

To all Bring the NBA to Louisvillers:

Because I remain in constant (near daily) contact with representatives of the League, certain team management individuals and potential majority owners for a Louisville/Kentucky franchise, the Webmasters have asked me to comment on Adam Silver's comment to the effect that there are no present plans for expansion.

That is absolutely correct. The reason for it is as simple as it is understandable. The litigation surrounding Sterling and his wife regarding her putative sale of the Clippers to Mr. Ballmer is on-going. The 'disruption' this Sterling 'event' has caused to the League is monumental. It is made particularly arduous because as a result of Sterling's unimaginably ignorant comments to his lady friend (that were taped) have (among other things) caused the Players' Association to threaten a strike or walkout IF Sterling remains the owner.

As it presently stands Sterling's litigation before the LA state judge is continued until July 21st and closing arguments are scheduled for July 28th. Adam Silver has stated in a press conference (in Las Vegas at the conclusion of the most recent Board of Governors' meeting and the beginning of the Vegas summer league play) ""We're in essence on hold since that sale is being challenged by her husband as to whether she has the right," Silver said. "If the court finds in her favor, the sale will move forward. If not, we will move forward with our own proceedings."

Therefore, all attention of the League offices remains on 2 items: Sterling's litigation AND continuing discussions concerning the renewal of the national television contract. THAT set of negotiations exists (as is reported in Slam Magazine) around the \$15 Billion figure for a few years (actual length not determined yet).

As I've repeatedly said, **ONCE the League gets control of the Sterling situation either by Sterling losing and the sale carrying forth OR by Sterling winning and the League (itself) moving forward as per Silver "...with our own proceedings." --- then the time will come to focus on the television rights negotiation which will also involve the potential expansion to Seattle and another city (most likely to be Louisville).** Why Louisville? Because it has an arena in which to play -- which has spent in the time of its existence over \$104,571,152 in principal and interest payments (of which only \$2,050,000 have been principal payments (1.96% of the total payments) and had revenues of 1/3 of that 80% of which have been paid to the local university -- meaning that the Yum(!) Center has a net loss approaching 40-50,000,000 since its initial bond payments were made.

This cannot continue much longer -- because the principal payments are starting to kick in -- and the bonds CANNOT be re-financed because they're rated as "Junk Bonds." So, for the arena to stay out of bankruptcy court and the attendant bankruptcy litigation that will result when the bondholders sue in the bankruptcy court regarding the conflicts of interest between the local university and the Louisville Arena Authority -- which caused this financial debacle to occur.

The ONLY way out is for the local university to change the lease with the arena and for an NBA franchise to share the arena and bring another 600-700,000 patrons into the arena on a minimum of 41 nights per

year. The League knows this, the potential majority partners know this, the Governor has been told this, the Mayor has been told this, and the University knows this because they are the recipient of the enormity of the money that the arena is losing.

So -- I'm completely on top of this, and - hopefully - the Sterling fiasco will end as quickly as it occurred -- and the League can get back to being the greatest professional major league in the world and Louisville can get its billionaire majority partner and join Seattle as the 31st and 32nd team in the NBA.

- J Bruce Miller