

THE PROFESSIONAL BASKETBALL CLUB, LLC AND CITY OF SEATTLE
SETTLEMENT AGREEMENT

This Settlement Agreement (“Settlement”) is entered into as of August 18, 2008, by and between The Professional Basketball Club, LLC (“PBC”) and the City of Seattle (the “City”), each a “Party” and collectively the “Parties”.

Recitals

Whereas, the City filed an action (originally in King County Superior Court which was removed to and is currently pending in the United States District Court for the Western District of Washington) against PBC entitled *City of Seattle v. The Professional Basketball Club, LLC*, No. C07-1620MJP (the “Lawsuit”);

Whereas, the City and PBC wish to settle the Lawsuit.

Now, therefore, in consideration of the mutual covenants, agreements, and understandings hereinafter contained, and for good and valuable consideration, the Parties agree as follows:

1. Initial Payment; Other Payments. PBC will pay the City by wire transfer (to an account identified by the City in writing) on the date of this Settlement, Forty Five Million Dollars (\$45,000,000) (“Initial Payment”). In exchange for the Initial Payment and except for those matters that the Parties agree will survive the date of this Agreement in accordance with Section 10 of this Settlement, the Premises Use & Occupancy Agreement, dated March 14, 1994, between the City and PBC (as successor-in-interest to SSI Sports, Inc.), as amended (the “Lease”) will be terminated as of August 18, 2008; provided that the Lease will automatically be reinstated upon the terms and conditions described in Paragraph 2. The Parties agree and acknowledge that the Initial Payment is being made by PBC in consideration for the termination of the Lease and in order for PBC to avoid extended controversy, the expense of litigation, and unfavorable publicity and injury to PBC’s business reputation. PBC will immediately relocate the basketball franchise to Oklahoma City for the full 2008/2009 and the full 2009/2010 professional basketball seasons.

2. Repayment Obligation of the City; City Covenants.

(a) The Parties acknowledge that there is pending litigation between the professional basketball franchise’s former owners and PBC (the “PBC Litigation”). If, as a result of the PBC Litigation, PBC is unable to relocate the basketball franchise to Oklahoma City for the full 2008/2009 season or returns to Seattle after locating there for the full 2008/2009 season, the City will return to PBC Twenty Two Million Five Hundred Thousand Dollars (\$22,500,000) for each 2008/2009 or 2009/2010 full season that PBC is unable to play its home games in Oklahoma City as a result of the PBC Litigation. Payment would be due within five days of the first home game played in Key Arena in each respective season. Inability to play in Oklahoma City as a result of PBC Litigation means that PBC has been prevented from relocating to Oklahoma City or is required to return to Seattle, or that the sale of the team has been voided, all solely as a

result of a court order entered as a result of a contested court proceeding. An order entered voluntarily by stipulation or otherwise or as a result of an uncontested or unopposed proceeding will not trigger a return of funds to PBC. Upon final disposition of the PBC Litigation without affecting PBC's ownership of the basketball franchise or the location in which the basketball franchise is required to play, the City will have no further obligation to return funds to PBC.

(b) The City will treat its potential repayment obligations to PBC as general obligations of the City. As further security, the City will reserve within its readily available cash resources Twenty Two Million Five Hundred Thousand Dollars (\$22,500,000) until the effective date of an ordinance adopted by the City Council reserving the same amount (\$22,500,000) of Limited Tax General Obligation debt capacity. Such reservation obligation expires upon the earlier of (i) final disposition of or other definitive action in the PBC Litigation that eliminates the possibility that PBC would be unable play its home games in Oklahoma City during the 2009/2010 season as a result of the PBC Litigation; or (ii) the end of the 2009/2010 season. The City agrees that any debt issued prior to the expiration of the debt reservation obligation will not reduce available debt capacity that could be used by the City to secure funds to satisfy its potential repayment obligations under this Settlement.

3. Reinstatement of Lease. If, as a result of the PBC Litigation, PBC is unable to relocate to Oklahoma City or returns to Seattle after relocating there, the Lease will be reinstated and the basketball franchise will play in Key Arena for the 2008/2009 and/or the 2009/2010 seasons under the terms of the Lease to the extent practicable, as may be modified by mutual agreement of the parties thereto with respect to the property as described in Exhibit A.

4. PBC Contingent Payment. On the fifth anniversary of this Settlement, PBC will pay the City a lump sum of Thirty Million Dollars (\$30,000,000) (the "Contingent Amount") unless one of the following occurs:

A. As a result of PBC Litigation, PBC is required to play at Key Arena for both the full 2008/2009 and the full 2009/2010 professional basketball seasons or the sale of the team is voided as a result of the PBC Litigation and the team returns to or stays in Seattle; or

B. By December 31, 2009, legislation has not been enacted by the Washington State Legislature to provide the necessary statutory authority to enable the City or, if necessary, King County to access public monies or public revenues sources sufficient to fund one-quarter of the total cost of the proposed Key Arena renovation (\$75 million escalating at the Seattle area construction cost CIP) which, together with a comparable amount to be provided by the City, completes the public sector component of the Key Arena renovation project budget (\$300 million escalating at the Seattle area construction cost CPI); or

C. By the fifth anniversary of this Settlement, a qualified prospective owner or current owner of a current or expansion NBA franchise has committed to sign a lease with the City to play substantially all of its regular NBA season home games at a renovated Key Arena and the NBA has provided any and all approvals or consents

necessary for such qualified prospective owner or current owner to locate or relocate a current or expansion franchise to Key Arena.

5. PBC Covenants.

(a) Until the first to occur of (i) the fifth anniversary of this Settlement, (ii) the first to occur of the events in subsections A, B, or C of Section 4 above, or (iii) the satisfaction of the contingent obligations of PBC as described in Section 4, Clayton I. Bennett, in his capacity as the Controlling Member (as defined in the Amended and Restated Operating Agreement of The Professional Basketball Club, LLC dated effective October 27, 2006 (“Operating Agreement”)) of PBC:

(1) will not consent to an amendment of the Operating Agreement that would in any manner alter, restrict, or otherwise delay the payment of the Contingent Amount to the City;

(2) will no later than January 1, 2013 make/ notice a Capital Call (as defined in the Operating Agreement) of the members of PBC in order to satisfy the contingent obligations of PBC as described in Section 4;

(3) will include the Contingent Amount in the 2013 annual capital and operating budget of PBC; and

(4) will no later than January 31, 2013 cause PBC to obtain a letter of credit in the amount of Thirty Million Dollars (\$30,000,000), in a form reasonably acceptable to the City, in order to satisfy the contingent obligations of PBC as described in Section 4.

(b) The covenants included in this Section 5 will be binding upon any successor of the Controlling Member. This Settlement will be filed with the corporate records of PBC.

(c) Each of the members of PBC will execute an acknowledgment in the form attached hereto as Exhibit B which will be delivered to the City no later than August 22, 2008.

6. Seattle Sonics/Supersonics Team Name(s), History, Memorabilia, Colors, Intellectual Property Rights. PBC agrees that it will not use the “Seattle Sonics/Supersonics” team name or any logos, symbols, designs, trade dress (including, but not limited to, team colors) or other indicia associated with the Seattle Sonics/Supersonics (the “Intellectual Property”) for purposes of identifying its NBA team in game competition, marketing, promotional or other similar purposes following relocation of the team to Oklahoma City, other than as permitted in this Section 6. PBC further agrees that if (i) the NBA grants approval for a new NBA team to be located in Seattle and play its games in a renovated Key Arena, (ii) the pending litigation between PBC and the former owners of the Sonics is fully and finally resolved, and (iii) PBC has permanently relocated its NBA team to Oklahoma City, then, following the NBA approval referenced in subparagraph (i) above and upon request of the owner of the new NBA team to be located in Seattle, it will transfer at no cost all right, title and interest in the Intellectual Property to such new owner, such rights being subject to NBA rules, agreements, and approvals. PBC further agrees that if an expansion team is approved by the NBA within the next five years to play in a renovated KeyArena, then the owner of such team and the PBC are each free to use and

refer to the Sonics' history (e.g., statistics, player histories and records) during the NBA seasons prior to the date of this Settlement that the Sonics played in Seattle. PBC further agrees, to the extent requested by a new Seattle team owner, it will transfer at no cost the team's banners, trophies and retired jerseys to such owner, provided that such owner acknowledges that the memorabilia relates to a "shared history" between PBC and the team and that PBC retains the right to create and display duplicate copies of such memorabilia. The trophies, banners, and retired jerseys, together with other memorabilia identified by the City and acceptable to PBC, will remain in Seattle in the custody of the Museum of History and Industry ("MOHAI") or such other custodian acceptable to the Parties.

7. Termination of the Lawsuit. In consideration of this Settlement and upon verification of the City's receipt of the wire transfer for the Initial Payment set forth in the Section 1 above, the Parties will immediately file with the clerk of the United States District Court for the Western District of Washington a stipulated order of dismissal of the Lawsuit with prejudice, without award of attorney fees or costs, in the form attached hereto as Exhibit C (the "Payment Date").

8. Claims. Each Party represents and warrants that as of the date of this Settlement it has not assigned or otherwise transferred or subrogated any interest in any of its claims that are the subject of this Settlement, whether voluntarily, involuntarily, or by operation of law. Each Party agrees to indemnify, defend, and hold any other Party harmless from any liability, loss, claims, demands, damages, costs, expenses or attorneys' fees incurred as a result of its breach of any of the representations, warranties, and covenants set forth in this Settlement.

9. Mutual Release. Effective as of the Payment Date, the City on behalf of itself and its current and future officers, agents, attorneys, insurers, employees, successors, assigns, affiliates, and representatives, and PBC, on behalf of itself and its current and future officers, directors, agents, members, attorneys, insurers, employees, successors, assigns, parent companies, subsidiaries, divisions, affiliates, and representatives, each hereby mutually release and forever discharge the other Party (and the other Party's current and future officers, directors, employees, attorneys, successors, assigns, subsidiaries, divisions and affiliates) from any and all liability and claims, debts, rights, actions, suits, damages, losses, costs, expenses, and demands whatsoever, in law or equity, of every kind, nature or description, whether known or unknown, fixed or contingent, which the City or PBC, as the applicable releasing Party, now has, or may hereafter acquire, by reason of any matter, cause or thing whatsoever accruing, occurring, or arising at any time prior to the Payment Date (other than transition matters described in Section 10 which are resolved subsequent to the Payment Date).

10. Transition Matters.

(a) As of the date hereof each Party will designate a transition team to cooperate with each other in good faith to effect an orderly transition of the basketball franchise from Seattle to Oklahoma City (each a "Designated Representative"). The Designated Representatives will provide recommendations to each Party regarding each transition matter evaluated. Such transition matters are described in Exhibit D attached hereto, and include, without limitation the following: (i) continuity in providing concessions and catering services for Key Arena; (ii) assignment of the Key Arena suite licenses; (iii) PBC's sponsorship and advertising agreements; (iv) the removal or transfer of all personal property of PBC owned or installed on the leased

premises as described in Section 11 (other than Assigned Assets (as defined in Section 11)); (v) creation of an inventory of Sonics trophies, banners, and retired jerseys, together with other memorabilia identified by the City and acceptable to PBC; (vi) the negotiation and execution by PBC of a curatorial agreement with MOHAI acceptable to the City providing for the safe keeping of Sonics memorabilia, the continued display of Sonics banners in their current location at KeyArena, access for duplication by PBC, and periodic display in Oklahoma City at the request of PBC or in Seattle at the request of the City; and (vii) creation of an inventory of sponsors. In cooperating regarding transition matters, the City will incur no new or additional liability for any outstanding PBC obligations as a result of this Settlement.

(b) Except for the transition matters, the Parties agree that the following undertakings will survive the termination of the Lease and continue in effect until October 31, 2008, at which time they will terminate: (i) West Court Building (SSI Retail Facility) contained in Section VII.A of the Lease; and (ii) the Practice Facility Lease (provided that the extension of such lease is consented to in writing by IRIS Holdings LLC). The Food & Beverage Service Agreement and Novelties Concession Agreement and Suite & Premium Seat Marketing & Remarketing Agreement between the Parties dated on or about October 17, 2000, as amended (the "Concession Agreement"), which agreement is incorporated into the Lease as Exhibit I will survive termination of the Lease and continue in effect until terminated by mutual agreement of the Parties. If the Concession Agreement is not terminated by the Parties on October 31, 2008 by the Parties, it will survive for the sole purpose of resolving any suite license reimbursement. From the date of this Settlement through October 31, 2008, PBC agrees to continue to provide food and beverage and suite maintenance services to the City under the terms of the Concession Agreement and to maintain the same level of service under such agreement through the date of termination. The Parties agree that the Concession Agreement among PBC and Aramark Corporation will either be assigned to the City or terminated no earlier than October 31, 2008, with the cooperation of PBC and at the discretion of the City and Aramark. PBC agrees to cooperate to assign the Suite License Agreement to a representative designated by the City.

(c) The transition matters will be resolved by the Parties no later than October 31, 2008. Each Party agrees and acknowledges that its Designated Representative is fully authorized to negotiate the transition matters on behalf of his or her appointing Party pursuant to the terms of this Section 10. Each Party's initial Designated Representative is set forth in Exhibit E attached hereto, and each may be replaced at any time at the sole discretion of the appointing Party by notice in writing to the other Party. Negotiation by the Designated Representatives may be conducted in person, by telephone, or by such other means as the Designated Representatives agree will tend to lead toward an amicable resolution of the dispute.

(d) Should negotiation fail to produce a resolution by October 31, 2008, the Designated Representatives may agree to extend the negotiation period for a fixed time if each agrees that such an extension could reasonably lead to an amicable resolution. Should negotiation fail to produce a resolution within the negotiation period, then any Party wishing to further pursue resolution of the dispute must initiate mediation by providing to the Judicial Dispute Resolution LLC ("JDR") in Seattle, Washington and to the other Party a written request for mediation pursuant to this Section, setting forth the subject of the dispute and the relief requested within fifteen days of the end of the negotiation period. The Designated Representatives will cooperate with the JDR and with one another in selecting a mediator from

the JDR panel of neutrals. Such mediation will be conducted within thirty days of the expiration of the negotiation period unless otherwise agreed by the Parties (the "Mediation Period"). The Mediator may conduct meetings or hearings in Seattle, Washington, or by telephone or teleconference, and request information from the Parties, as he or she deems necessary, and will, if the matter remains unresolved through such mediation, issue written recommendations to the Parties within fifteen days of the end of the Mediation Period. The Parties will then confer and determine, within seven days of the issuance of the mediator's written recommendations, whether the mediator's recommendations are agreeable to them all. Each Party will bear its own costs in such mediation, and each Party will pay 50% of the mediator's fee.

11. Furniture, Fixtures, and Equipment and Advertising Displays. PBC hereby assigns to the City all furniture, fixtures, and equipment owned by PBC and located at the Key Arena, and all warranties and guarantees, if any, express or implied, in connection with such assigned assets, to the extent assignable (the "Assigned Assets"). Assigned Assets do not include: (A) the following assets will remain the assets of PBC and will be removed from Key Arena no later than October 31, 2008 (i) 150 (Courtside AA-Clarín) seats; (ii) 24 (Office-Clarín PS100 Platinum Series) seats; (iii) one TV-flat screen (Coaches Locker Room); and (iv) two TV-Vizio 32" LCD HD; (B) the following assets will remain at Key Arena through the Storm season and will be shipped to PBC in Oklahoma subsequent to the end of the Storm season: (i) one blower (for inflatable basketballs); (ii) 200 compact discs; (iii) logger recording equipment; (iv) 11 radios (Motorola radius CP200 with changers); (v) one sound effect machine 360; (vi) 6 team shop kiosks; (vii) 9 whistle pack units (precision time); (viii) 6 radios (media room); (ix) 14 Monitors (14" flat panel); (x) 4 headphones (stats table); and (xi) one replay monitor and communication box; and (C) all furniture, fixtures, and equipment located in the Unlimited Use Facilities (as defined in the Lease). The Assigned Assets are assigned to the City, free and clear of all encumbrances. The City will be responsible for the removal, repair, or changes to the advertising and sponsor signage at Key Arena and any repair or changes to Key Arena resulting from the basketball team's move to Oklahoma City.

12. Disputes.

(a) Unless otherwise provided in this Settlement, all disputes between the parties related to the terms of this Settlement will be submitted to binding arbitration before the JDR in Seattle, Washington, which arbitration will be conducted in accordance with the Expedited Procedures of the American Arbitration Association Commercial Arbitration Rules (the "AAA Rules") then in effect; provided, however, that such parties agree first to try in good faith to resolve any dispute that does not exceed \$100,000 by mediation (in accordance with the terms in Section 10(c)) before resorting to arbitration; provided, further, that, in the event of an arbitration, the arbitration provisions of this Settlement will govern over any conflicting rules in the AAA Rules. An arbitrator will be mutually selected by the Parties. If the parties are unable to agree on an arbitrator, then one will be designated by US District Court Judge Marsha Pechman. The City and PBC will each pay 50% of the fees and costs of the arbitrator.

(b) The final decision of the arbitrator will be a reasoned opinion based on this Settlement and other factors consistent with applicable law and furnished in writing to the

Parties, and will constitute a conclusive determination of the issue in question, binding upon the Parties.

(c) The arbitrator will have the authority to grant any equitable and legal remedies that would be available in any judicial proceeding instituted to resolve a dispute. Any judgment rendered by the arbitrator may be entered in any court having jurisdiction over the subject matter.

(d) The prevailing party, as determined by the arbitrator, in any arbitration will be entitled to an award of attorneys' fees and costs, and all costs of arbitration paid or payable by such party, including those provided for above, will be allocated amongst the Parties in the discretion of the arbitrator. Any amounts payable to a Party under this Section 11 will be specified in the arbitrator's award.

(e) Arbitration or mediation under this Section 11 will be the sole and exclusive remedy of the parties for any dispute arising out of this Settlement.

13. Attorney's Fees. Each Party will be responsible for its own fees and costs incurred in the Lawsuit.

14. Press Releases. Each of the Parties will cooperate with regard to timing and content of public statements regarding this Settlement. The parties agree that neither party will disparage the other party's name and reputation or the names and reputation of any of its officers, employees, representatives or affiliates in discussing the Lease litigation or its resolution.

15. Confidentiality. The Parties agree that all settlement discussions and draft and final settlement agreements (including draft Memorandum of Understandings) are and will remain confidential and are not subject to any disclosure to any third party except to the extent required by law.

16. Successors and Assigns. This Settlement may be assigned by PBC to any acquirer of all or substantially all of the business and assets of PBC (which includes the basketball franchise) or in connection with an acquisition of PBC by merger, provided that such successor agrees to assume and perform any and all of PBC's obligations, duties, undertakings, and liabilities of any kind whatsoever arising under this Settlement. This Settlement will be binding upon any successors in interest to and assigns of PBC.

17. Representations. Each of the Parties represents that (a) it has all requisite power and authority to enter into, deliver and carry out its obligations pursuant to this Settlement; (b) the execution, delivery and performance this Settlement have been duly authorized by any and all requisite action by such party and any and all requisite approvals have been obtained; and (c) this Settlement constitutes a legal, valid and binding obligation of such party which is enforceable against such party in accordance with its terms.

18. City Involvement in Pending Litigation. With respect to the PBC Litigation between the franchise's former owners and PBC, the City agrees to remain neutral in the PBC Litigation. In addition, the City and its agents will not communicate with PBC or its agents or the plaintiff or its agents regarding the issues in the PBC Lawsuit except as required by compulsion of law;

provided that this Settlement will not impact the terms of the protective order granted by the court in connection with the Lawsuit.

19. Miscellaneous. Any provision of this Settlement may be amended or waived only by a writing signed by each of the Parties hereto. No party to this Settlement may assign any of its rights or obligations under this Settlement without the prior written consent of the other Party hereto. If any provision of this Settlement will be held to be illegal, invalid, or unenforceable, that provision will be enforced to the maximum extent permissible so as to effect the intent of the Parties, and the validity, legality, and enforceability of the remaining provisions will not in any way be affected or impaired thereby. Each Party hereby waives its right to challenge the validity and enforceability of this Settlement. This Settlement contains the entire agreement between the Parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect to such matters. Nothing in this Settlement, express or implied, is intended to confer upon any person or entity other than the Parties hereto, or their successors or permitted assigns, any rights or remedies under or by reason of this Settlement. This Settlement and any amendments hereto may be executed in one or more counterparts, each of which will be deemed to be an original by the party executing such counterpart, but all of which will be considered one and the same instrument. Delivery by facsimile will be sufficient for purposes of this Section. This Settlement will be governed by and construed in accordance with the domestic laws of the State of Washington, without giving effect to any choice of law or conflict provision or rule that would cause the laws of any other jurisdiction to be applied.

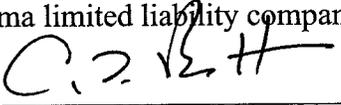
20. Legal Opinion. K&L Gates, LLP, legal counsel to the City will provide a legal opinion in connection with the execution of this Settlement in a mutually agreeable form.

[SIGNATURE PAGE FOLLOWS]

**SIGNATURE PAGE TO THE
THE PROFESSIONAL BASKETBALL CLUB, LLC AND CITY OF SEATTLE
SETTLEMENT AGREEMENT**

IN WITNESS WHEREOF, the Parties have executed this Settlement on the date above and have read and fully understand the provisions of this Settlement.

The Professional Basketball Club, LLC,
a Oklahoma limited liability company

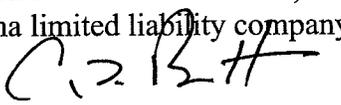
By 
Name: Clayton I. Bennett
Title: Chairman

The City of Seattle,
a Washington First Class City

By _____
Name: Gregory J. Nickels
Title: Mayor

By _____
Name: Richard Conlin
Title: President of City Council

Solely with respect to Section 5
Controlling Member of
The Professional Basketball Club, LLC,
a Oklahoma limited liability company

By 
Name: Clayton I. Bennett

Approved as to legality and form:

By _____
Name: Thomas A. Carr
Title: City Attorney

State of Oklahoma)
County of Oklahoma)

ss:

On this 18th day of August, 2008, before me, the undersigned, a Notary Public in and for the State of Oklahoma, duly commissioned and sworn, personally appeared Clayton I. Bennett to me known to be the President of The Professional Basketball Club, LLC who executed the foregoing instrument, and acknowledge said instrument to be the free and voluntary act and deed of The Professional Basketball Club, LLC, for the uses and purposes herein mentioned, and an oath stated that he/she is authorized to execute such instrument.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Patricia A. Tyree
Patricia A. Tyree
(Signature)

(Print or type name)

NOTARY PUBLIC in and for the State of Oklahoma, residing at 5101 N. Ross Ave.
My appointment expires 7/24/10.



**SIGNATURE PAGE TO THE
THE PROFESSIONAL BASKETBALL CLUB, LLC AND CITY OF SEATTLE
SETTLEMENT AGREEMENT**

IN WITNESS WHEREOF, the Parties have executed this Settlement on the date above and have read and fully understand the provisions of this Settlement.

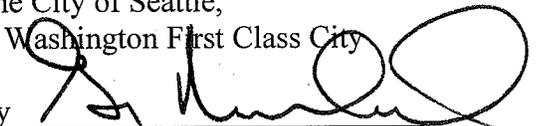
The Professional Basketball Club, LLC,
a Oklahoma limited liability company

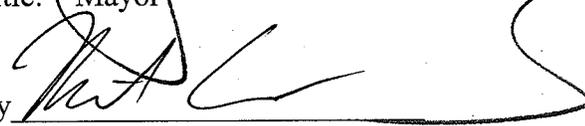
By _____
Name: Clayton I. Bennett
Title: Chairman

Solely with respect to Section 5
Controlling Member of
The Professional Basketball Club, LLC,
a Oklahoma limited liability company

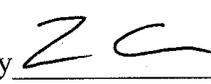
By _____
Name: Clayton I. Bennett

The City of Seattle,
a Washington First Class City

By 
Name: Gregory J. Nickels
Title: Mayor

By 
Name: Richard Conlin
Title: President of City Council

Approved as to legality and form:

By 
Name: Thomas A. Carr
Title: City Attorney

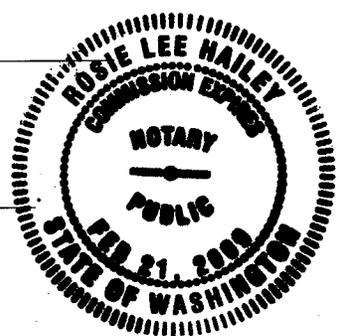
State of Washington)
)
County of King) ss:

On this 18th day of August, 2008, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Gregory J. Nickels to me known to be the Mayor of the City of Seattle who executed the foregoing instrument, and acknowledge said instrument to be the free and voluntary act and deed of The City of Seattle, for the uses and purposes herein mentioned, and an oath stated that he/she is authorized to execute such instrument.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Rosie Lee Hailey
(Signature)

Rosie Lee Hailey
(Print or type name)



NOTARY PUBLIC in and for the State of Washington, residing at Seattle
My appointment expires 2/21/09.

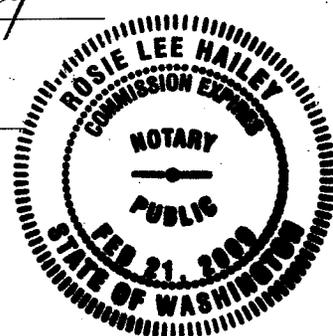
State of Washington)
)
County of King) ss:

On this 18th day of August, 2008, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Richard Conlin to me known to be the President of the Seattle City Council who executed the foregoing instrument, and acknowledge said instrument to be the free and voluntary act and deed of The City of Seattle, for the uses and purposes herein mentioned, and an oath stated that he/she is authorized to execute such instrument.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Rosie Lee Hailey
(Signature)

Rosie Lee Hailey
(Print or type name)



NOTARY PUBLIC in and for the State of Washington, residing at Seattle
My appointment expires 2/21/09.

Exhibit A

The enclosed sports facility located on the following property:

Block(s)	Plat	As Recorded In Records of King County, Washington
31	Supplemental Plat of D.T. Denny's Plan of N. Seattle, EXCEPT the West 93.06 feet of Lots 9 & 10 thereof.	Vol. 3 of Plats, Page 80
32 & 35	D.T. Denny's Home Addition to Seattle	Vol. 3 of Plats, Page 115
36	D.T. Denny's Third Addition to Seattle	Vol. 1 of Plats, Page 145

Exhibit B

The undersigned member of The Professional Basketball Club, LLC ("PBC") hereby provides to The City of Seattle the following acknowledgments: (i) the representations and covenants of Clayton I. Bennett, in his capacity the Controlling Member of PBC, as set forth in Section 5 of the Settlement Agreement by and among the City of Seattle and PBC dated August 18, 2008 (the "Settlement Agreement"), are obligations of the Controlling Member and PBC; (ii) this acknowledgment will be filed with the corporate records of PBC; (iii) the \$30,000,000.00 contingent obligation of PBC as set forth in Section 4 of the Settlement Agreement will be included in the Approved Budget (as defined in the Amended and Restated Operating Agreement of The Professional Basketball Club, LLC dated effective October 27, 2006) for 2013; and (iv) any successor or assignee of the undersigned member will provide these acknowledgments as a condition to any transfer of Units (as defined in the Amended and Restated Operating Agreement of The Professional Basketball Club, LLC dated effective October 27, 2006) to such person by the undersigned member.

This ___ day of August, 2008.

Name:

Exhibit C

The Honorable Marsha J. Pechman

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

CITY OF SEATTLE, a first-class charter City,

Plaintiff,

v.

THE PROFESSIONAL BASKETBALL CLUB,
LLC, an Oklahoma limited liability company,

Defendant.

No. 07-01620 MJP

STIPULATION AND [PROPOSED]
ORDER OF DISMISSAL

STIPULATION

Plaintiff the City of Seattle (“the City”) and defendant the Professional Basketball Club, LLC (“PBC”), by and through their attorneys of record, have agreed to settle this action. Pursuant to Fed. R. Civ. Proc. 41(a), the parties therefore agree and stipulate that the Court enter the attached Order dismissing, with prejudice and without costs, all claims brought in this action between the City and PBC.

DATED this _____ day of August, 2008.

Stipulated and presented by:

KIRKPATRICK & LOCKHART PRESTON GATES ELLIS LLP

By _____

Slade Gorton, WSBA No. 20
Paul J. Lawrence, WSBA No. 13557
Jeffrey C. Johnson, WSBA No. 23066
Jonathan H. Harrison, WSBA No. 31390
Michelle Jensen, WSBA No. 36611

Attorneys for Defendant
The City of Seattle

THOMAS A. CARR, SEATTLE CITY ATTORNEY

By_ _____

Gregory C. Narver, WSBA No. 18127
Attorney for Defendant
The City of Seattle

BYRNES & KELLER LLP

By_ _____

Bradley S. Keller, WSBA No. 10665
Paul R. Taylor, WSBA No. 14851

[Proposed] ORDER

On the basis of the above Stipulation, the Court hereby orders that all claims the City and PBC have against each other in this action are dismissed with prejudice, each side to bear its own costs and fees in connection with this action and its dismissal

IT IS SO ORDERED.

DONE IN OPEN COURT this _____ day of _____, 2008.

The Honorable Marsha J. Pechman
U.S. District Court for the Western
District of Washington

Exhibit D

Ring Agreement
Party Suite
Sound System
Lighting/Scoreboard/ Clocks
Courtside Seating and Risers
Courtside Canopies and Suite Entry
Suite Level Plasma Screens
SIPS corner
Courtside Club
North Storage Fast Break Club
MGD Corner
Family/Wives Lounge
South Suite/Club
North Suite/ Club
North Suite AV Agreement
Various telecom cell sites
FSN upgrade
KeyCorner
Comcast upgrade

Exhibit E

PBC's Designated Representative is Terry McLaughlin

The City's Designated Representative is Robert Nellams