

File #: 2016-01154

Consent Item 03

Title: Agreement: Golden 1 Center Suite - License Agreement

Recommendation: Pass a Motion approving the Golden 1 Center-Suite License Agreement.

Location: District 4

Contact: John Dangberg, Assistant City Manager, (916) 808-1222, Office of the City Manager

Presenter: None

Department: Office of the City Manager

Attachments:

1-Description/Analysis

2-Suite License Agreement

3-Golden 1 Center Suite Map

Description/Analysis

Issue Detail: Under the terms of the Golden 1 Center (G1C) Arena Management, Operation and Lease Agreement (AMOLA) adopted by the City Council on May 20, 2014, the City was granted the right to use one full-sized suite (City Suite) including tickets to all events except excluded events as described below. The rights and obligations of the parties for the use of the City Suite are spelled out in the attached Suite License Agreement (Agreement) between the City of Sacramento and Sacramento Kings Limited Partnership (SKLP). The Agreement provides for terms and conditions that are substantially the same as those provided to other similarly situated suites at G1C. The City Suite is also finished and furnished in a manner that is comparable to other similarly situated suites at G1C.

In summary, the agreement provides for the following:

Designated Suite Location: The City Suite is suite #32. See attachment 3 *Golden 1 Center Suite Map* for the location of the City Suite within G1C.

Occupancy: 32 persons including 20 seats and standing room for up to 12.

Event Tickets: 25 tickets will be provided at no cost to the City for each event except excluded events.

Additional Tickets: The City may purchase up to seven additional standing room only tickets.

Excluded Events: NBA playoff games and events where the event promoter prohibits SKLP from including tickets to the event as part of an annual suite license without an additional charge.

First Right to Purchase Tickets for Excluded Events: The City has the first right to purchase suite tickets for excluded events providing it purchases tickets for all suite seats (20) or fewer as determined by SKLP.

Parking: The City will be provided five parking passes with the delivery of event tickets for each included event.

Concession Services: Food, beverage and other concession services for the City Suite are at the City's sole cost at the same prices as the majority of other suites.

Non-Event Use of Suite: The City may use the City Suite, with advanced written approval, Monday through Friday from 9 a.m. to 5 p.m. excluding holidays and other times as described in the Agreement.

Policy Considerations: The AMOLA provides that the location for City Suite would be on either side of the arena between the NBA foul lines unless otherwise agreed to by the parties. Suite 32 is outside of the NBA foul lines. In exchange for accepting a suite outside of the foul lines, the City is receiving, for each event, five suite tickets it would otherwise not be entitled to get under a similar suite agreement. Additionally, Suite 32 is a larger suite than the smallest suite between the foul lines, and has three more seats (with tickets) than the smallest suite situated between the foul lines. Use of the City Suite will be governed by the Acceptance, Distribution, Use and Reporting of Tickets Policy adopted by the City Council on September 6, 2016 and in compliance with FPPC regulations.

Economic Impact: No direct economic impacts result from the approval of the Suite License Agreement. However, the City Suite provides opportunities to enhance economic development and promote city business.

Environmental Considerations: The actions in this report do not have any potential for significant effect on the environment and are exempt under CEQA Guidelines section 15061(b)(3).

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: The AMOLA stipulates that the parties shall enter into a Suite License Agreement prior to the leasehold commencement date.

Financial Considerations: There are no financial considerations at this time.

Local Business Enterprise (LBE): Not applicable.

SUITE LICENSE AGREEMENT

This SUITE LICENSE AGREEMENT (“Agreement”), dated September 27, 2016 for reference purposes only, is by and between Sacramento Kings Limited Partnership, a California limited partnership (“SKLP”), and the party (“Licensee”) identified in the summary of terms attached hereto as Exhibit A, and incorporated herein by this reference (the “Summary of Terms”).

RECITALS

A. SKLP operates and manages a professional NBA franchise, commonly known as the Sacramento Kings (“the “Sacramento Kings”), which is based in Sacramento, California.

B. Sacramento Downtown Arena LLC, a Delaware limited liability company that is an affiliate of SKLP (“SDA”), plans to operate a sports and entertainment facility, once built, in downtown Sacramento, bordered to the north and south by “J” and “L” streets, respectively, and bordered to the west and east by “Fifth” and “Seventh” streets, respectively (“New Arena”). The New Arena is expected to be completed by October 2016. SKLP plans to have the Sacramento Kings play its home games at the New Arena. SKLP is acting solely as servicing agent for, and on behalf of, SDA with respect to SKLP entering into this Agreement and licensing the Designated Suite to Licensee under, and in accordance with, this Agreement.

C. Pursuant to Section 3.5 of the Arena Management, Operations and Lease Agreement between Licensee and SDA, dated as of May 20, 2014 (the “AMOLA”), Licensee is entitled to a license for use of certain suite facilities within the New Arena, as described in the Summary of Terms (collectively, the “Designated Suite”) and on the terms and conditions set forth herein.

AGREEMENTS

NOW, THEREFORE, in consideration of the foregoing recitals which are specifically incorporated into the body of this Agreement, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Definitions**. For purposes of this Agreement, the following terms shall have the following meanings:
 - a. “AAA” means the American Arbitration Association.
 - b. “All-Star Events” means any NBA All-Star game or event, including any of the festivities constituting a part of NBA “All-Star Weekend.”
 - c. “AMOLA” shall have the meaning set forth in Recital C above.
 - d. "Annual Kings Event" means an NBA event not held at the New Arena, such as an NBA summer league game, the Sacramento Kings training camp, or an NBA

regular season Sacramento Kings road game, as determined by SKLP in its sole discretion.

- e. "Arbitration Rules" means the AAA Commercial Arbitration Rules.
- f. "Authorized Uses" means the entertainment of the Licensee Parties, and the observance by the Licensee Parties of Included Events and other events held at the New Arena as provided herein.
- g. "Confidential Information" means all information not otherwise known to the public regarding Licensee, SKLP, SDA, and/or the New Arena contained in this Agreement, and the terms and provisions of this Agreement.
- h. "Designated Suite" shall have the meaning set forth in Recital C above.
- i. "Excluded Events" shall be as defined in the AMOLA.
- j. "Included Events" means all events held in the New Arena for which tickets are sold to the general public, except that Included Events shall not include any Excluded Events.
- k. "License" shall have the meaning set forth in Section 2 below.
- l. "License Year" means each twelve (12) month period during the Term, as set forth in the Summary of Terms.
- m. "Licensee" shall have the meaning set forth in the Summary of Terms. "Licensee" shall be deemed, and in all cases shall be construed, to mean the masculine, feminine, neutral, and either singular or plural, as may be appropriate.
- n. "Licensee Parties" means Licensee and Licensee's employees, agents, guests, invitees or any other person admitted by Licensee to the New Arena or the Designated Suite.
- o. "NBA" means the National Basketball Association.
- p. "New Arena" shall have the meaning set forth in Recital B above.
- q. "Non-Business Day" means Saturday, Sunday or any other day on which public agencies and major banks are not open for business.
- r. "Parking Passes" means the number of parking passes designated in the Summary of Terms which will permit the holders thereof free access to a preferred parking area in close proximity to the New Arena for all Included Events and any Excluded Events to which the Licensee purchases tickets in accordance with Section 7(a) below during the Term.
- s. "Premium Entrance" means a dedicated entrance to the New Arena, reserved for use by suite, loft, club or courtside ticket-holders only.

- t. "NBA Premium Event" means an NBA premium event not held at the New Arena, such as an international NBA event, an All-Star Event, or the NBA Finals or Conference Finals, as determined by SKLP in its sole discretion.
- u. "Sacramento Kings" shall have the meaning set forth in Recital A above.
- v. "SKLP" shall have the meaning set forth in the first paragraph of this Agreement.
- w. "SDA" shall have the meaning set forth in Recital B above.
- x. "Seats" shall mean those seats designated in the Summary of Terms, including the number of standing room only tickets identified in the Summary of Terms.
- y. "Suite Furnishings" means those furnishings in the Designated Suite identified in the Summary of Terms.
- z. "Summary of Terms" shall have the meaning set forth in the first paragraph of this Agreement.
- aa. "Term" means the term of the License and this Agreement provided for in Section 3(a) below.
- bb. "Work Stoppage" means a strike by the National Basketball Players' Association (or any successor entity, organized or otherwise by the NBA players) or a lockout of NBA players by the NBA.

2. **Grant of License.** Subject to the terms and conditions herein, SKLP hereby grants to Licensee the right and license (the "License") to use and occupy the Designated Suite for the Authorized Uses.

3. **Term.** The Term shall commence on the commencement of the Leasehold Term (as defined in the AMOLA) and shall extend for so long as the Leasehold Term (as defined in the AMOLA) is in effect, subject to the earlier termination thereof as provided in Section 16 below. Licensee understands that during the License Term, SKLP may periodically amend this License over time to ensure that it provides similar terms and provisions as are set forth in other licenses; provided, however, that such amendments must be consistent with the terms and provisions of the AMOLA. Licensee shall accept these changes, and such acceptance shall not be unreasonably withheld, conditioned, or delayed.

4. **Reserved.**

5. **License Benefits.** In addition to the other rights and benefits set forth in this Agreement, Licensee shall be entitled to:

- (a) Utilize, for ingress and egress into the New Arena, a Premium Entrance;
- (b) Utilize the services of a suite attendant providing service to suites on the premium level; and

- (c) Attend an Annual Kings Event, which includes all expenses for tickets, transportation, and reasonable food and beverage, at least once annually, which shall be scheduled by SKLP in its sole discretion. Failure to attend a designated Annual Kings Event shall not entitle Licensee to an alternative Annual Kings Event.

6. **Acknowledgments of Parties Regarding Use of the Suite for Included Events.**

Each of the parties acknowledge and agree that:

- (a) SKLP shall deliver, or cause to be delivered, tickets for all Seats for Included Events to Licensee, at the address for Licensee provided in the Summary of Terms, seven (7) days before each Included Event, unless the event is not scheduled seven (7) days in advance, in which case the tickets will be delivered forty-eight (48) hours before such Included Event. Parking Passes shall be delivered to Licensee concurrent with delivery of the tickets as provided herein.
- (b) Right of access by Licensee Parties to the Designated Suite during any Included Event shall be solely by presentation of tickets upon entering the New Arena for such Included Event. Licensee shall limit the number of Licensee Parties in the Designated Suite in accordance with Section 8(b)(ii) below.
- (c) Licensee shall be entitled to obtain the services of one or more solely dedicated service attendants, at Licensee's option and additional expense, to be present during an Included Event to serve Licensee and its guests. Licensee will be billed once each month by SKLP (or its designee) for the services rendered by such attendant(s) at prevailing wage rates in effect from time to time. Licensee shall pay each such invoice in full within thirty (30) days of the invoice date.

7. **Additional Rights of Licensee for Use of Designated Suite.** Throughout the Term, and so long as Licensee is not in default of its obligations under this Agreement, SKLP shall provide Licensee with each of the following:

- (a) **Excluded Events.** Licensee shall be entitled to purchase from or through SKLP, tickets for admission to the New Arena and the Designated Suite for certain of the Excluded Events as may be determined by SKLP in its sole discretion, at prices as may be established for tickets for such Excluded Events by the appropriate league or team for such event; provided, however, Licensee shall only be entitled to purchase tickets in the Designated Suite for Excluded Events if Licensee purchases tickets to all of the seats in the Designated Suite for such Excluded Event or such other amount of tickets as determined by SKLP in its sole discretion. If Licensee does not purchase tickets for an Excluded Event, SKLP shall have the right to sell tickets for such un-purchased seats to third parties. Notwithstanding the foregoing, SKLP shall not be under any obligation to make tickets available to Licensee for any All-Star Events or other

Excluded Event where the Designated Suite is not available to SKLP, Licensee acknowledges that, except as otherwise provided in this Section 7(a), Licensee shall not have any right to use or occupy the Designated Suite during any Excluded Events.

- (b) Other Uses. Subject to the prior written approval of SKLP, which approval will not be unreasonably withheld, Licensee shall be entitled to the exclusive use of the Designated Suite on Mondays through Fridays (except holidays and other times during which the New Arena is used in connection with other events to be held at the New Arena including, but not limited to, preparation for said events and other than Included Events or Excluded Events for which Licensee has purchased tickets in accordance with Section 7(a) above) of each week during the hours of 9 a.m. to 5 p.m., provided Licensee shall have given SKLP not less than forty-eight (48) hours advance notice, either orally or in writing, of its desire to use the Designated Suite. Licensee shall promptly pay all bills for all reasonable preparation and clean-up charges and for all other services rendered to Licensee, if any, in connection with Licensee's use of the Designated Suite as provided in this Section 7(b).

8. **Representations, Warranties and Additional Covenants of Licensee.**

- (a) Representations and Warranties. Licensee represents and warrants to SKLP as follows:
- (i) Licensee has the full right and legal authority to enter into and fully perform its obligations under this Agreement in accordance with its terms;
 - (ii) This Agreement, when executed and delivered by Licensee, will be Licensee's valid, legal and binding obligation, enforceable against Licensee in accordance with its terms;
 - (iii) The execution and delivery of this Agreement by Licensee and the performance by Licensee of its obligations hereunder have been duly authorized by all necessary persons, parties or entities; and
 - (iv) Each of the individual(s) executing this Agreement on behalf of Licensee is duly authorized to do so.
- (b) Additional Covenants.
- (i) During Licensee's use of the Designated Suite, Licensee shall purchase all food and beverage items from SKLP or SDA or a concessionaire designated by SKLP or SDA, and Licensee shall promptly pay all bills for food and beverages furnished or sold, and for all services rendered, to Licensee in connection with use of the Designated Suite. Licensee shall not sell any food or beverages whatsoever in the Designated Suite or in any other part of the New

Arena. SKLP or SDA shall not allow any charges for food or beverages in connection with use of the Designated Suite unless the authorized Licensee representative provides advance written notice of each event at which such charges are allowed, in which case Licensee shall provide SKLP and SDA with current credit card information at the time notice is given. If Licensee desires to charge food and beverage purchases, charges must be paid in full within thirty (30) days of invoice date. If charges remain unpaid after such thirty (30) days' time, Licensee's credit card will be charged therefor and SKLP and SDA reserve the right to suspend charge privileges until payment is received. SKLP and SDA also reserve the right to revoke Licensee's charge privileges at any time, in SKLP's or SDA's sole and absolute discretion.

- (ii) Licensee shall allow SKLP and SDA the right to control reasonable access to the Designated Suite and the Seats for the protection of Licensee and Licensee's guests who present tickets for the Seats at the main concourse level of the New Arena. In addition, Licensee shall limit the number of Licensee Parties in the Designated Suite at any given time during an Included Event to the number of Seats plus the number of supplemental tickets for seats within the Designated Suite, if any, obtained by Licensee for such Included Event as may be permitted under the Summary of Terms. Licensee further agrees to limit the number of Licensee Parties in the Designated Suite at any given time during Licensee's use of the Designated Suite in accordance with this section to the number of Seats in the Designated Suite to which Licensee is entitled to use as provided in this section.
- (iii) Licensee shall maintain, and shall ensure that its guests and invitees shall maintain proper decorum while using the Designated Suite and shall not attach or display any signs, advertisements or notices in or around the Designated Suite without the prior written approval of SKLP.
- (iv) Licensee shall comply with all applicable governmental laws and orders, and with the rules promulgated by SKLP and/or SDA relating to the use and occupancy of the Designated Suite and the Seats, including, without limitation, the prohibition of the use of movie cameras, video taping equipment or audio recording equipment by any Licensee Parties. Licensee acknowledges and agrees on behalf of itself and other Licensee Parties, that (a) any such use may result in the ejection from the New Arena of any person using such prohibited equipment and the confiscation of the recorded tape or exposed film; and (b) all New Arena rules and regulations shall be effective upon delivery to Licensee. Licensee shall also be responsible for compliance with all of the provisions of the Americans with Disabilities Act with respect to the use and

occupancy (but not access, design, or construction) of the Designated Suite and the Seats by Licensee and all other Licensee Parties.

- (v) Licensee shall obey, and shall ensure that all other Licensee Parties obey, all state and local laws, rules and regulations governing the sale, possession and consumption of alcoholic beverages while Licensee and any other Licensee Parties are in the Designated Suite, or are otherwise within the New Arena or on its grounds.
- (vi) Licensee shall not use any tickets for any events at the New Arena including, without limitation, any Included or Excluded Events, for advertising or other commercial or trade purposes. However, Licensee may use tickets for the purposes of government and economic development activities.
- (vii) Licensee shall not sell to the public, offer or agree to sell to the public, or permit any public sale of, whether voluntary or involuntary, any tickets issued to Licensee pursuant to this Agreement. Licensee acknowledges and agrees that any breach by Licensee of the foregoing covenant set forth in this Section 8(b)(vii) will constitute a material breach of Licensee's obligations hereunder, and in such event, SKLP shall have the right to terminate this Agreement as provided in Section 16(b) below.

9. **Furnishing, Maintenance and Repair of Suite.**

- (a) **Furnishing of Suite; Maintenance and Repair.** Not later than the commencement of the Term, SKLP or SDA shall install the Suite Furnishings in the Designated Suite. In addition, during the Term, SKLP or SDA shall provide the following for the Designated Suite:
 - (i) Water, heat, air conditioning and electricity, in reasonable quantities.
 - (ii) A name panel on the concourse level entrance to the Designated Suite featuring, at Licensee's election, either Licensee's individual or corporate name. SKLP or SDA retain the exclusive right to design and approve any such name panel. All signage, whether inside or outside of the Designated Suite, other than such approved name panel, is prohibited. Any subsequent changes to the name panel will be at Licensee's expense, and shall be subject to approval by SKLP or SDA as provided herein.
 - (iii) Ordinary and necessary maintenance (including routine plant maintenance) and repair work required in the Designated Suite.
 - (iv) Housekeeping services following each Included Event.

- (b) **Suite Alterations.** Licensee shall not make any additions or alterations in the interior or exterior of the Designated Suite or the Suite Furnishings, or attach anything to, or hang anything in, the Designated Suite, without the prior written consent of SKLP or SDA, which may be withheld for any reason. Any substitutions, additions or alterations permitted by SKLP or SDA shall be: (i) made at Licensee's sole expense, (ii) kept by Licensee free of any liens or encumbrances, (iii) made in a good workmanlike manner, (iv) in compliance with all applicable permits, authorizations, building and zoning laws, ordinances, orders, rules and regulations of all governmental authorities having appropriate jurisdiction, and (v) made in accordance with any other reasonable terms or conditions imposed by SKLP or SDA. Any fixtures or materials incorporated in or attached to the Designated Suite by Licensee shall become the property of SKLP or SDA unless Licensee shall have obtained the written approval of SKLP or SDA to remove same prior to the expiration of the Term, and if so removed, SKLP or SDA, at Licensee's expense, may repair and restore the Designated Suite to the condition it was in prior to the installation of such fixture or material.

Licensee may supply or replace decorative accessories, such as plants, reasonable in size and in good taste, as determined solely by SKLP or SDA; provided, however, at the expiration of the Term or earlier termination of this Agreement, SKLP or SDA, at Licensee's expense, shall repair and restore the Designated Suite to its condition as of the commencement of the initial Term.

10. **Right of Entry by SKLP and SDA.** During the Term, SKLP, SDA and their respective employees and agents shall have the right to enter the Designated Suite at any and all times for:

- (a) The performance of the duties required to be performed by SKLP or SDA, as applicable, hereunder and for any and all purposes related thereto;
- (b) The investigation of any violation of the provisions of this Agreement, or of any applicable law, rules or regulations; and
- (c) The general inspection of the Designated Suite and its condition.

11. **Damage or Destruction of Suite.**

- (a) Licensee shall reimburse SKLP or SDA for any destruction of, or damage to, the Designated Suite or for any loss or destruction of, or damage to, any of SKLP or SDA property, including, but not limited to, the Suite Furnishings, caused by Licensee or any other Licensee Parties. Licensee agrees to pay to SKLP any bill(s) for such reimbursement, within thirty (30) days of Licensee's receipt thereof.
- (b) If the Designated Suite shall be destroyed or shall be damaged, Licensee shall be provided a substantially similar suite.

12. **Surrender of Designated Suite.** Upon the expiration of the Term or any earlier termination of this Agreement, Licensee shall vacate and return the Designated Suite to SKLP clean and without damage, reasonable wear and tear excepted.

13. **Reserved.**

14. **Force Majeure Events.**

- (a) Except as otherwise provided in Sections 14(b) and 14(c) below, SKLP shall not be responsible to Licensee for the cancellation or nonperformance of any event scheduled at the New Arena or for the inability of Licensee to use the Designated Suite or Seats due to any cause or circumstance beyond the control of SKLP, whether caused by strike, lockout, civil violence, inability to procure materials, failure of electricity or other utilities, restrictive governmental laws or regulations promulgated subsequent to the date hereof, riots, insurrections, wars or otherwise.
- (b) Notwithstanding the provisions of Section 14(a) above, SKLP shall refund to Licensee the ticket price paid to SKLP by Licensee under Section 7(a) above for any canceled Excluded Event.
- (c) Notwithstanding the provisions of Section 14(a) above, in the event of a Work Stoppage that causes the preemption of the playing, in whole or in part, of any NBA regular season or playoff game, all other obligations of the parties shall continue and SKLP shall not have any obligation with respect to such preemption.

15. **SKLP's Reserved Rights.** In addition to the rights expressly reserved or retained by SKLP elsewhere in this Agreement, SKLP expressly reserves the following rights:

- (a) SKLP reserves the right to relocate Licensee to seats in the New Arena outside of the Designated Suite if such relocation is required, in SKLP's sole discretion, in order to reconfigure seating within the New Arena to meet the requirements of a specific event; provided, however, that SKLP shall deliver notice of such relocation to Licensee not less than seven (7) days in advance before such event, unless the event is not scheduled seven (7) days in advance, in which case such notice shall be delivered forty-eight (48) hours before such event.
- (b) SKLP reserves all rights with respect to the Designated Suite and the New Arena except those expressly granted to Licensee herein, and those held by Licensee pursuant to the AMOLA.

16. **SKLP's Termination Rights.** SKLP may terminate this Agreement in its sole discretion if the AMOLA terminates.

17. **No Liability of SKLP or SDA for Damage or Theft to Licensee Property; Release of SKLP and SDA.** Licensee, on behalf of itself and all other Licensee Parties, hereby (a) acknowledges and agrees that neither SDA nor SKLP shall be responsible or liable for any

damage, theft or any other loss or disappearance from the Designated Suite or from the New Arena of any property of Licensee or any other Licensee Parties, and (b) waives, releases and forever discharges SKLP, SDA, New Arena concessionaires, and their respective officers managers, members, partners, affiliates, agents and employees from and against any and all claims, costs, damages, liabilities, obligations expenses and fees (including reasonable attorneys' and experts' fees and costs), whatsoever, direct or indirect, which may arise in connection with any damage, theft or any other loss or disappearance from the Designated Suite or from the New Arena of any property of Licensee or any other Licensee Parties.

18. **Indemnification.** Licensee, at Licensee's sole cost and expense, shall indemnify, defend (with counsel of SKLP's choice) and hold harmless, SDA, SKLP, New Arena concessionaires, and their respective officers, managers, members, partners, affiliates, agents and employees from and against any and all claims, costs, damages, liabilities, obligations expenses and fees (including reasonable attorneys' and experts' fees and costs), caused by: (a) any breach by Licensee of any of its representations, warranties, covenants or obligations under this Agreement; or (b) any act, omission, neglect or wrongdoing of any of the Licensee Parties.

19. **Insurance.** SKLP and SDA acknowledge the Licensee is self-insured up to \$3,000,000, and accept that self-insurance as sufficient to meet any insurance requirements it otherwise places upon suite licensees. Licensee shall either maintain its self-insurance program at all times during the Agreement or obtain comprehensive general liability insurance that meets the minimum requirements imposed upon other similarly situated suite licensees, and shall provide written evidence to SKLP's satisfaction of such insurance coverage upon request.

20. **Assignment.**

- (a) **By Licensee.** Licensee shall have no right to assign this Agreement or any of Licensee's rights under this Agreement or to sublicense the Seats, the Designated Suite or any portion thereof without the prior written consent of SKLP, which consent may be granted or withheld in SKLP's sole discretion. Any such assignment or sublicense by Licensee for which Licensee does not obtain SKLP's prior written consent as provided herein, shall be void and of no effect. No permitted assignment or sublicense shall relieve Licensee of its obligations under this Agreement, whether occurring before or after such assignment or sublicense, and no acceptance by SKLP of payment from any other person will be deemed to be a release by SKLP of any liability Licensee may have hereunder. Licensee acknowledges and agrees that Licensee shall remain fully responsible for all actions of the permitted assignee or sublicensee, the distribution of tickets to such assignee or sublicensee, and all obligations otherwise required by Licensee hereunder.
- (b) **By SKLP.** SKLP shall be entitled to assign any or all of its rights and/or obligations under this Agreement to any party without the consent of Licensee. SKLP may also, without Licensee's consent, pledge as security all or any portion of its rights hereunder.

21. **Miscellaneous Provisions.**

- (a) **Notices.** Any notice, demand, approval, consent, or other communication required or desired to be given under this Agreement in writing shall be given in the manner set forth below, addressed to the party to be served at the addresses set forth below, or at such other address for which that party may have given notice under the provisions of this Section. Any notice, demand, approval, consent, or other communication given by (a) mail shall be deemed to have been given on the second (2nd) business day immediately following the date it was deposited in the United States mail, first class and postage prepaid; (b) overnight common carrier courier service shall be deemed to be given on the business day (not including any Non-Business Day) immediately following the date it was deposited with such common carrier; (c) delivery in person or by messenger shall be deemed to have been given upon delivery in person or by messenger; or (d) electronic facsimile shall be deemed to have been given on the earlier of (i) the date and at the time as the sending party (or such party's agent) shall have received from the receiving party (or such party's agent) oral confirmation of the receipt of such transmission or (ii) one hour after the completion of transmission of the entire communication.

To SKLP (on behalf of SKLP or SDA):

Sacramento Kings Limited Partnership
Attn: John Rinehart
One Sports Parkway
Sacramento, California 95834
Telephone: (916) 928-3636
Fax: (916) 928-6983
rinehart@kings.com

With a copy to:
Pioneer Law Group, LLP
Attn: Jeffrey K. Dorso, Esq.
1122 S Street
Sacramento, California 95811
Telephone: (916) 287-9500
Fax: (916) 287-9515
jeffrey@pioneerlawgroup.net

To Licensee:

John Dangberg
Assistant City Manager
New City Hall
915 I Street, Fifth Floor
Sacramento, CA 95818
jdangberg@cityofsacramento.org

With a copy to:
Matthew Ruyak
Assistant City Attorney
New City Hall
915 I Street, Fourth Floor
Sacramento, CA 95818
mruyak@cityofsacramento.org

- (b) Confidentiality. Except as otherwise set forth herein, each party hereto: (i) agrees to hold the Confidential Information in confidence; and (ii) further agrees not to disclose the Confidential Information, or any portion thereof, to third persons without the prior written consent of the other party except: (a) to the extent necessary, to comply with any law (including but not limited to the Public Records Act), rule or regulation, or the valid order of any governmental agency or any court of any governmental agency or any court of competent jurisdiction; (b) as part of such party's normal reporting or review procedure, to its auditors and/or its attorneys; (c) as part of any necessary staff report associated with a public hearing for action by the City Council; or (d) as necessary to enforce such party's rights and perform its agreements and obligations under this Agreement. SKLP may disclose Confidential Information to its owners, SDA, as required by NBA rules, and to lenders of SKLP, SDA and their respective equityholders.
- (c) Governing Law. This Agreement has been negotiated, executed and delivered in the State of California, is to be performed in California and will be construed, interpreted and enforced according to the laws of the State of California (without giving effect to principles of conflicts of law).
- (d) Entire Agreement; Modification; Waiver. This Agreement constitutes the entire understanding and agreement between the parties with respect to the subject matter hereof and supersedes any and all prior negotiations, understandings or agreements in regard thereto. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by all the parties. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.
- (e) Subordination. This Agreement shall be subordinate to any trust deed now or hereinafter encumbering the New Arena or any part or parts thereof, and to any and all advances to be made thereunder, interest thereon, and all renewals, replacements and extensions thereof. In the event that proceedings are brought for the foreclosure of, or in the event of the exercise of the power of sale under, any trust deed made by SKLP or SDA covering the New Arena, or any portion thereof, Licensee shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the licensor hereunder. Licensee shall, at any time and from time to time, promptly execute estoppel certificates in a form satisfactory to SDA, SKLP and their respective lenders and/or buyers.

(f) Legal Costs. If any party to this Agreement shall take any action to enforce this Agreement or bring any action or commence any arbitration for any relief against any other party, declaratory or otherwise, arising out of this Agreement, the losing party shall pay to the prevailing party a reasonable sum for attorneys' and experts' fees and costs incurred in bringing such suit or arbitration and/or enforcing any judgment granted therein, all of which shall be deemed to have accrued upon the commencement of such action or arbitration and shall be paid whether or not such action or arbitration is prosecuted to judgment. Any judgment or order entered in such action or arbitration shall contain a specific provision providing for the recovery of attorneys' and experts' fees and costs incurred in enforcing such judgment. All fees and costs to be paid under this Section shall be determined by a court of competent jurisdiction and not by a jury. For purposes of this Section, attorneys' and experts' fees and costs shall include, without limitation, fees and costs incurred in the following: (a) post-judgment motions; (b) contempt proceedings; (c) garnishment, levy, and debtor and third party examinations; (d) discovery; (e) bankruptcy litigation; and (f) appeals.

(g) Arbitration.

- (i) The parties will resolve any controversy or claim arising out of or relating to this Agreement by arbitration in accordance with the provisions that follow. If any party shall commence an arbitration proceeding, all defenses to the controversy or claim that is the subject of such arbitration proceeding and all counterclaims shall be raised and resolved in such arbitration proceeding. Notwithstanding the foregoing, the parties are not waiving and are expressly reserving their right to seek injunctive relief by judicial process. Nevertheless, the parties may, by subsequent consent, agree to submit requests for injunctive relief to arbitration as provided herein.
- (ii) Except as otherwise provided in Section 16 above, if either party shall, in the opinion of the other party, be in breach of or default in the performance or observance of any term or condition of this Agreement, the non-defaulting party shall have thirty (30) days from the receipt of such notice to remedy or correct such breach or default and to negotiate with the other party to resolve the dispute. If, at the conclusion of the thirty (30) day period, the party claiming a breach or default asserts that the breach or default has not been timely and properly cured, it may commence arbitration.
- (iii) Any party may initiate, by written notice delivered to the other party(ies), binding arbitration in accordance with the Arbitration

Rules. The arbitrator shall have the power to determine arbitrability. In the event of any conflict or discrepancy between the terms and provisions of this Section and the Arbitration Rules, the terms and provisions of this Section shall control.

- (iv) Within ten (10) days after the initiation of arbitration, the parties shall seek to identify one mutually acceptable impartial third party to serve as sole arbitrator. If the parties are unable or fail to agree upon the arbitrator within ten (10) days, the arbitrator shall be selected by the AAA, or any successor entity.
- (v) The seat of arbitration shall be the State of California. No arbitration conducted pursuant to this subsection shall be consolidated with any other proceeding. Except for any stenographer and the arbitrator, attendance at the arbitration shall be limited to the parties and their counsel and witnesses.
- (vi) The arbitrator shall issue a written decision, stating the reasons for the decision, upon completion of the arbitration proceedings. Any such award shall be final, binding and conclusive, and shall have the same force and effect as a judgment made in a Superior Court in the County of Sacramento, California, and any party shall have the right to apply to a court of competent jurisdiction for a decree, judgment or order upon such award. The arbitrator shall not be empowered to modify any rights or obligations of a party under this Agreement.
- (vii) Nothing in this section limits Licensee's rights and remedies (including bringing an action in court for damages or injunctive relief) under the AMOLA or any other agreement between the parties.
- (vii) For any dispute resolved by arbitration under this Agreement, the arbitrator shall award reasonable attorneys' fees and costs associated with the arbitration proceeding (including without limitation a party's share of fees charged by the arbitrator), to the party determined by the arbitrator to be the prevailing party. Pending such award of attorneys' fees and costs, all costs incurred for the services of any arbitrator shall be borne equally by the parties.
- (viii) In no event shall Licensee be entitled to recover any amount greater than the Fees Licensee would have paid for a substantially similar suite.
- (h) Section Headings. The section headings in this Agreement are for convenience and reference only and shall not be construed or held in any way to explain, modify or add to the interpretation or meaning of

the provisions of this Agreement.

- (i) Severability. Each provision of this Agreement is severable from any and all other provisions of this Agreement. If any term, covenant or condition of this Agreement shall be held by a court of competent jurisdiction to be illegal, invalid or unenforceable, the same shall not affect any other provision or provisions hereof, all of which shall remain in full force and effect.
- (j) Time of the Essence; Dates. Time is of the essence of this Agreement. In the event that any date specified in this Agreement falls on a Non-Business Day, such date shall be deemed to be the succeeding business day. For purposes of this Agreement, a “business day” shall mean a day other than a Non-Business Day.
- (k) Drafting. Each of the parties hereto agree that this Agreement is the product of joint draftsmanship and negotiation and that should any of the terms be determined by a court, or in any type of quasi-judicial or other proceeding, to be vague, ambiguous and/or unintelligible, that the same sentences, phrases, clauses or other wordage or language of any kind shall not be construed against the drafting party in accordance with California Civil Code section 1654, and that each such party to this Agreement waives the effect of such statute.
- (l) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original (including copies sent to a party by facsimile transmission) as against the party signing such counterpart, but which together shall constitute one and the same instrument.
- (m) AMOLA Precedence. If any provision or term of this Agreement conflicts with a term or provision in the AMOLA, the AMOLA takes precedence.
- (n) Notice of Events. SKLP shall give Licensee advance notice of Included Events, Excluded Events, other license benefits, and similar information on no less favorable terms and timelines than such notice is given to other similarly situated license holders.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as set forth below.

SKLP:

Sacramento Kings Limited Partnership, a California limited partnership

By: 
John Rinehart
Its Authorized Agent

Date: 9/21/16

Licensee:

CITY OF SACRAMENTO,

a municipal corporation

By: _____

John Dangberg, Assistant City Manager
For: John F. Shirey, City Manager

Approved as to form:

By: _____

Assistant City Attorney

Attest:

By: _____
City Clerk

SUMMARY OF TERMS

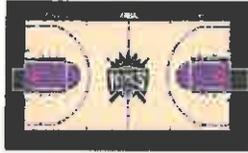
1. **Licensee:** City Of Sacramento
915 I Street
Sacramento, CA 95818

2. **Designated Suite; Suite Facilities.** For purposes of this Agreement, the “Designated Suite” is “Suite 32” located on the premium level of the New Arena, as shown on the map attached hereto on Page A-4. In addition, for purposes of this Agreement, the following facilities shall constitute the “Suite”:
 - (a) **Seats.** A total of twenty (20) seats located inside, adjacent to and forward of the Designated Suite. In addition to tickets for each seat, Licensee gets five (5) standing-room-only tickets for the Suite.

 - (b) **Furnishings.** The following furnishings within the Designated Suite during the Term:
 - (1) Access to closed circuit feeds of productions originating in the New Arena;
 - (2) Access to programming available on the New Arena’s satellite or cable service;
 - (3) Two (2) color televisions;
 - (4) Cabinets and other storage space;
 - (5) Communal table with seating for eight;
 - (6) Cushioned seating;
 - (7) Tablet docking station;
 - (8) In-house telephone for arena purposes;
 - (9) Ice bin;
 - (10) Refrigerator/Freezer;
 - (11) Private restroom facilities on dedicated premium level;
 - (12) Wet bar; and

- (13) Private coat closet.
- (c) Game programs for each game.
- (d) Parking Passes: Five (5) Parking Passes, including one VIP parking pass and four Premium parking passes.

NEW ARENA SUITE MAP



SACRAMENTO KINGS ESC
SUITE MAP

GOLDEN 1 CENTER SUITE MAP

