

EXECUTION COPY

TEAM OWNER'S RELOCATION ASSURANCE AGREEMENT

by and between the

CITY OF SACRAMENTO

and the

SACRAMENTO KINGS LIMITED PARTNERSHIP

Dated as of July 1, 1997

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TEAM OWNER'S RELOCATION ASSURANCE AGREEMENT

This Team Owner's Relocation Assurance Agreement ("Agreement") is entered into as of July 1, 1997, by and between Sacramento Kings Limited Partnership, a California limited partnership (the "Team Owner"), and the City of Sacramento, a charter city and municipal corporation (the "City").

Recitals

The parties enter into this Agreement on the basis of the following facts, understandings and intentions:

A. The City has enlisted the assistance of the Sacramento City Financing Authority ("Authority") to ensure that the National Basketball Association ("NBA") team known as the Sacramento Kings (the "Kings") remains in Sacramento, rather than moves to another venue. In furtherance of that assistance, Authority issued the Bonds, the proceeds of which were used to obtain record title from the Team Owner's affiliate, Kings ARCO Arena Limited Partnership, a California limited partnership (the "Arena Owner"), the existing sports and entertainment arena and related parking facilities commonly known as ARCO Arena, together with then existing improvements, located in Sacramento, California, as more particularly shown on Exhibit A attached hereto, together with the Arena Owner's interest in all easements and appurtenances thereto (collectively, the "Property").

B. A material condition of the City's obtaining record title of the Property from the Arena Owner was the Team Owner's commitment to keep the Kings in Sacramento for up to 30 years or until the City Obligation is Satisfied.

C. In order to induce the City to engage in the transactions described in Recital A, the Team Owner agreed to grant to the City the option to put to the Team Owner all of the City's right, title and interest in the Property if (i) the Kings relocate to another venue; and (ii) at the time of such relocation the City Obligation had not been Satisfied ("Put Option").

D. The Team Owner's obligations under this Agreement are collateralized pursuant to the Security Agreement.

Agreement

Based on the foregoing Recitals, the parties agree as follows:

1. Definitions.

For purposes of this Agreement, the following terms shall have the meanings given below:

a. "Agreement" shall have the meaning ascribed to it in the introductory paragraph.

b. "Arena Owner" shall have the meaning ascribed to it in Recital A.

c. "Authority" shall have the meaning ascribed to it in Recital A.

d. "Bond Documents" means the Bonds, the Indenture, the Site Lease, the Facility Lease (each as defined in the Indenture), the Interest Rate Management Agreements, the bond insurance policy, the Financial Guaranty Agreement and all other agreements and documents entered into or relied upon by the City and/or the Authority in connection with the issuance of the Bonds.

e. "Bonds" means the Sacramento City Financing Authority 1997 Lease Revenue Bonds (ARCO Arena Acquisition) to be executed, authenticated and delivered pursuant to the Indenture in the original principal amount of \$73,725,000.

f. "Business Day" means any day other than (1) a Saturday, (2) a Sunday, (3) a day upon which the Trustee is required or authorized by law to be closed, or (4) a day on which the New York Stock Exchange is closed.

g. "City" shall have the meaning ascribed to it in the introductory paragraph.

h. "City Obligation" means (i) from time to time, the amount then required to pay and retire the outstanding principal amount, including accrued interest, of the Bonds (including, but not limited to, all premiums, costs, expenses, fees or charges incurred in connection with the issuance of the Bonds; costs, expenses, fees or charges of any Interest Rate Management Agreements; costs, expenses, fees or charges of a letter of credit or credit enhancements; costs, expenses, fees or charges for municipal bond insurance and all additional payments under the Financial Guaranty Agreement; costs, expenses, fees or charges of the Trustee; and costs of redemption or advance refunding); plus (ii) from time to time, the amount then required to pay and retire the outstanding principal amount, including accrued interest, of the Subordinate Notes, including any similar costs associated therewith as are described in clause (i) above. The amount of the City Obligation shall be net after deducting, as applicable, the amount of all payments, credits, off-sets or reimbursements received or earned by the Authority and/or the City under the Bond Documents, including, but not limited to, interest earned on funds and accounts held by the Trustee, refunds or reimbursements of over-payments or premiums or other costs, amounts (if any) payable or credited to the Authority and/or the City upon the termination of an Interest Rate Management Agreement, and proceeds of property insurance and condemnation awards not applied to the restoration or replacement of the Property.

- i. "Close of Escrow" means the consummation of the Team Owner's purchase of the Property from the City, and the recordation of the Grant Deed in accordance with the terms and provisions of this Agreement.
- j. "Closing Date" means the date of the Close of Escrow, which shall occur no more than 90 days following the exercise of the Put Option.
- k. "Default" means the occurrence of one of the events enumerated in Paragraph 3.a.
- l. "Escrow" shall have the meaning ascribed to it in paragraph 4.
- m. "Escrow Cancellation Charges" means all fees, charges, and expenses incurred by Title Company in connection with the Escrow, including all expenses incurred in connection with issuance of the preliminary title report and other title matters.
- n. "Financial Guaranty Agreement" means that certain Financial Guaranty Agreement, dated as of July 1, 1997, between the Authority, the City and MBIA Insurance Corporation.
- o. "Grant Deed" means the grant deed from the City to the Team Owner described in paragraph 5(b)(i) hereof.
- p. "Indenture" means the indenture pursuant to which the Bonds are outstanding, executed and entered into as of July 1, 1997, by and between the Authority and the Trustee, together with any amendments or supplements thereto.
- q. "Interest Rate Management Agreements" means those agreements entered into by the City or the Authority from time to time, with the approval of the Arena Owner, to protect against increases in the interest rate under the Bonds and guarantee the remarketing of the Bonds from time to time.
- r. "Kings" shall have the meaning ascribed to it in Recital A.
- s. "Materially Impaired" means, as a result of a condemnation (or taking in lieu of condemnation) or all or a portion of the Property by the City or any other entity with the power of eminent domain, the Property is no longer available to Team Owner for playing of games by the Kings in a facility (including adequate parking) meeting NBA requirements.
- t. "NBA" shall have the meaning ascribed to it in Recital A.
- u. "Non-Foreign Person Certificates" shall have the meaning ascribed to it in paragraph 4.b(2).
- v. "Property" shall have the meaning ascribed to it in Recital A.

- w. "Put Option" shall have the meaning ascribed to it in Recital C.
- x. "Put Option Price" means the amount of the City Obligation as of the Closing Date.
- y. "Satisfied" means (i) payment in full of the City Obligation; or (ii) the delivery to the Team Owner of a writing executed by the City stating that the City Obligation is deemed paid in full.
- z. "Security Agreement" means that certain security agreement, dated as of July 1, 1997, between the Team Owner and the Trustee.
- aa. "Subordinate Notes" means any notes or other indebtedness issued by the City or the Authority to pay a portion of the interest on the Bonds during the first seven years that the Bonds are outstanding.
- ab. "Team Owner" shall have the meaning ascribed to it in the introductory paragraph.
- ac. "Title Company" means a title insurance company with an office in Sacramento, California, to be selected by the City and not objected to in writing by the Team Owner at the time the Put Option is exercised.
- ad. "Title Policy" means a CLTA policy of title insurance issued by the Title Company at Close of Escrow insuring that title to the Property is vested in Team Owner in accordance with this Agreement.
- ae. "Trustee" means First Trust of California, N.A., a national banking association, organized and existing under the laws of the United States of America, or any successor thereto acting as Trustee pursuant to the Indenture.

2. Put Option; Term; Exercise; Conditions.

a. Grant of Put Option. As additional consideration for the City making the financial accommodations described in Recital A, the Team Owner hereby grants the Put Option to the City subject to the terms and conditions described below. The Team Owner hereby agrees that, upon the City's exercise of the Put Option, it will purchase the Property from the City on the terms and conditions hereof and pursuant to California Civil Code Section 2852(b), the Team Owner expressly waives any and all rights and defenses described in Civil Code Section 2856(a).

b. Term of Put Option. The term of the Put Option shall run from the date hereof until the City Obligation is Satisfied.

c. Exercise of Put Option. The Put Option may be exercised by the City, if the Team Owner breached its covenant to the City contained in paragraph 9 hereto, by the delivery of a written notice to the Team Owner during the term of the Put Option.

d. Put Option Price. If the City exercises the Put Option, on the Closing Date, the Team Owner shall pay the City the Put Option Price in cash.

e. Early Termination of Put Option. The Put Option may be terminated as follows:

(1) Condemnation; City Breach. The Team Owner may terminate the Put Option, without the City Obligation being Satisfied, if (i) the Property is Materially Impaired as a result of a condemnation (or taking in lieu of condemnation) of all or a portion of the Property by the City or any other entity with the power of eminent domain; or (ii) the City, in breach of its agreement with the Arena Owner, terminates the Arena Owner's possessory interest in the Property.

(2) New Arena. The Team Owner may terminate the Put Option, without the City Obligation being Satisfied, if the Kings will not be the prime user in any new arena in the Sacramento Standard Metropolitan Statistical Area ("SMSA") or Yolo County under terms mutually agreed upon, but in any event no less favorable than terms offered other major league professional sports franchises playing or planning to play in home venues in the SMSA or Yolo County, which new arena is capable of being the home venue of a NBA franchise, and which is approved, developed, or financed in whole or in part, directly or indirectly, by the City or the County of Sacramento.

(3) City Obligation Satisfied. The Team Owner may terminate the Put Option if the City Obligation is Satisfied.

(4) Upon termination of this Put Option, the City will promptly execute and file and record in the records of the Sacramento County Recorder, and shall file such other instruments (such as UCC-2 statements), as may be necessary to evidence the termination of this Put Option and this Agreement to the reasonable satisfaction of Team Owner.

3. Default/Liquidated Damages.

a. Each of the following shall be a Default hereunder:

(1) The Team Owner's failure to honor the terms of this Agreement; or

(2) A material breach of a representation or warranty made by the Team Owner in paragraph 11.

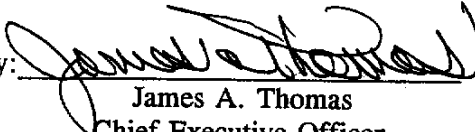
b. THE PARTIES AGREE THAT IF THE CLOSE OF ESCROW FOR THE PROPERTY DOES NOT OCCUR AS A CONSEQUENCE OF A DEFAULT BY THE TEAM OWNER, THE CITY'S ACTUAL DAMAGES WOULD BE DIFFICULT OR IMPOSSIBLE TO DETERMINE, AND THE BEST ESTIMATE OF THE AMOUNT OF DAMAGES THE CITY WOULD SUFFER WOULD BE THE DIFFERENCE BETWEEN THE THEN OUTSTANDING CITY OBLIGATION AND THE THEN MARKET VALUE OF THE PROPERTY (TAKING INTO ACCOUNT THE FACT THAT THE KINGS HAD LEFT SACRAMENTO TO RELOCATE TO ANOTHER VENUE -- THEREBY REMOVING THE KEY USER OF THE PROPERTY). THE PARTIES ACKNOWLEDGE THAT THIS DIFFERENCE CONSTITUTES A REASONABLE ESTIMATE OF THE CITY'S DAMAGES UNDER THE PROVISIONS OF SECTION 1671 OF THE CALIFORNIA CIVIL CODE. THE PARTIES FURTHER AGREE THAT THE PROVISIONS OF THIS PARAGRAPH 3 SHALL BE THE CITY'S SOLE REMEDY IN THE EVENT OF A DEFAULT BY THE TEAM OWNER, IN LIEU OF ALL OTHER REMEDIES THE CITY MIGHT OTHERWISE HAVE HEREUNDER AT LAW OR IN EQUITY. THE CITY WAIVES ANY RIGHT TO AN ACTION FOR SPECIFIC PERFORMANCE OF ANY PROVISION OF THIS AGREEMENT. THE PARTIES WITNESS THEIR AGREEMENT TO THIS LIQUIDATED DAMAGES PROVISION AND THIS LIMITATION OF REMEDIES PROVISION BY THEIR EXECUTION BELOW:

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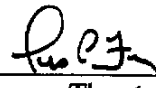
TEAM OWNER: SACRAMENTO KINGS LIMITED PARTNERSHIP, a
California limited partnership

By: Royal Kings Limited Partnership, a California limited
partnership, general partner

By: Capitol Sports Team, Inc., a California
corporation, general partner

By: 
James A. Thomas
Chief Executive Officer

CITY: CITY OF SACRAMENTO

By: 
Thomas P. Friery
Treasurer

c. Prior to termination of this Agreement by the City for a Default, the City shall give the Team Owner written notice of such Default, and the Team Owner shall have 30 days from receipt of the City's notice to cure such Default, but in no event may the Default be cured after the Closing Date.

d. Limited Recourse. There shall be no recourse against the Team Owner or any of its respective partners under this Agreement beyond the interest of the Team Owner in the Property or in the Kings. The obligations under this Agreement shall be paid only from the revenues available to the Team Owner from the Property or the Kings. Except with respect to this Agreement, the Team Owner shall not be requested or obligated to guarantee any indebtedness or obligation of the City with respect to the Bonds, in whole or in part, or directly or indirectly, and shall not be obligated to post any security for the repayment of any indebtedness or obligation of the City with respect to the Bonds, in whole or in part, nor shall the Team Owner be required to provide any confidential or proprietary information in connection therewith.

4. Escrow.

Within two Business Days of the exercise of the Put Option, the City shall establish an escrow with the Title Company ("Escrow") in order to consummate the sale of the Property as described herein. Close of Escrow shall occur on or before the Closing Date.

a. Escrow Instructions. The City shall deposit into Escrow an executed copy of this Agreement, together with the City's and the Team Owner's additional escrow instructions, if any, which, together, shall constitute Title Company's escrow instructions for closing Escrow.

b. To be Deposited by the City. No later than one day prior to the Closing Date, the City shall deposit the following into Escrow:

(1) Grant Deed. A duly executed and acknowledged Grant Deed in usual form conveying title to the Property to the Team Owner in fee simple absolute, as-is ("Grant Deed");

(2) Non-Foreign Person Certificates. Duly executed non-foreign person certificates ("Non-Foreign Person Certificates"), if required by Title Company, in usual form sufficient to relieve the Team Owner of any withholding requirements pursuant to the provisions of Section 1445 of the Internal Revenue Code of 1986 as amended (the "Code") and Section 18805 of the California Revenue and Taxation Code and a California Form 590-RE certifying that the City has a permanent place of business or is qualified to do business in the State of California;

(3) Other. Such additional escrow instructions and documents as Title Company may reasonably require of the City to close the transaction in accordance with this Agreement, which instructions and documents shall not be inconsistent with the terms of this Agreement.

c. To be Deposited by the Team Owner. No later than one day prior to the Closing Date, the Team Owner shall deposit the following into Escrow:

(1) Put Option Price. Cash in the amount of the Put Option Price.

(2) Other. Such additional escrow instructions and documents as Title Company may reasonably require of the Team Owner to close the transaction in accordance with this Agreement, which instructions and documents shall not be inconsistent with the terms of this Agreement.

5. Closing Date.

a. Time. When Title Company is in a position to issue the Title Policy and all documents and funds required hereby have been deposited with Title Company, Title Company shall cause Close of Escrow to occur on or before the Closing Date as provided below.

b. Procedure. Title Company shall close Escrow as follows:

(1) Record the Grant Deed;

(2) Deliver to the City the cash in the sum of the Put Option Price;

(3) Deliver to the Team Owner the following:

(a) The Title Policy; and

(b) The Non-Foreign Person Certificates, if applicable.

6. Closing Costs.

a. Closing Costs. The Team Owner shall pay the cost of title insurance premiums, escrow fees, recording costs, documentary transfer taxes, and all other customary closing costs.

b. Real Estate Taxes. Since the Team Owner enjoys a possessory interest of the Property during the term of the Put Option, all real estate taxes and possessory interest taxes, both prior to and after the Closing Date, to the extent not paid by the Arena Owner, shall be borne and paid by the Team Owner.

c. Failure to Close Escrow. Notwithstanding the provisions of paragraph 6(a), if Escrow fails to close due to the City's Default, the City shall pay all Escrow Cancellation Charges. If Escrow fails to close due to the Team Owner's Default, the Team Owner shall pay all Escrow Cancellation Charges in addition to the liquidated damages as provided in paragraph 3. If Escrow fails to close for any reason other than the foregoing, the Team Owner shall pay any Escrow Cancellation Charges.

7. Pledge and Assignment.

Subject to the obligations of the City under this Agreement, the City hereby pledges to the Trustee, in order to secure the payment of the City Obligation, all of the City's interests in this Agreement. Said pledge shall constitute a first lien on and security interest in this Agreement, and shall attach, be perfected and be valid and binding from and after delivery by the Trustee of the Bonds, without any physical delivery thereof or further act.

8. Brokers.

The sale transaction contemplated herein does not involve or require the services of a broker or a finder. The Team Owner shall indemnify, defend and hold the City harmless from and against any loss, cost or expense, including, but not limited to, attorneys' fees and court costs, resulting from any claim against the City by any broker or finder claiming by or through the Team Owner. The City shall bear any loss, cost or expense, including, but not limited to, attorneys' fees and court costs, resulting from any claim for a fee or commission by any broker or finder claiming by or through the City. The covenants contained herein shall survive the Close of Escrow.

9. Team Owner's Covenant Not To Relocate the Kings.

The Team Owner hereby covenants and agrees it will not relocate the Kings from Sacramento, California to another venue if the City Obligation is not Satisfied. The Team Owner shall not be in breach of this covenant if (a) the Team Owner relocates the Kings to another venue and the City Obligation is not Satisfied if the Team Owner terminates the Put Option pursuant to paragraph 2(e)(1) or (2) hereof, or (b) the Team Owner terminates the Put Option pursuant to paragraph 2(e)(3) hereof.

10. City's Representations and Warranties.

The City hereby makes the following representations and warranties to the Team Owner, which representations and warranties shall expire as of Close of Escrow or the termination of the Put Option, whichever occurs first:

a. Organization and Authority. The City is a charter city and municipal corporation organized and existing under the laws of California with full power to enter into this Agreement. The execution, delivery, and performance of this Agreement have been duly authorized and approved by all requisite action and the consummation of the transactions contemplated hereby will be duly authorized and approved by all requisite action of the City, and no other authorizations or approvals, whether of governmental bodies or otherwise, will be necessary in order to enable the City to enter into or to comply with the terms of this Agreement.

b. Binding Effect of Documents. This Agreement and the other documents to be executed by the City hereunder; upon execution and delivery thereof by the City, will have been duly entered into by the City, and will constitute legal, valid and binding obligations of the City. Neither this Agreement nor anything provided to be done under this Agreement violates or shall violate any contract, document, understanding, agreement, or instrument to which the City is a party or by which it is bound.

c. "As-Is" Condition. Except as expressly provided above, the City makes no representations or warranties of any kind, express or implied, written or oral, as to the physical condition of the Property; the uses of the Property or any limitations thereon, including, without limitation, zoning, environmental or other laws, regulations or governmental requirements; the costs of operating the Property or any other aspect of the economic operations on the Property; or the condition of the soils or groundwaters of the Property. Except as provided herein, the Team Owner specifically acknowledges that it is acquiring the Property in an "as-is" condition (as such term is most broadly construed), in reliance upon its own inspection and investigation of the Property. The City makes no representations or warranties with respect to the condition of title to the Property, and the Team Owner agrees that it will rely solely on the Title Policy.

11. Team Owner's Representations and Warranties.

The Team Owner hereby makes the following representations and warranties to the City, which representations and warranties shall expire as of Close of Escrow or the termination of the Put Option, whichever occurs first:

a. Organization and Authority. The Team Owner is a California limited partnership, organized, validly existing under the laws of the State of California with full power to enter into this Agreement. The execution, delivery, and performance of this Agreement have been duly authorized and approved by all requisite action and the consummation of the transactions contemplated hereby will be duly authorized and approved by all requisite action of the Team Owner, and no other authorizations or approvals, whether of governmental bodies or otherwise (including, without limitation, approval of the National Basketball Association), will be necessary in order to enable the Team Owner to enter into or to comply with the terms of this Agreement.

b. Binding Effect of Documents. This Agreement and the other documents to be executed by the Team Owner hereunder; upon execution and delivery

thereof by the Team Owner, will have been duly entered into by the Team Owner, and will constitute legal, valid and binding obligations of the Team Owner. Neither this Agreement nor anything provided to be done under this Agreement violates or shall violate any contract, document, understanding, agreement, or instrument to which the Team Owner is a party or by which it is bound.

12. NBA Approval.

The Team Owner, the Trustee and the City hereby acknowledge that the provisions of this Agreement and the Security Agreement shall be subject to the provisions of the NBA Approval, which the Team Owner, the Trustee and the City have accepted as reasonable and appropriate. Without limiting the generality of the preceding sentence, neither the City nor the Trustee shall exercise, enforce or attempt to exercise or enforce any of its rights under this Agreement or the Security Agreement except in accordance with and subject to the NBA Approval.

13. Successors and Assigns.

The terms, covenants, and conditions herein contained shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. The Team Owner and the City may each assign their rights hereunder to any party upon prior written approval by the other party hereto; provided, however, the City may assign this Agreement pursuant to paragraph 7 hereof and the Team Owner's execution and delivery of this Agreement constitutes written approval of such assignment, but no such assignment shall relieve the assignor from primary liability for its obligations hereunder.

14. Entire Agreement.

This Agreement contains all of the covenants, conditions and agreements between the parties and shall supersede all prior correspondence, agreements, and understandings, both oral and written. No provisions of this Agreement may be amended or modified in any manner except by an agreement in writing duly executed by the parties hereto.

15. No Merger.

This Agreement is separate and apart from any other agreement between the parties, and it is the express intention of the parties that no merger of this Agreement with any other agreement between the parties shall occur in the event of Default or for any other reason whatsoever.

16. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

17. Attorneys' Fees.

In the event of any litigation regarding the rights and obligations under this Agreement, the prevailing party shall be entitled to recover, in addition to damages, injunctive or other relief, its reasonable attorneys' fees, expert witness fees, court costs and reasonable fees and expenses. If (i) a Default occurs under this Agreement; (ii) the Team Owner files under the United States Bankruptcy Code (or seeks relief under any other applicable law of the United States of America or any state therein); (iii) a court of competent jurisdiction shall enter an order for relief following the filing of an involuntary bankruptcy case against the Team Owner; or (iv) any court of competent jurisdiction shall assume custody or control of the Team Owner or of the whole or any substantial part of its property, then the City shall be entitled to recover, in addition to damages, injunctive or other relief, as applicable, its reasonable attorneys' fees, expert witness fees and costs and expenses.

18. Notices.

All notices required or permitted to be given pursuant to the terms hereof shall be in writing and either delivered by hand delivery, professional courier service which provides written evidence of delivery or deposited in the United States mail, registered or certified, postage prepaid and addressed as follows:

To the City: City of Sacramento
 City Hall
 915 I Street
 Sacramento, CA 95814
 Attn: City Manager
 Tel. 916/264-5704
 FAX 916/264-7618

With a copy to: Samuel L. Jackson
 City Attorney
 City of Sacramento
 980 9th Street, Suite 1000
 Sacramento, CA 95814
 Attn: William Carnazzo
 Tel. 916/264-5346
 FAX 916/264-7455

To the Team Owner: Kings ARCO Arena Limited Partnership
 Attention: Rick Benner
 Capital Sports & Entertainment
 ARCO Arena
 One Sports Parkway
 Sacramento, CA 95834
 Tel. 916/928/3630

FAX 916/928-6859

With a copy to:

Joseph E. Coomes, Jr.
McDonough, Holland & Allen
555 Capitol Mall, Ninth Floor
Sacramento, CA 95814
Tel. 916/444-3900
FAX 916/444-3826

The foregoing addresses may be changed by written notice to the other party as provided herein. Notices shall be deemed delivered and received, in the case of personal delivery or delivery by courier as aforesaid, on the day physically delivered to the indicated addressee, and in the case of delivery by United States mail, three (3) Business Days after deposit in the United States mail as aforesaid.

19. Exhibits.

All exhibits are attached hereto and incorporated herein by this reference.

20. Authority.

Each person executing this Agreement on behalf of a party to this Agreement hereby represents and warrants that he or she has authority to execute this Agreement on behalf of such party.

21. Headings.

Headings at the beginning of any paragraph or Section of this Agreement are solely for the convenience of the parties and are not a part of this Agreement or to be used in the interpretation hereof.

22. Survival.

The representations, warranties and covenants of the parties hereto shall survive the Close of Escrow, or the termination of the Agreement if Close of Escrow shall not occur.

23. Waiver.

No waiver by the Team Owner or the City of a breach of any of the terms, covenants, or conditions of this Agreement by the other party shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, covenant or condition herein contained. No waiver of any Default by the Team Owner or the City hereunder shall be implied from any omission by the other party to take any action on account of such Default if such Default persists or is repeated, and no express waiver shall affect a Default other than as specified in such waiver. The consent or approval by the Team Owner or the City to or of any act by the other party requiring the consent or approval

of the first party shall not be deemed to waive or render unnecessary such party's consent or approval to or of any subsequent similar acts by the other party.

24. Counterparts.

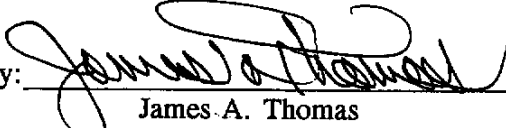
This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates set forth next to their respective signatures below.

TEAM OWNER: SACRAMENTO KINGS LIMITED PARTNERSHIP, a California limited partnership

By: Royal Kings Limited Partnership, a California limited partnership, general partner

By: Capitol Sports Team, Inc., a California corporation, general partner

By: 
James A. Thomas
Chief Executive Officer

CITY: CITY OF SACRAMENTO

By: 
Thomas P. Friery
Treasurer

APPROVED AS TO FORM:


City Attorney

ACCEPTED AND AGREED TO:

FIRST TRUST OF CALIFORNIA,
NATIONAL ASSOCIATION, as Trustee

By: 
Authorized Officer

EXHIBIT A

PARCEL NO. 1:

All that portion of Lots 24, 25, 26, 27, 28, 49, 52, and 53 of Natomas Central Subdivision, according to the official plat thereof, filed in the office of the Recorder of Sacramento County, California, on September 18, 1920, in Book 16 of Maps, Map No. 3, described as follows:

Beginning at a point located within said Lot 53, from which the Southwest corner thereof bears the following two (2) courses and distances: (1) South $00^{\circ} 25' 15''$ East 282.06 feet to the Southerly line of said Lot 53, and (2) along said Southerly line South $89^{\circ} 34' 45''$ West 446.46 feet; thence from said point of beginning South $26^{\circ} 01' 59''$ East 174.13 feet; thence curving to the right on an arc of 600.00 feet radius, said arc being subtended by a chord bearing South $13^{\circ} 21' 54''$ West 761.65 feet; thence South $52^{\circ} 45' 48''$ West 221.14 feet; thence curving to the left on an arc of 4,000.00 feet radius, said arc being subtended by a chord bearing South $52^{\circ} 16' 03''$ West 69.21 feet; thence curving to the left on an arc of compound curvature with a radius of 25.00 feet, said arc being subtended by a chord bearing South $06^{\circ} 59' 43''$ West 35.22 feet; thence South $37^{\circ} 46' 54''$ East 283.35 feet; thence South $51^{\circ} 01' 24''$ West 120.02 feet; thence North $37^{\circ} 46' 54''$ West 280.89 feet; thence curving to the left on an arc of 25.00 feet radius, said arc being subtended by a chord bearing North $84^{\circ} 13' 51''$ West 36.24 feet; thence curving to the left on an arc of compound curvature with a radius of 4,000.00 feet, said arc being subtended by a chord bearing South $48^{\circ} 11' 57''$ West 156.51 feet; thence South $47^{\circ} 04' 42''$ West 468.19 feet; thence curving to the right on an arc of 500.00 feet radius, said arc being subtended by a chord bearing South $77^{\circ} 11' 23''$ West 501.68 feet; thence North $72^{\circ} 41' 55''$ West 63.89 feet; thence curving to the right on an arc of 800.00 feet radius, said arc being subtended by a chord bearing North $52^{\circ} 35' 43''$ West 549.94 feet; thence North $32^{\circ} 29' 32''$ West 289.40 feet; thence curving to the left on an arc of 1,800.00 feet radius, said arc being subtended by a chord bearing North $44^{\circ} 23' 15''$ West 742.04 feet; thence North $56^{\circ} 16' 58''$ West 115.48 feet; thence curving to the left on an arc of 25.00 feet radius, said arc being subtended by a chord bearing South $78^{\circ} 14' 38''$ West 35.65 feet; thence South $32^{\circ} 46' 14''$ West 416.95 feet; thence North $53^{\circ} 17' 27''$ West 120.28 feet; thence North $32^{\circ} 46' 14''$ East 414.67 feet; thence curving to the left on an arc of 25.00 feet radius, said arc being subtended by a chord bearing North $09^{\circ} 41' 33''$ West 33.76 feet; thence curving to the right on an arc of reverse curvature with a radius of 1,200.00 feet said arc being subtended by a chord bearing North $40^{\circ} 30' 25''$ West 484.58 feet; thence North $88^{\circ} 53' 16''$ East 1,291.74 feet; thence North $54^{\circ} 11' 33''$ East 47.43 feet; thence North $88^{\circ} 53' 16''$ East 485.00 feet; thence South $54^{\circ} 14' 32''$ East 45.00 feet; thence North $88^{\circ} 53' 16''$ East 1,281.57 feet to the point of beginning; described as Parcel 5 in Certificate of Compliance recorded March 7, 1989, in Book 890307 of Official Records, Page 1400.

EXCEPTING THEREFROM all oil, mineral, gas and other hydrocarbon substances below a depth of 500 feet under the above described real property without the right of surface entry; as reserved in the deed from Richard N. Moseman, et al., to Sacramento Sports Association, a partnership, dated June 28, 1979, recorded July 10, 1979, in Book 790710 of Official Records, Page 1243.

PARCEL NO. 2:

Any and all private easements and all necessary utilities, including, but not limited to, water mains, sanitary sewers, storm sewers, electrical facilities, natural gas facilities, cable television facilities, curbs, gutters, roads, streets, and bridges; as set out in the instrument entitled "Reciprocal Easement Agreement and Declaration of Establishment of Restrictions and Covenants Affecting Land", dated March 2, 1989, recorded March 7, 1989, in Book 890307 of Official Records, page 1426.

PARCEL NO. 3:

Easements for ingress and egress in and to that certain tunnel; as set out in the instrument entitled "Tunnel Easement Agreement", dated March 7, 1989, recorded March 7, 1989, in Book 890307 of Official Records, Page 1514.

PARCEL NO. 4:

Easements for parking areas, together with ingress and egress to and from said parking areas; as set out in the instrument entitled "Reciprocal Easement and Operating Agreement", dated July 22, 1998, recorded concurrently herewith.

CERTIFIED TO BE A TRUE COPY OF DOCUMENT
RECORDED 7-30-97 INSTRUMENT NO.
BOOK 970730 PAGE 1725
COUNTY RECORDS.
FIDELITY NATIONAL TITLE INSURANCE CO.

**Recording Requested By and
When Recorded, Return to:**

City Clerk of the City of Sacramento
City Hall
915 I Street
Sacramento, California 95814

BY

L. Lemusi

**MEMORANDUM OF TEAM OWNER'S
RELOCATION ASSURANCE AGREEMENT**

This Memorandum of Team Owner's Relocation Assurance Agreement (this "Memorandum") is dated as of July 1, 1997, by and between THE CITY OF SACRAMENTO (the "City") and the SACRAMENTO KINGS LIMITED PARTNERSHIP, a California limited partnership (the "Team Owner").

1. Pursuant to that certain Team Owner's Relocation Assurance Agreement dated as of the date herewith between City and Team Owner (the "Assurance Agreement"), Team Owner hereby grants to City the Put Option (as such term is described in the Assurance Agreement) in the real property described in Exhibit A attached hereto and incorporated herein, subject to the terms and conditions described in the Assurance Agreement.

2. This Memorandum is made upon all the terms and conditions of the Assurance Agreement and all of said terms and conditions are incorporated by reference herein. In the event of any conflict between this Memorandum and the Assurance Agreement, the terms of the Assurance Agreement shall control.

3. The term of the Put Option shall terminate upon the satisfaction of the City Obligation (as such term is described in the Assurance Agreement), unless sooner terminated pursuant to the terms of the Assurance Agreement.

IN WITNESS WHEREOF, as of the day and year first hereinabove written, the respective parties hereto have caused this Memorandum to be executed by their respective officers thereunto duly authorized.

CITY:

CITY OF SACRAMENTO

By: 
Thomas P. Friery, Treasurer

Approved as to form:

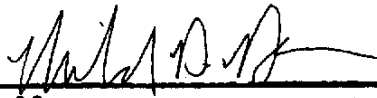

City Attorney

ARENA OWNER :

KINGS ARCO ARENA LIMITED PARTNERSHIP,
a California limited partnership

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

By: CAPITOL SPORTS ARENA, INC.,
a California corporation,
general partner

By: 
Name:
Title: AUTHORIZED REPRESENTATIVE

STATE OF CALIFORNIA)
COUNTY OF Sacramento)

On July 30, 1997, before me, the undersigned notary public, personally appeared THOMAS P. FRIERY

[] personally known to me; or
[x] proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he / she executed the same in his / her authorized capacity, and that by his / her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature Rachael Dantzer



Type of Document: _____

* * * * *

STATE OF CALIFORNIA)
COUNTY OF Sacramento)

On July 30, 1997, before me, the undersigned notary public, personally appeared Richard B. Beane

[] personally known to me; or
[x] proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he / she executed the same in his / her authorized capacity, and that by his / her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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Signature Rachael Dantzer



Type of Document: _____

EXHIBIT A

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