EXCLUSIVE SITE AGREEMENT

PARTIES:	**TRAIL BLAZERS INC.,** an Oregon corporation	**("TBI")**
	PAUL G. ALLEN, an individual	**("Allen")**
	THE CITY OF PORTLAND, a municipal corporation	(the **"City"**)
EFFECTIVE DATE:	June 23, 1993	

RECITALS

A. TBI is a member of the National Basketball Association, a joint venture, ("NBA") and the owner of a professional basketball franchise known as the Portland Trail Blazers which, as qualified in the first sentence of Section 3.5, is the "Franchise."

B. The City and Oregon Arena Corporation, an affiliate of TBI, ("OAC") are parties to the Arena Ground Lease, dated June 23, 1993 (the "Arena Lease"), pursuant to which the City leases to OAC certain real property located in Multnomah County, Oregon and described in the Arena Lease (the "Property"). The Arena Lease requires the development and construction by OAC of a facility situated on the Property in which sporting and other public events will take place (the "Arena").

C. In order to induce the City to enter into the Arena Lease, TBI and Allen are willing to make certain covenants and comply with certain restrictions regarding the use of the Arena and the location of TBI's principal place of business on the terms and conditions set forth in this Exclusive Site Agreement

(the "Agreement"). It is expressly acknowledged by TBI and Allen that the execution and delivery of this Agreement by TBI and Allen is a condition to the execution and delivery of the Arena Lease by the City. Allen joins in this Agreement only for certain limited purposes and is only personally bound to certain covenants, all as is expressly set forth below.

D. All members of the NBA are governed by an Amended and Restated Joint Venture Agreement dated January 1, 1989, under which the affairs of the NBA must be conducted in accordance with the Constitution and Bylaws of the NBA, as amended and as may be amended from time to time, (the "NBA Constitution"). The current NBA Constitution is that subtitled "As in Effect on February 12, 1989."

E. All franchise and playing site relocations are governed by Articles 9A and 9B of the NBA Constitution. Article 9A governs relocation of a franchise to a different city or to a new playing facility (within or outside its existing Territory (as that term is defined in the NBA Constitution)). Article 9B governs "temporary" transfers of a franchise's home playing site to a different facility.

NOW, THEREFORE, in consideration of the execution and delivery by the City of the Arena Lease, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, TBI, Allen, and the City agree as follows:

SECTION 1 COVENANT REGARDING USE OF ARENA

1.1 Home Games

Subject to the exceptions described in Section 1.2 below, TBI hereby agrees that any and all Home Games (as defined in this Section 1.1) during the Effective Period shall be played in the Arena, unless the City shall have given its prior, written consent to the performance of specified Home Games at a different location or locations, which consent may be withheld in the sole and absolute discretion of the City. The term "Home Games" shall have the same meaning as that term is used in the NBA Constitution. The "Effective Period" is the original thirty (30) year term of the Arena Lease, and any actual extensions of the Arena Lease, but the Effective Period continues notwithstanding any breach of the Arena Lease by OAC or any termination of the Arena Lease following and as a result of a breach by OAC unless earlier terminated pursuant to Section 12.2.6 or 12.2.9 of the Arena Lease.

1.2 Exceptions

For purposes of Section 1.2, the terms "Exhibition Games," "Regular Season Games," "Playoff Games," and "Home Playing Site" shall have the meanings ascribed to such terms in the NBA Constitution. Notwithstanding the provisions of Section 1.1, TBI shall have the right:

1.2.1 To play Exhibition Games constituting Home Games at any location, to the extent permitted by the NBA.

1.2.2 To play Home Games at any location outside of Portland, Oregon, if expressly required by the NBA; provided that

TBI shall pay Deemed User Fees computed in accordance with Section 1.2.4 for each Regular Season Home Game played pursuant to this Section 1.2.2 which is in excess of two (2) games per season.

1.2.3 To play an unlimited number of Regular Season and Playoff Games constituting Home Games at Memorial Coliseum.

1.2.4 To play any Playoff Games constituting Home Games at another facility under the circumstances permitted by Article 9B(a) of the NBA Constitution or any successor provision, upon prior written notice to the City; provided that for purposes of such Article, the Home Playing Site shall refer to both the Arena and Memorial Coliseum. In the event any Playoff Game constituting a Home Game is played at a facility other than the Home Playing Site under the circumstances permitted by Article 9B(a), TBI shall pay to the City the amount, if any, by which Deemed User Fees (as defined below) based upon the lesser of: (i) actual ticket sales of Non-Exempt Tickets at the Base Ticket Price for such Playoff Game played at such other facility, or (ii) the ticket sales for Non-Exempt Tickets based upon the Ticket Price assuming a sellout of the Arena (recognizing the number of Exempt Tickets customary for such a game), exceed the actual User Fees for the Event held at the Arena. "Deemed User Fees" shall be an amount computed in the same manner as the User Fees described in the Development Agreement between the City and OAC dated October __, 1992.

1.2.5 To play any Regular Season or Playoff Games constituting Home Games at a facility other than the Home Playing

Site under the circumstances permitted by Article 9B(b) of the NBA Constitution or any successor provision, as reasonably determined by TBI; provided that for purposes of such Article, the Home Playing Site shall refer to both the Arena and Memorial Coliseum. In the event TBI believes that an unanticipated event or emergency renders the Home Playing Site temporarily unavailable or unsuitable for purposes of such Article, TBI shall promptly notify the City and consult with OAC and the City in good faith and in a manner which is reasonable under the circumstances prior to reaching a determination that an unanticipated event or emergency renders the usual home playing site temporarily unavailable or unsuitable. By allowing TBI to play a Home Game at a site other than its Home Playing Site due to the circumstances referred to in this Section 1.2.5, the City is not waiving any claim it may or may not have against OAC for a breach of its obligations under the Arena Lease.

1.2.6 To play the lesser of: six Regular Season Games constituting Home Games or the number of such games permitted by the NBA Constitution, at another playing site within the Territory as permitted by Article 9B(c) of the NBA Constitution or any successor provision; provided that TBI shall pay the Deemed User Fees with respect to any Home Game played pursuant to this Section 1.2.6, computed in accordance with Section 1.2.4.

Nothing in this Section 1.2 shall modify the obligations of OAC under the Arena Lease.

1.3 Relocation

TBI shall not relocate or seek to relocate the playing site of its Home Games under Article 9A of the NBA Constitution or any successor provision, except to the Arena or to Memorial Coliseum, without the prior written consent of the City, which may be withheld in the sole and absolute discretion of the City.

1.4 Continuous Operations

Throughout the Effective Period, TBI agrees to: (i) not default on and forfeit the Franchise, (ii) field an NBA basketball team, (iii) play Home Games as provided in Section 1.1, and (iv) in all other respects continuously operate an NBA basketball team. This obligation of TBI shall cease upon any sale of the Franchise by TBI pursuant to Section 3.3.

1.5 Memorial Coliseum

During any period in which Memorial Coliseum is temporarily or permanently closed, references in this Section 1 to Memorial Coliseum shall be deemed null and void.

SECTION 2 COVENANT REGARDING LOCATION OF TBI'S PLACE OF BUSINESS

TBI agrees that, at all times during the Effective Period, the principal place of business of TBI shall be located within either: the City of Portland, or the city which is the principal place of business of Allen or any successor owner of TBI.

SECTION 3 BINDING EFFECT

3.1 Successors

The covenants and restrictions of TBI set forth in this Agreement shall be binding upon TBI, its successors and assigns, and any purchaser or transferee of the Franchise.

3.2 Liquidation of TBI

In the event of the liquidation or dissolution of TBI, the covenants and restrictions of TBI set forth in this Agreement shall be binding upon the shareholders of TBI or any other distributee of the Franchise and related assets and properties of TBI.

3.3 Transfer of Franchise

Without limiting the foregoing, TBI agrees that it shall be a condition precedent to the consummation of any sale or other transfer of the Franchise, that the purchaser or transferee agree in writing to comply, without modification or qualification, with the covenants and restrictions applicable to TBI set forth in this Agreement. Any sale or other transfer of the Franchise made without execution by the purchaser or transferee of the instrument described in the preceding sentence shall be null and void and of no force or effect, but the failure to execute such instrument shall in no event limit or modify the obligation of such purchaser or transferee to comply with the covenants and restrictions set forth in this Agreement. Any such instrument shall identify the City as an express third party beneficiary of such covenants and restrictions, with full standing to enforce the same, as if the City were a party to such

instrument. TBI's obligations (excluding any accrued obligations or liabilities as of the effective date of a transfer of the Franchise) pursuant to this Agreement shall cease as of the effective date of a transfer pursuant to this Section 3.3.

3.4 Transfer of Control of TBI

Without limiting the foregoing, Allen agrees that it shall be a condition precedent to the consummation of any sale or other Transfer of Control of TBI, that the purchaser or transferee agree in writing to comply, without modification or qualification, with the covenants and restrictions applicable to Allen set forth in this Agreement. Any sale or other Transfer of Control of TBI made without execution by the purchaser or transferee of the instrument described in the preceding sentence shall be null and void and of no force or effect, but the failure to execute such instrument shall in no event limit or modify the obligation of such purchaser or transferee to comply with the covenants and restrictions set forth in this Agreement. Any such instrument shall identify the City as an express third party beneficiary of such covenants and restrictions, with full standing to enforce the same, as if the City were a party to such instrument. "Transfer of Control" means any conveyance of a majority of the issued and outstanding stock of TBI in one transaction or the cumulative effect of several transactions or any other disposition of voting rights with respect to a majority of the issued and outstanding stock of TBI. Transfers of any interest in TBI not constituting a Transfer of Control are permitted without restriction. Allen's obligations (excluding

any accrued obligations or liabilities as of the effective date of a Transfer of Control) pursuant to this Agreement shall cease as of the effective date of a Transfer of Control pursuant to this Section 3.4.

3.5 Change in Franchise, NBA

The term Franchise shall be deemed to include any new franchise issued by the NBA to Franchisee, any replacement or renewal franchise issued by the NBA to Franchisee, or any franchise issued to Franchisee by a new professional basketball association, in every case only if the preceding Franchise expires or is terminated in connection therewith. For purposes of this Section 3.5, the term Franchisee includes TBI, any assignee or successor of TBI, Allen, or any newly formed corporate or other entity where any ownership interest is held by Allen or TBI and this definition of Franchisee is applicable only to this Section 3.5. The term NBA includes the National Basketball Association and any successor to the National Basketball Association or any new association of professional basketball franchisees where TBI is a franchisee of such new association.

3.6 Stock Legend

TBI shall cause all certificates of stock of TBI to be surrendered to TBI and shall cause the placement on each such certificate of a legend substantially in the following form:

"THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS SET FORTH IN THAT CERTAIN EXCLUSIVE SITE AGREEMENT, DATED

_____, 199__, BETWEEN THE CORPORATION AND THE CITY OF PORTLAND, AND NONE OF SUCH SHARES, OR ANY INTEREST THEREIN, SHALL BE TRANSFERRED OR OTHERWISE DISPOSED OF EXCEPT AS PROVIDED IN SUCH AGREEMENT. A COPY OF THE AGREEMENT IS ON FILE AND AVAILABLE FOR INSPECTION WITHOUT CHARGE IN THE OFFICES OF THE CORPORATION."

3.7 Limitation of Liability

Notwithstanding anything to the contrary in this Agreement, upon a sale or other transfer of the Franchise or Transfer of Control of the Franchisee made in full conformance with the provisions of this Agreement to a party not Affiliated with Franchisee or Allen, neither Franchisee nor Allen shall have any liability under this Agreement with respect to breaches of this Agreement by the purchaser or other subsequent transferee, nor shall any breach of this Agreement by such purchaser or other subsequent transferee constitute an event of default under the Arena Lease unless such purchaser or subsequent transferee is also the Lessee under the Arena Lease.

SECTION 4 REMEDIES

In the event of a breach of this Agreement by TBI or Allen, the City will suffer both damages compensable by the payment of money and damages which will not be compensable by money and which will be irreparable. Accordingly, the City is entitled to the following:

4.1 Compensable Damages

In the event of a breach of this Agreement by TBI or Allen, the City shall be entitled to claim all actual damages and consequential damages against the breaching party, including but not limited to loss of User Fee revenue and other Project Revenue referred to in the Arena Lease or the Development Agreement caused by such breach.

4.2 Non-Compensable Damages

TBI and Allen acknowledge that some of the damage that would be suffered by the City in the event of a breach of the terms of this Agreement could not be adequately compensated by an award of damages because of the unique nature of the obligations of TBI and Allen, respectively, and the City may obtain a decree of specific performance and/or injunctive relief with respect to any of the obligations of TBI or Allen, respectively, under this Agreement.

4.3 Cross-Default

Subject to Section 3.7, any breach of this Agreement shall also constitute an event of default under the Arena Lease, so long as the owner of the Franchise, either directly or through a controlled affiliate, is the Lessee under the Arena Lease.

4.4 All Remedies

Upon a breach of this Agreement by TBI or Allen, respectively, the City shall be entitled to pursue all legal and equitable remedies against the breaching party, whether or not those are specifically set forth in this Agreement. All remedies

are cumulative and may be exercised concurrently, successively, or in any order.

4.5 Limited Liability

Allen shall only be personally liable for his performance of his obligations referred to in Sections 3.4, 3.5 and 3.7 and only under Section 4 to the extent of and on account of remedies and damages based on his breach, if any, of his obligations under Section 3.4, 3.5 or 3.7. This Agreement shall not be interpreted or construed to make Allen liable for the obligations of TBI or Franchisee (if the Franchisee is other than TBI) under this Agreement, even if an interpretation to that effect could be made.

SECTION 5 GENERAL PROVISIONS

5.1 Benefit

The provisions of this Agreement shall inure to the benefit of the City and its successors and assigns.

5.2 Integration

This Agreement contains the entire agreement and understanding of the City, Allen and TBI with respect to the matters described herein, and supersedes all prior and contemporaneous agreements between them with respect to such matters.

5.3 Amendment

This Agreement may not be modified or amended except by the written agreement of the City, Allen and TBI.

5.4 Further Assurances

TBI agrees to take such further actions and execute such additional documents as may be necessary or appropriate to carry out the provisions and purposes of this Agreement, including, without limitation, the execution of any instruments necessary to record or provide notice of the encumbrance imposed by this Agreement on TBI's right and power to sell or otherwise dispose of the Franchise.

5.5 Attorneys' Fees

If a suit, action, or other proceeding of any nature whatsoever (including any proceeding under the U.S. Bankruptcy Code) is instituted in connection with any controversy arising out of this Agreement or to interpret or enforce any rights hereunder, the prevailing party shall be entitled to recover its attorneys', accountants', and other experts' fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by the court at trial or on any appeal or review, in addition to all other amounts provided by law.

5.6 Construction and Interpretation

The headings or titles of the sections of this Agreement are intended for ease of reference only and shall have no effect whatsoever on the construction or interpretation of any provision of this Agreement. The use in this Agreement of the words "including," "such as," and words of similar import following any general statement, term, or matter shall not be construed to limit such statement, term, or matter in any manner,

whether or not language of non-limitation (such as "without limitation" or "but not limited to") is used in connection therewith, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the scope of the general statement, term, or matter. All provisions of this Agreement have been negotiated at arms length and this Agreement shall not be construed for or against the City, Allen, or TBI by reason of the authorship or alleged authorship of any provision hereof.

5.7 Waiver

Failure of the City at any time to require performance of any provision of this Agreement shall not limit the City's right to enforce such provision, nor shall any waiver of any breach of any provision of this Agreement constitute a waiver of any succeeding breach of such provision or a waiver of such provision itself. Any waiver of any provision of this Agreement shall be effective only if set forth in writing and signed by the City.

5.8 Severability

If any term or provision of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term or provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

5.9 Notices

All notices, requests, and other communications hereunder shall be in writing and shall be delivered personally or deposited in the U.S. Mails, postage prepaid, return receipt requested, addressed as follows:

If to the City: _____
_____
_____
Attn.: _____

With a copy to: Office of the City Attorney
1220 SW Fifth Avenue
Portland, OR 97204

If to TBI: _____
_____
_____
Attn.: _____

With a copy to: Foster Pepper & Shefelman
Suite 3400
1111 Third Avenue
Seattle, WA 98101
Attn.: Allen D. Israel

If to Allen: _____
_____
_____

With a copy to: Foster, Pepper & Shefelman
Suite 3400
1111 Third Avenue
Seattle, WA 98101
Attn.: Allen D. Israel

or to such other address as the City, Allen, or TBI may have furnished to the others by written notice in the manner provided in this Section 5.9. Any such notice, request, consent, or other communication shall be deemed received at such time as it is personally delivered or actually received, as the case may be.

5.10 Joint and Several Liability

To the extent TBI and Allen are both responsible for the performance of any obligations under this Agreement, the liability of both such parties shall be joint and several with respect to such obligations.

5.11 Governing Law

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

5.12 Counterparts

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

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the date first above written.

TBI: TRAIL BLAZERS INC., an Oregon corporation

By _____

Title President

Allen: Allen joins in this Agreement only for the purposes and as set forth in Section 4.5

_____

Paul G. Allen

City: CITY OF PORTLAND, a municipal corporation

By _____

Approved as to Form

_____

Jeffrey L. Rogers, City Attorney

Barbara Clark
Portland City Auditor

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