustee, a national banking association, organized and existing under the laws of the United States of America, as trustee (the "Trustee") under and pursuant to an indenture, dated as of July 1, 1997 (the "Indenture"), between the Sacramento City Financing Authority (the "Authority") and the Trustee.

RECITALS

A. Team Owner desires to amend that certain Security Agreement, dated as of July 1, 1997, executed by the Team Owner in favor of the Trustee (the "Security Agreement") in order to increase the amount of the Obligations secured by the Collateral subject to the pledge of the Security Agreement, and to increase the amount of permitted senior loans on the Collateral securing loans to or obligations of the Team Owner (or a general partner of the Team Owner), to reflect changes in the value of the Collateral since the Security Agreement was executed.

AGREEMENT

NOW, THEREFORE, in consideration of the above recital and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Team Owner hereby agrees with the Trustee, for the benefit of the Authority and the City, as follows:

1. Section 2 of the Security Agreement is hereby amended to read as follows:

Grant of Security Interest. As security for the Obligations, subject to all the terms and conditions of the NBA Approval, the Team Owner hereby pledges and assigns to the Trustee and grants to the Trustee a security interest in all right, title and interest of the Team Owner in and to the property described in Attachment 1 hereto, whether now owned or hereafter acquired (collectively and severally, the "Collateral"), which Attachment 1 is incorporated herein by this reference; such security interest shall be limited as follows: (1) the amount of the Obligations secured by the Collateral subject to this pledge shall not exceed \$25,000,000 and (2) this security interest shall be subordinate to one or more pledges of or senior liens on the Collateral securing loans to or obligations of the Team Owner (or a general partner of the Team Owner) in the aggregate principal amount outstanding at any one time of up to seventy-five million dollars (\$75,000,000), as adjusted for CPI ("Permitted Liens"). The Trustee agrees to enter into such

agreements evidencing and effecting the subordination of the pledge hereunder, from time to time, as may be requested by the Team Owner or any lender to or obligee of the Team Owner.

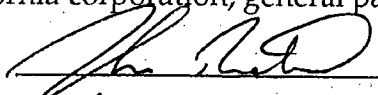
2. All other terms and conditions of the Security Agreement shall remain in full force and effect, and the Representations and Warranties of the Team Owner in Section 3 of the Security Agreement shall apply to this Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the day and year first above written.

SACRAMENTO KINGS LIMITED PARTNERSHIP, a
California limited partnership

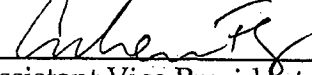
By: ROYAL KINGS LIMITED PARTNERSHIP, a
California limited partnership, general partner

By: MALOOF SPORTS, INC., a
California corporation, general partner

By: 

Title: Chief Financial Officer.

U.S. BANK, NATIONAL ASSOCIATION, as Trustee

By: 
Assistant Vice President