



TENNESSEE

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October 19, 2011

Michael Heisley  
Memphis Grizzlies  
FedExForum  
191 Beale Street  
Memphis, TN 38103

Dear Mr. Heisley:

Enclosed you will find a copy of the resolution approved by the Memphis City Council. I want you to understand the nature of the action taken by the Council yesterday. It is a precautionary move to protect the citizens of Memphis. When the City Council approved funding for the construction of the FedExForum over eleven years ago, we promised the citizens of Memphis that we would not raise property taxes to pay for the arena. As you know, the debt service is structured so that funds are raised through a variety of sources including the seat fee for Grizzlies games. Cancellation of NBA games jeopardizes our debt service payment.

Our hope is that the NBA and the Players Association can resolve this dispute today. I am personally encouraged by the number and length of the meetings held recently. Hopefully an agreement will be reached during today's meeting.

We want you to know that the citizens of Memphis love the Grizzlies. We are happy you are here. You have the City's full support. We want you and the team to enjoy a long and successful tenure in Memphis at the FedExForum.

Sincerely,

A handwritten signature in black ink that reads "Myron Lowery". The signature is written in a cursive style.

Myron Lowery  
Chairman, Memphis City Council

Enclosure

cc: Greg Campbell, President of Business Operations  
Chris Wallace, General Manager  
Lionel Hollins, Coach