

NBA NEWS

NBA MARKETING & COMMUNICATIONS GROUP

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NBA COMMISSIONER DAVID STERN STATEMENT ON TODAY'S SETTLEMENT BETWEEN THE SONICS AND CITY OF SEATTLE

NEW YORK, July 2, 2008 – NBA Commissioner David Stern has issued the following statement:

“We are pleased that the Sonics and the City of Seattle have settled their litigation. While the decision has been made to relocate the Sonics to Oklahoma City, the NBA continues to regard Seattle as a first-class NBA city that is capable of serving as home for another NBA team. In order for this to occur, a state-of-the-art NBA arena must be funded and constructed in the Seattle area, a subject that has been extensively debated -- but not ultimately acted upon -- by local political and business leaders over the past four years. We are pleased that the City remains committed to addressing this fundamental requirement for the return of NBA basketball to Seattle and we hope that other elected officials critical to a solution will support the City's efforts.

“We understand that City, County, and State officials are currently discussing a plan to substantially re-build KeyArena for the sum of \$300 million. If this funding were authorized, we believe KeyArena could properly be renovated into a facility that meets NBA standards relating to revenue generation, fan amenities, team facilities, and the like. Assuming the funding can be committed, the league is willing to work with the City on the design and construction of the re-build to facilitate this result. Under these circumstances, if an opportunity arose in the future for an NBA team to be located in Seattle, we would support that team playing its home games in a re-built KeyArena, if it wished. However, given the lead times associated with any franchise acquisition or relocation and with a construction project as complex as a KeyArena renovation, authorization of the public funding needs to occur by the end of 2009 in order for there to be any chance for the NBA to return to Seattle within the next five years.

“We are pleased that Steve Ballmer has expressed the continuing willingness of his group, Seattle Center Investors, managed by Seattle developer Matt Griffin, to be a part of the solution for returning NBA basketball to Seattle. The NBA will keep SCI and the City informed if opportunities arise in the next five years for franchise sale, relocation and/or expansion. Under the circumstances outlined above, the NBA would be happy to return to the City of Seattle.”

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Gregory J. Nickels
Mayor of Seattle

**Statement by Mayor Greg Nickels
July 2, 2008**

Today, I am announcing a settlement with Mr. Bennett and the Professional Basketball Club. Our goals for the settlement were two: To protect the taxpayers' investment in KeyArena and have a long-term future for professional basketball.

In exchange for terminating the lease two years early, Mr. Bennett has agreed to a settlement package with a payment up to \$75 million to the City of Seattle. Under the agreement, \$45 million will be paid to the city immediately. That covers rent and loss of tax revenue, and allows us to pay off outstanding debt on KeyArena.

Our agreement calls for Mr. Bennett and his co-owners to pay an additional \$30 million in 2013—if the NBA has not approved a team to play in Seattle.

The NBA was an important part of our negotiations—agreeing that a renovated KeyArena can be a competitive NBA facility. This is a crucial point for us. A KeyArena with professional basketball is a cornerstone for a vibrant Seattle Center.

The NBA has committed to helping us secure a future team—informing us of any sale, relocation or expansion opportunities.

Committed local ownership is critical—and we are grateful that Steve Ballmer and his group, represented here by Matt Griffin, are working to secure a new team.

The city is ready to do its part. Local investors have stepped up. Now, the State Legislature must act. If it fails to approve public funding next year to remodel KeyArena, we will lose our rights to that \$30 million payment if we do not get a team.

I believed all along that enforcing our lease would create time for a better deal. We now have that deal.

The Sonics name and history stay in Seattle. Seattle is a natural home for professional basketball—loyal fans, and a rich, 40-year tradition.

Working together, we are now in the best position to continue that legacy in Seattle.

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Richard Conlin
Seattle City Council President

July 2, 2008

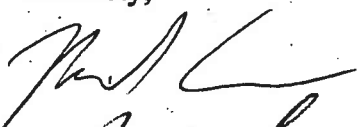



Honorable Gregory Nickels
Mayor, City of Seattle
Seattle City Hall
Seattle WA 98104-1858

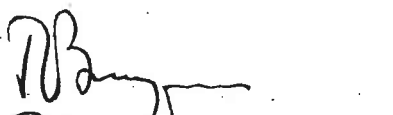
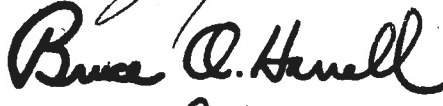

Re: *Settlement of City of Seattle v. The Professional Basketball Club, LLC*, No CO7-1620MJP

Dear Mayor Nickels:

City Attorney Thomas Carr has informed each of the undersigned members of the Seattle City Council of the terms of the Memorandum of Understanding agreed to by the City of Seattle and the Professional Basketball Club, LLC. Each of the undersigned members of the Council supports the City's decision to settle the dispute according to the terms of the Memorandum of Understanding, and to move for dismissal of the lawsuit once the settlement becomes final.

Sincerely,

Statement of Seattle Center Investors

Seattle Center Investors ("SCI") is committed to helping NBA basketball return to Seattle at the earliest available opportunity. If funding to complete the proposed renovation of KeyArena can be secured, SCI will continue to work with the City of Seattle toward that end. SCI believes the settlement of the litigation between the City and the Sonics' owners provides a framework for moving forward with the necessary steps to bring another franchise here within five years. Importantly, the City has preserved the rights of a successor team to the Sonics name, colors and memorabilia, and the NBA has now indicated that a rebuilt KeyArena could meet NBA arena standards.

SCI principal Steve Ballmer spoke recently with NBA Commissioner David Stern about the prospects for returning professional basketball to Seattle. The Commissioner assured him that, once the litigation was resolved, the NBA would be pleased to work with the City and SCI to return within the next five years. "As noted in the NBA's statement, the fundamental requirement is the renovation of KeyArena to meet NBA standards," said Seattle developer Matt Griffin, spokesman for SCI. "From the NBA's statement we now know that the NBA would support a rebuilt KeyArena for a new franchise that wishes to play there."

SCI will join the City in its continuing priority effort to secure the remaining public funding needed to accomplish a state-of-the-art renovation of KeyArena. If funding can be committed by the end of next year, we can move forward with any reasonable opportunity to secure a replacement franchise to inherit the proud tradition of the Sonics.

SETTLEMENT AGREEMENT WITH CITY OF SEATTLE

NBA Basketball headed to Oklahoma City for 2008-09 season

Oklahoma City, OK, July 2, 2008- The City of Seattle has agreed to settle its lawsuit against the Professional Basketball Club, LLC after both parties reached an agreement that terminates PBC's lease at KeyArena and allows the team to relocate immediately to Oklahoma City, PBC Chairman Clay Bennett announced today. The settlement agreement was signed by Bennett and Seattle Mayor Greg Nickels.

"We believe this is a fair and appropriate resolution to the litigation involving the Sonics and the City of Seattle. We are pleased that the uncertainty is lifted for our players, staff and Oklahoma City fans who can now make plans for the immediate future," Bennett said. He added ticket requests for the 2008-09 season at the Ford Center will be taken immediately. "We have a business to run and this settlement allows us to make the best decision for the franchise and allow the City of Seattle to begin planning its own NBA future."

Under the settlement agreement, PBC agrees to pay the City \$45 million in order to terminate the KeyArena lease. An additional contingent payment of \$30 million will be due in 2013 unless one of the following occurs: the Washington Legislature fails to authorize at least \$75 million of public funding for KeyArena renovations by the end of 2009 or Seattle obtains a new or relocated NBA franchise within that five year period. A binding version of the agreement was signed by Bennett and Nickels today. A more permanent version will be formalized by August 1.

The agreement also includes language regarding a lawsuit filed against PBC by the Sonics' former ownership group The Basketball Club of Seattle, headed by Howard Schultz. Under terms of the settlement, if PBC is prevented from playing home games in Oklahoma City in the 2008-09 or 2009-10 seasons as a result of the Schultz suit, the City will repay PBC \$22.5 million for each season. In addition, if PBC is required to play in KeyArena in the 2008-09 and 2009-10 seasons as a result of the Schultz suit, PBC is released from its obligation to make the \$30 million contingent payment.

The settlement document also confirms that the Sonics name, logo, and colors will remain available for a potential future NBA franchise in Seattle. "I was always amenable, as part of a negotiation process, to reserving the name for Seattle fans. I

feel it's appropriate and we wish Sonics fans and the City good luck in their efforts to develop a modern NBA arena and return pro basketball to Seattle in the future," Bennett said. He added, details of the name and colors for Oklahoma City's new team are still being developed and will be announced in the near future.

Bennett said the team will begin an immediate transition to Oklahoma City, working closely with staff, players and coaches to make the transition as easy as possible. He said he has asked Sonics General Manager Sam Presti and interim President and CEO Danny Barth to head up the transition process.

Bennett announced that season ticket requests for the Oklahoma City's team inaugural season in the Ford Center, beginning in the fall, will be taken immediately through July 18. Oklahoma City fans are asked to logon to www.supersonics.com <<http://www.supersonics.com>> and provide contact information and be added to the request list. In the coming weeks, team sales representatives will reach out to those who signed up and begin the sales process. Requests to be added the list will also be taken by phone at **(888) 618-HOOP (4667)**.

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