

CBA 101

**Highlights of the 2011
Collective Bargaining Agreement
Between the
National Basketball
Association (NBA)
and the
National Basketball
Players Association (NBPA)**



**Prepared by the NBA
(September 2014)**

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EXHIBIT A (Rookie Salary Scales)

EXHIBIT B (Minimum Annual Salary Scale)

NOTE: *This document sets forth a summary of various provisions of the Collective Bargaining Agreement, including some of the more frequently applied Salary Cap rules. This summary is intended only as a reference and is not meant to define the full meaning or scope of any provision in the agreement.*

I. SALARY CAP AND RELATED RULES

A. Term of Agreement

This Collective Bargaining Agreement (CBA) began effective with the 2011-12 season (December 8, 2011) and runs through the 2020-21 season (June 30, 2021). The NBA and NBPA each have an option to terminate the CBA after its sixth season (i.e., on June 30, 2017) by notifying the other party on or before December 15, 2016.

B. Calculating the Salary Cap and Minimum Team Salary

Under the CBA, all teams are subject to a Salary Cap and Minimum Team Salary for each season. The “Salary Cap” places a limit on the total salaries each team can pay its players during the season, subject to certain “Exceptions” (refer to Section I.E. below).

The Salary Cap for 2014-15 is \$63.065 million. The Salary Cap for each future season, subject to certain adjustments, will be calculated by multiplying projected “Basketball Related Income” (a defined term that generally includes all income received by teams as a result of basketball operations) by 44.74%, subtracting projected player benefits, and then dividing the result by 30.

The Salary Cap Year goes into effect in early July and continues in effect until early July the following year.

The “Minimum Team Salary” is the minimum Team Salary that a team must have for a Salary Cap Year. The Minimum Team Salary for 2014-15 is \$56.759 million (90% of the Salary Cap).

C. Room

A team may sign players to the extent it has “Room.” Room is either: (i) the amount by which a team’s Team Salary is less than the Salary Cap; or (ii) the amount of an “Exception” to the Salary Cap.

Examples:

- (1) Salary Cap = \$63.065 million; Team Salary = \$55 million
Team has Room of \$8.065 million and may sign player(s) for up to \$8.065 million.
- (2) Salary Cap = \$63.065 million; Team Salary = \$70 million
Team has \$5.305 million Non-Taxpayer Mid-Level Salary Exception. Team has Room of \$5.305 million and may sign player(s) for up to \$5.305 million.
- (3) Salary Cap = \$63.065 million; Team Salary = \$80 million
Team has \$3.278 million Taxpayer Mid-Level Salary Exception. Team has Room of \$3.278 million and may sign player(s) for up to \$3.278 million.

D. Length of Contracts

The maximum lengths of contracts are set forth below (refer to Section I.E. below for contract length limitations for contracts signed pursuant to Mid-Level Salary Exceptions and the Disabled Player Exception):

- (a) Contracts between a team and its Bird free agents: five years

- (b) Extensions of Rookie Scale Contracts: four new years (five new years for maximum-salary Designated Player Rookie Scale extensions – see Section I.J. below)
- (c) Contracts signed using the Minimum Salary Exception or the Bi-annual Exception: two years
- (d) Rookie Scale Contracts: required term: two years, plus two one-year team options for a third and fourth year, respectively
- (e) All other contracts, including veteran extensions: four years (in the case of veteran extensions, includes years remaining in the original term when the extension is signed)

E. Salary Cap Exceptions

The Exceptions to the Salary Cap (i.e., the rules that allow teams to exceed the Cap) are as follows:

- (1) ***Qualifying Veteran Free Agent (“Bird”) Exception.*** A team may re-sign its own free agent to a first-year salary of up to the maximum player salary if he played for the team for some or all of each of the prior three consecutive seasons (or, if he changed teams, he did so by trade or by assignment via the NBA’s amnesty waiver procedure).
- (2) ***Early Qualifying Veteran Free Agent (“Early Bird”) Exception.*** A team may re-sign its own free agent to a first-year salary of up to the greater of (a) 175% of the player’s salary in the last season of his prior contract, or (b) 104.5% of the average player salary for the prior season, if he played for the team for some or all of each of the prior two consecutive seasons (or, if he changed teams, he did so by trade or by assignment via the NBA’s waiver procedures, including the NBA’s amnesty waiver procedure). A contract signed using the Early Bird Exception must be for at least two seasons.
- (3) ***Non-Qualifying Veteran Free Agent (“Non-Bird”) Exception.*** A team may re-sign its own free agent who is neither a “Bird” nor an “Early Bird” player to a first-year salary of up to the greater of (a) 120% of the player’s salary in the last season of his prior contract, (b) 120% of the player’s applicable minimum salary for the current season, or (c) if the player is a Restricted Free Agent, his Qualifying Offer amount.
- (4) ***Bi-annual Exception***
 - (a) Subject to the restrictions on the use of the Bi-annual Exception set forth in Section I.F.3. below, a team may use the Bi-annual Exception to sign one or more players to contracts with first-year salaries that, in the aggregate, provide for a total up to \$2.077 million in 2014-15 (the Exception amount grows annually by 3% during the term of the CBA).
 - (b) Teams cannot use the Bi-annual Exception in consecutive years. For example, if a team used the Bi-annual Exception in 2013-14, it cannot use the Bi-annual Exception in 2014-15.
 - (c) Contracts signed using the Bi-annual Exception can cover no more than two seasons.
 - (d) A team can use the Bi-annual Exception to re-sign its own free agent (as well as to sign another team’s free agent), but cannot use this Exception to acquire a player by assignment.

(5) *Non-Taxpayer Mid-Level Salary Exception*

- (a)** Subject to the restrictions on the use of the Non-Taxpayer Mid-Level Salary Exception set forth in Section I.F.3. below, a team may use the Non-Taxpayer Mid-Level Salary Exception to sign one or more players to contracts with first-year salaries that, in the aggregate, provide for a total up to \$5.305 million in 2014-15 (the Exception amount grows annually by 3% during the term of the CBA).
- (b)** Contracts signed under the Non-Taxpayer Mid-Level Salary Exception can cover up to four seasons.
- (c)** A team can use the Non-Taxpayer Mid-Level Salary Exception to re-sign its own free agent (as well as to sign another team's free agent), but cannot use this Exception to acquire a player by assignment.

(6) *Taxpayer Mid-Level Salary Exception*

- (a)** Subject to the restrictions on the use of the Taxpayer Mid-Level Salary Exception set forth in Section I.F.3. below, a team may use the Taxpayer Mid-Level Salary Exception to sign one or more players to contracts with first-year salaries that, in the aggregate, provide for a total up to \$3.278 million in 2014-15 (the Exception amount grows annually by 3% during the term of the CBA).
- (b)** Contracts signed under the Taxpayer Mid-Level Salary Exception can cover up to three seasons.
- (c)** A team can use the Taxpayer Mid-Level Salary Exception to re-sign its own free agent (as well as to sign another team's free agent), but cannot use this Exception to acquire a player by assignment.

(7) *Mid-Level Salary Exception for Room Teams*

- (a)** Subject to the restrictions on the use of the Mid-Level Salary Exception for Room Teams set forth in Section I.F.3. below, if a team has Salary Cap room at any time during a Salary Cap Year such that the team lost its Exceptions and has not already used the Bi-annual, Non-Taxpayer Mid-Level Salary or Taxpayer Mid-Level Salary Exceptions in the same Salary Cap Year, then the team may use the Mid-Level Salary Exception for Room Teams during that Salary Cap Year to sign one or more players to contracts with first-year salaries that, in the aggregate, provide for a total up to \$2.732 million in 2014-15 (the Exception amount grows annually by 3% during the term of the CBA).
- (b)** Contracts signed under the Mid-Level Salary Exception for Room Teams can cover up to two seasons.
- (c)** A team can use the Mid-Level Salary Exception for Room Teams to re-sign its own free agent (as well as to sign another team's free agent), but cannot use this Exception to acquire a player by assignment.

(8) *Rookie Exception.* A team may sign its first-round draft pick for up to 120% of his Rookie Salary Scale amount. (See Exhibit A for Rookie Salary Scales through 2020-21.)

(9) *Minimum Salary Exception.* A team may sign a player to a one-year or two-year contract at the applicable minimum player salary (prorated as appropriate for a 10-Day or Rest-of-Season

contract). This Exception may also be used to acquire by assignment a player who was signed to a one-year or two-year minimum contract. (See Exhibit B for Minimum Annual Salary Scale through 2020-21.)

- (10) ***Disabled Player Exception.*** A team may replace a player who suffers a season-ending injury or illness with one player making up to the lesser of (a) 50% of the disabled player's current salary, or (b) the amount of the Non-Taxpayer Mid-Level Salary Exception for the season in which the Disabled Player Exception is used. The following rules apply with respect to the Disabled Player Exception:
- (a) An application can be made with respect to a Salary Cap Year at any time from July 1 through January 15 of such Salary Cap Year, regardless of when the injury or illness occurred.
 - (b) The disabling injury or illness must make it substantially more likely than not, in the judgment of an NBA-appointed physician, that the disabled player would be unable to play through the following June 15.
 - (c) A contract signed pursuant to the Disabled Player Exception may be for one season, or if the Exception is used to acquire a player by assignment, then the acquired player must be in the final season of his contract.
 - (d) A Disabled Player Exception expires on the March 10 following the date on which the Exception is granted.
- (11) ***Traded Player Exception.*** For a period of one year following the date of the trade of a player contract to another team, a team may replace the traded player with one or more players acquired by assignment.
- (a) For teams whose post-assignment Team Salary would be equal to or less than the Tax Level for the then-current Salary Cap Year (for purposes of this rule, a "non-taxpaying" team), a traded player may be simultaneously replaced (*i.e.*, in the same transaction) by one or more players acquired by assignment whose salaries in the aggregate do not exceed the greater of (i) the lesser of (A) 150% of the salaries of the players being traded plus \$100,000, or (B) the salaries of the players being traded plus \$5 million, or (ii) 125% of the salaries of the players being traded plus \$100,000. Non-taxpaying teams that are trading two or more players may elect between applying the Exception separately to each of the players it is trading or (where permitted by the CBA) aggregating the salaries of multiple players it is trading and then applying the Exception (see Section I.F.1. below).
 - (b) For teams whose post-assignment Team Salary would exceed the Tax Level for the then-current Salary Cap Year (for purposes of this rule, a "taxpaying" team), a traded player may be simultaneously replaced by one or more players acquired by assignment whose salaries in the aggregate do not exceed 125% of the salaries of the players being traded plus \$100,000.
 - (c) A traded player may be replaced in a non-simultaneous transaction by one or more players acquired by assignment whose salaries in the aggregate do not exceed 100% of the salary of the player being traded, plus \$100,000.
 - (d) A team with a Team Salary below the Salary Cap may simultaneously acquire one or more players by assignment whose post-trade salaries, in the aggregate, are no more than an amount equal to the team's salary cap room plus \$100,000.
 - (e) The Base Year Compensation rules applicable under the prior CBA continue to apply with respect to sign-and-trades.

Examples:

- (i) Salary Cap = \$63.065 million; Team Salary = \$70 million; Tax Level = \$76.829 million
Team seeks to trade a \$4 million player. Team could replace that player in a simultaneous trade with a player or players making \$6.1 million (150% x \$4.0 million plus \$100,000).
- (ii) Salary Cap = \$63.065 million; Team Salary = \$80 million; Tax Level = \$76.829 million
Team seeks to trade a \$4 million player. Team could replace that player in a simultaneous trade with a player or players making \$5.1 million (125% x \$4.0 million plus \$100,000).
- (iii) Salary Cap = \$63.065 million; Team Salary = \$70 million; Tax Level = \$76.829 million
Team previously traded a \$4 million player for a draft pick and therefore has a \$4 million Traded Player Exception. Team could trade a draft pick for a player or players making \$4.1 million (\$4.0 million plus \$100,000).
- (iv) Salary Cap = \$63.065 million; Team Salary = \$55 million; Tax Level = \$76.829 million
Team seeks to trade a \$4 million player. Team could replace that player in a simultaneous trade with a player or players making \$12.165 million. (\$63.065 million minus \$55 million plus \$4 million plus \$100,000).

F. Rules Relating to Exceptions

- (1) Exceptions may not be added together (“aggregated”) to sign or acquire a player, except that a team may aggregate two or more Traded Player Exceptions for the purpose of acquiring, in the same transaction, one or more replacement players, subject to the following rules:
 - (a) The salary of the replacement player, or the combined salaries of the replacement players, may not exceed:
 - in the case of non-taxpaying teams, the greater of (i) the lesser of (A) 150% of the sum of the aggregated salaries of the players being traded plus \$100,000, or (B) the sum of the aggregated salaries of the players being traded plus \$5 million, or (ii) 125% of the sum of the aggregated salaries of the players being traded plus \$100,000;
 - in the case of taxpaying teams, 125% of the sum of the aggregated salaries of the players being traded plus \$100,000.

Example:

Salary Cap = \$63.065 million; Team Salary = \$70 million; Tax Level = \$76.829 million

Team seeks to trade two players, each earning \$2.0 million.
Team can aggregate these players and replace them with a player or players earning \$6.1 million (\$4.0 million x 150% plus \$100,000).

- (b) No player contract acquired pursuant to an Exception may be aggregated for a period of two months from the date the player contract is acquired.

- (2) The Non-Taxpayer Mid-Level, Taxpayer Mid-Level, Mid-Level for Room Teams, Bi-annual, Bird, Early Bird, Non-Bird, and Rookie Exceptions are prorated beginning on January 10 of each season. The Minimum Player Salary Exception is prorated after the first day of the season.
- (3) A team's use of the Bi-annual Exception, Non-Taxpayer Mid-Level Salary Exception, Taxpayer Mid-Level Salary Exception, Mid-Level Salary Exception for Room Teams, and its ability to acquire a free agent in a sign-and-trade transaction during a season are subject to the following restrictions:
- A team may use either the Bi-annual or Non-Taxpayer Mid-Level Salary Exception only if (i) the team's Team Salary at the time the Exception is used and at all times thereafter during such Salary Cap Year does not exceed the Tax Level for the then-current Salary Cap Year plus \$4 million, and (ii) at the time the Exception is used, the team has not already used either the Taxpayer Mid-Level Salary Exception or the Mid-Level Salary Exception for Room Teams in that Salary Cap Year.
 - A team may use the Taxpayer Mid-Level Salary Exception only if (i) the team's Team Salary immediately following the team's use of the Exception exceeds the Tax Level for such Salary Cap Year plus \$4 million, and (ii) the team has not already used the Bi-annual Exception, Non-Taxpayer Mid-Level Salary Exception, or Mid-Level Salary Exception for Room Teams in that Salary Cap Year, or acquired a player pursuant to a sign-and-trade in that Salary Cap Year.
 - A team may use the Mid-Level Salary Exception for Room Teams only if (i) the team's Team Salary previously was below the Salary Cap in the applicable Salary Cap Year such that the team lost its Exceptions, and (ii) at the time the Mid-Level Salary Exception for Room Teams is used, the team has not already used the Bi-annual Exception, Non-Taxpayer Mid-Level Salary Exception, or Taxpayer Mid-Level Salary Exception in that Salary Cap Year.
 - If (i) a team uses the Non-Taxpayer Mid-Level Salary Exception to sign one or more player contracts not exceeding three seasons in length and providing aggregate first-year salaries and unlikely bonuses not exceeding the amounts that can be paid using the Taxpayer Mid-Level Salary Exception, and (ii) the team does not engage in any other transaction (i.e., using the Bi-annual Exception or acquiring a free agent via sign-and-trade) that would otherwise prevent the team from spending above the Tax Level plus \$4 million, then the team will be permitted to exceed the Tax Level plus \$4 million (for example, by signing its Bird free agent or by using the Minimum Salary Exception), whereupon the team will automatically be deemed to have used the Taxpayer Mid-Level Salary Exception instead of the Non-Taxpayer Mid-Level Salary Exception, and the team's ability to use the Non-Taxpayer Mid-Level Salary Exception will be extinguished.
 - A description of the general definition of Team Salary is set forth in Section I.L. below. For purposes of the foregoing rules (i.e., to determine if Team Salary is above or below the Tax Level plus \$4 million), a team's Team Salary is subject to certain adjustments as set forth in the CBA.

G. Additional Trade Rules

- (1) ***Sign-and-Trades.*** Teams are prohibited from signing a free agent pursuant to an agreement that the player will later be traded to another team unless the free agent being signed is the team's own free agent. In addition, these "sign-and-trades" are permitted only if (i) the contract is for three or four years, (ii) the first year of the contract is fully guaranteed, (iii) the contract is entered into prior to the first day of the regular season, and (iv) the player finished the prior season on his prior team's roster. The maximum annual salary increases for a sign-and-trade are 4.5% of the salary in

the first year of the contract. A team may only acquire a free agent via a sign-and-trade if the team's Team Salary post-transaction and at all times thereafter during that Salary Cap Year does not exceed the Tax Level plus \$4 million (see Section I.F.3 above).

- (2) ***Extension-and-Trades.*** Extension-and-trades are permitted, except that the maximum length of any such extended contract is three years (including the years remaining in the original term when the extension is signed). The maximum salary in the first year of the extended term is 104.5% of the salary in the last year of the original term. The maximum annual increases under an extension-and-trade are 4.5% of the salary in the first year of the extended term. If a player signs a contract extension for a longer period, a higher amount, or higher annual increases than would be permitted for an extension-and-trade, then the team is prohibited from trading the player for a period of six months following the date of the extension. If a team acquires a player in a trade, then for a period of six months following the date of the trade, the team is prohibited from signing the player to a contract extension for a longer period, higher amount, or higher annual increases than would have been permitted for an extension-and-trade.
- (3) ***Cash Transfers.*** Cash paid or received in trades occurring during a Salary Cap Year (including cash received as a salary reimbursement) is limited to an aggregate of \$3.3 million per team for the 2014-15 Salary Cap Year, increasing by \$100,000 per year during the term of the CBA. Cash received by a team in one or more trades will not be netted against cash paid in the same or other trades, and vice versa, for purposes of applying this rule.

Example:

Team A pays \$3.3 million in connection with one trade during the 2014-15 Salary Cap Year and receives \$3.3 million from another team in connection with a subsequent trade occurring during the same Salary Cap Year. Team A would be unable to either pay or receive any cash in connection with any subsequent trades during that Salary Cap Year.

- (4) ***One-Year Contracts.*** A player who signs a one-year contract and who will be a Bird or Early Bird free agent at the end of the contract cannot be traded without the player's consent. If the player consents and is traded, he will lose whatever "Bird" rights he has acquired (i.e., he will be considered to have moved to the new team as a free agent.)
- (5) ***Waiting Period for New Contracts.***
- (a) A draft rookie who signs a player contract may not be traded until 30 days following the date on which he signed his contract.
- (b) A free agent who signs a contract cannot be traded for three months following the date the contract is signed or until December 15, whichever is later. For sign-and-trade transactions, the foregoing rule does not apply to the initial trade but rather applies if the contract is traded a second time. In addition, if a team is over the Salary Cap and enters into a new contract with a Bird or Early Bird free agent using the Bird or Early Bird Exception that provides for a salary in the first year of the contract in excess of 120% of the player's salary in the prior season, then the foregoing rule shall not apply and the player cannot be traded for three months following the date the contract is signed or until January 15, whichever is later.
- (c) If a team trades a player and the player is subsequently waived by the new team, the prior team will not be permitted to claim the player off of waivers or sign the player to a new contract until the earlier of (i) one year from the date the trade was completed, or (ii) the July 1 following the last season of the player's contract (excluding any unexercised option years).

H. Annual Salary Increases and Decreases

Salary in contracts between a team and its Bird or Early Bird players may increase or decrease after the first year of the contract by up to 7.5% of the salary in the first year of the contract. For all other contracts, salary may increase or decrease after the first year of the contract by up to 4.5% of the first year's salary.

Examples:

- (a) Team signs its Bird player to a four-year contract beginning at \$5.0 million.

Maximum permissible salary increase in each year is 7.5% of \$5.0 million (\$375,000):

Year 1 — \$5.0 million
Year 2 — \$5.375 million
Year 3 — \$5.750 million
Year 4 — \$6.125 million

- (b) Team uses \$5.0 million of Room to sign another team's free agent to a four-year contract.

Maximum permissible salary increase in each year is 4.5% of \$5.0 million (\$225,000):

Year 1 — \$5.0 million
Year 2 — \$5.225 million
Year 3 — \$5.450 million
Year 4 — \$5.675 million

I. Renegotiations

Generally speaking, renegotiations are amendments increasing a player's salary during the existing term of the contract.

- (1) A team under the Salary Cap may increase a player's salary for the current season by up to the amount of its room under the Salary Cap. In subsequent seasons of the contract, the team may increase the player's salary (over the salary originally provided for) by the sum of (i) the amount his salary was increased in the preceding season, and (ii) 7.5% of the increase in salary in the first season that was renegotiated. (Refer to Section I.K. below for an example.)
- (2) A renegotiation may not provide for a decrease in salary in any season.
- (3) Player contracts may be renegotiated beginning on the third anniversary of the signing of the contract, or the third anniversary of any subsequent extension of the contract.
- (4) A player contract may not be renegotiated from March 1 through June 30.
- (5) If a player contract is extended and renegotiated simultaneously, then the amount of the player's salary in the first season of the extended term may decrease by no more than 40% of the player's salary (as renegotiated) in the last season covered by the original term.

J. Rookie Scale Extensions

- (1) Rookie Scale Contracts with first round picks may be extended from the day following the last day of the Moratorium Period that precedes the fourth year of the contract through October 31 of such year.
- (2) Rookie Scale Contract extensions (other than “Designated Player” Rookie Scale Extensions) may add up to four new years to the player’s contract (5 total years including the year remaining on the Rookie Scale Contract when the extension is signed) and may provide for a salary in the first year of the extension of any amount up to the maximum player salary (Refer to Section I.Q. below). Salary may increase or decrease in subsequent years by up to 7.5% of the salary in the first year of the extension.
- (3) *“Designated Player” Rookie Scale Extensions*
 - (a) A “Designated Player” Rookie Scale Extension is an extension that provides for five new years (6 total years including the year remaining on the Rookie Scale Contract when the extension is signed).
 - (b) The extension must provide for the maximum salary, which for this purpose means that the extension must provide: (i) a first-year salary of at least 25% of the Salary Cap (can be higher if player meets criteria set forth in Section I.Q.4. below but it is not required to be higher); and (ii) full 7.5% annual increases for each season following the first season of the extended term.
 - (c) A team may not, at any point in time, in respect of any current or future Salary Cap Year, have Salary included in its Team Salary for more than one Designated Player that was signed by the team and more than one Designated Player that was acquired by the team by assignment.

K. Veteran Extensions

Extensions are amendments that add seasons to the existing term of the contract.

- (1) An extension may provide for a salary in the first season of the extension of up to 107.5% of the salary in the last year of the original contract. Salary may increase or decrease in subsequent seasons by up to 7.5% of the salary in the first year of the extended term.
- (2) Contracts covering three or fewer seasons cannot be extended. Contracts covering a term of four or more years may be extended beginning on the third anniversary of the signing of the contract.

Example of renegotiation and extension:

Team under the Salary Cap by \$2.0 million seeks to renegotiate and extend its player. Player has two years left on his original five-year contract:

Year 4 — \$6.0 million
Year 5 — \$6.5 million

Maximum permissible renegotiation of existing term of contract:

Year 4 — \$8.0 million (\$6.0 million + \$2.0 million)
Year 5 — \$8.65 million (\$6.5 million + \$2.0 million + \$150,000
(7.5% of \$2.0 million))

Maximum permissible increase in extended term
(assuming a two-year veteran extension):

Extension Year 1 — \$9.299 million (107.5% of \$8.65 million)

Extension Year 2 — \$9.996 million (increase is \$9.299 million x 7.5%)

L. Team Salary Rules

- (1) A team's Team Salary is the amount that is measured against the Salary Cap to determine if a team is under or over the Cap and by how much.
- (2) The principal components of Team Salary are the salary amounts owed to players under contract and to players who have been waived but are still being paid guaranteed money by the team. Free agents are also included in Team Salary, at a multiple of the player's prior salary. The specific multiple depends on several factors, including the player's "Bird" status, whether he is a first round draft pick who just finished his Rookie Scale Contract, and the amount he was paid under his previous contract. For example, a Bird free agent (other than a first round pick finishing his Rookie Scale Contract) is included at 150% of his prior salary if it was equal to or greater than the average player salary, or at 190% of his prior salary if it was less than the average player salary. A team may remove a free agent's "multiple" from its Team Salary by "renouncing" him. At that point, the team may no longer sign the player using the Bird-related Exceptions; it may only use its room under the Cap or another Exception, if available.
- (3) Prior to the first day of the next season, a team can enter into "Summer Contracts" that will not be included in Team Salary. Summer Contracts are the same as ordinary contracts, except that they cannot provide for compensation of any kind, including any bonus or advance, that is to be paid prior to the start of the next season, or salary guarantees of any kind. Before the first day of a regular season, a team that has entered into a Summer Contract must terminate it unless it has Room to keep it. All Summer Contracts that are not terminated will subsequently be counted in Team Salary.

M. Certain Player Salary Rules

The following are some of the principal rules relating to the calculation of a player's salary for Cap purposes:

- (1) ***Right of Set-Off.*** When a team terminates a player contract with remaining guaranteed salary, the team's liability for such compensation shall be reduced by a portion of the compensation earned by the player from any other professional basketball team or teams during each season covered by the first contract. The reduction in the first team's liability is calculated for each season as follows:
 - (a) Calculate the total compensation earned by the player from the subsequent team(s) during the Salary Cap Year.
 - (b) Subtract from the result in Step a (i) if the player had zero years of service at the time the first contract was terminated, the Minimum Annual Salary applicable to such player for the season in which the first contract was terminated, or (ii) if the player had one or more years of service at the time the first contract was terminated, the Minimum Annual Salary applicable to a player with one year of service for the season in which the first contract was terminated.
 - (c) If the result in Step b is a negative amount, there is no reduction in the first team's liability. If the result in Step b is a positive amount, the reduction in the first team's liability for the relevant season shall equal 50% of such amount.

Example:

Assume Player A is a second-year player and is waived by Team Z during the 2014-15 season with two guaranteed years remaining on his contract and then signs a contract with Team Y after clearing waivers. Assume also that Player A was owed from Team Z \$10 million for the first of the remaining years and \$11 million for the second and signed a two-year deal with Team Y for \$3 million for year one and \$3.135 million for year two. Team Z's right of set-off for each year would be calculated as below:

Set-off = (New Salary – Applicable Minimum Salary) x 50%

Year One – (\$3 million - \$816,482) x 50% = \$1,091,759

Year Two – (\$3.135 million - \$816,482) x 50% = \$1,159,259

- (2) **Over 36 Rules.** In certain cases involving contracts of four years or more, salary payable for seasons beginning after the player turns 36 is treated as deferred compensation in the seasons before the player turns 36 (and is therefore counted against the Cap in those seasons).
- (3) **Signing Bonuses.** Signing bonuses are allocated over the number of seasons covered by the contract in proportion to the percentage of compensation in each season that is protected for lack of skill. If a contract provides for an Early Termination Option (“ETO”) that allows the player to opt-out after the end of the fourth season of the contract, the signing bonus will be allocated only over the years preceding the season(s) covered by the ETO (see Section I.S. below). A signing bonus may not exceed 15% of the total amount of the contract – or 10% in the case of an offer sheet (including the signing bonus but excluding incentive compensation). Minimum salary contracts may not contain signing bonuses.
- (4) **Performance Bonuses.**
 - (a) In order for a contract to be approved, a team must have Room for every bonus that the player may earn in the first year of the contract.
 - (b) After a contract is approved, the amount of the bonus will be included in the team's Team Salary if the bonus would have been earned based on the prior season's performance, or if the bonus is otherwise determined by an independent expert to be “very likely to be earned.”
 - (c) No contract may contain “Unlikely Bonuses” in any season (that is, bonuses that would not have been earned based on the player's or team's performance in the season prior to the first season covered by the contract) that exceed 15% of the player's base salary for the season.
- (5) **Loans.** A loan must bear interest at a minimum of prime rate plus 1% (but no less than 7% or greater than 9%) or interest will be imputed and included in the player's salary.

N. One-Year Minimum Contracts

Teams will be reimbursed from a league-wide fund for a portion of salaries paid to players with three or more years of service who sign one-year minimum contracts. The reimbursement amount equals the amount by which the player's minimum salary exceeds the minimum salary that a player with two years of service would be paid (\$915,243 for 2014-15). Only the amounts that are not reimbursed are included in the player's salary for Cap purposes.

O. July Moratorium

Each season, the NBA has a Moratorium Period in which teams may hold negotiations but cannot sign contracts. Limited exceptions to this rule apply to Rookie Scale Contracts with first round draft picks, minimum contracts of one or two seasons (with draft picks and free agents) and acceptance of Qualifying Offers by Restricted Free Agents. The Moratorium Period for the remainder of the term of the CBA will be as follows:

2015-16	July 1, 2015 through July 8, 2015
2016-17	July 1, 2016 through July 11, 2016
2017-18	July 1, 2017 through July 11, 2017
2018-19	July 1, 2018 through July 10, 2018
2019-20	July 1, 2019 through July 9, 2019
2020-21	July 1, 2020 through July 8, 2020

P. Minimum Player Salary

All contracts must provide the player with at least the minimum salary that corresponds to the player's years of service in the NBA (prorated as appropriate for a 10-day or rest-of-season contract). (See Exhibit B for the Minimum Annual Salary Scale through 2020-21.)

Q. Maximum Player Salary

The CBA places maximum limits on the salary players can earn in any one season. The limits are based on a player's years of service, and apply to the first season covered by any contract, renegotiation, or extension. (Subsequent seasons of the contract are governed by the 7.5% and 4.5% annual salary increases/decreases rules.)

Generally, the limits are as follows:

- (1) For any player who has completed fewer than seven (7) years of service, the greater of (x) 25% of the Salary Cap* in effect in the first season of the contract, renegotiation, or extension, or (y) 105% of the player's salary for the prior season.
- (2) For any player who has completed at least seven but fewer than 10 years of service, the greater of (x) 30% of the Salary Cap* in effect in the first season of the contract, renegotiation, or extension, or (y) 105% of the player's salary for the prior season.
- (3) For any player who has completed 10 or more years of service, the greater of (x) 35% of the Salary Cap* in effect in the first season of the contract, renegotiation, or extension, or (y) 105% of the player's salary for the prior season.
- (4) A rookie scale player who has four years of service at the end of his Rookie Scale Contract, or a second-round pick or undrafted player who has four years of service as of the June 30 following the end of the last season of his contract, who meets any one of the "30% Max Criteria" (as set forth below) and re-signs with his current team (either a Rookie Scale Extension or as a free agent) may receive a starting salary of up to 30% of the Salary Cap.*
 - (a) If it is not known at the time a maximum salary Rookie Scale Extension is signed whether the player will ultimately (i.e., based on his performance in the 4th year of his Rookie Scale Contract) satisfy one of the 30% Max Criteria, the Rookie Scale Extension will state the percentage of the Salary Cap* (i.e., between 25% and 30%) that the player will receive if he meets at least one of the 30% Max Criteria. The contract also may provide for different

annual increase percentages based on whether the player ends up receiving the 25% maximum or a higher maximum; however, full 7.5% annual increases are required if the extension is a “Designated Player” Rookie Scale Extension (refer to Section I.J.3. above).

- (b) The 30% Max Criteria are as follows: during the player’s first four seasons, he was (i) named to the All-NBA first, second, or third team at least two times, (ii) voted an All-Star starter at least two times, or (iii) named NBA MVP at least once.
- (c) Any player who receives a starting salary of greater than 25% of the Salary Cap* pursuant to the 30% Max Criteria rules must sign for a minimum of 4 years excluding any option year (4 new years in the case of a Rookie Scale Extension).

* In general, the maximum player salaries are based on a 42.14% of Basketball Related Income (BRI) Salary Cap (not on the 44.74% Salary Cap). For the 2014-15 season, the Salary Cap used for purposes of calculating maximum player salaries is \$58.984 million.

R. Rookie Salary Scale

All rookie contracts signed with first round picks have a term of two guaranteed years with two separate one-year team options for seasons three and four. If the team wants to exercise the first team option, it must do so during the period from the day following the end of the player’s first season through the immediately following October 31. If the team wants to exercise the second team option, it must do so during the period from the day following the end of the player’s second season through the immediately following October 31. (See Exhibit A for the Rookie Salary Scales through 2020-21.)

S. Early Termination Options

A five-year contract may contain an option allowing the player to terminate the contract before it expires. However, this type of option can be exercised no earlier than following the fourth season of the contract.

T. Automatic Stretch

- (1) For contracts signed on or after December 8, 2011, the salary of waived players will be “stretched” for cash purposes such that the player’s remaining protected compensation would be paid over twice the number of remaining contract years plus one year. However, if a request for waivers is made on or after September 1, the player’s salary for the current season will continue to be paid in accordance with the payment schedule set forth in his contract, and only the player’s salary for future seasons will be stretched.
- (2) In lieu of the usual Salary Cap treatment, the waiving team may elect to have the waived player’s salary stretched for Salary Cap purposes as well (in accordance with the provisions of the CBA), except that a team may not stretch a waived player’s salary for Salary Cap purposes if the portion of the team’s total Team Salary attributable to all of the team’s waived players in the current or any future season would exceed 15% of the Salary Cap in effect during the season in which the player is waived.

U. One Season, Non-Guaranteed Training Camp Contracts

Player contracts may include a provision for players 15 through 20 on a team’s roster that would eliminate a team’s salary continuation obligation for training camp injuries after termination of the contract. This applies to one-year, non-guaranteed contracts. An injured player would receive a flat \$6,000 termination fee instead of continued salary. A team must have at least 14 players under contract without such a contractual provision prior to signing a contract that includes such a provision.

II. ESCROW AND TAX ARRANGEMENT

A. Escrow

- (1) The escrow level will be set at the players' agreed-upon share of Basketball Related Income ("BRI") for each year of the CBA. This percentage will be guaranteed to the players so that if total player costs are less than the agreed-upon share of BRI, the difference will be paid by the league to the players. The agreed-upon share of BRI for the 2011-12 season was 51.15% of BRI, with no further adjustments. For each subsequent season, the agreed upon share of BRI equals 50% of BRI, except that (A) to the extent BRI exceeds or falls short of projections for a season, the agreed-upon share will be increased or decreased respectively (i.e., above or below 50% of projected BRI for the season) by 60.5% of incremental BRI in excess of or below projected BRI for the season, and (B) the players' resulting overall share of BRI for the season will be no less than 49% and no greater than 51%.
- (2) The maximum amount that can be withheld from the players for purposes of escrow is 10% of salaries and benefits plus 1% of BRI. Specifically, if a 10% reduction via the escrow system is insufficient to reduce aggregate player salaries and benefits to the agreed-upon share of BRI, then the overage will further be reduced or eliminated through a reduction of the new benefits pool that is funded with 1% of BRI each season.
- (3) Escrow proceeds for each season may be distributed to all teams in equal shares or used in such other manner (not payroll-based) as may be determined by the NBA (e.g., to fund a league program).
- (4) The CBA includes a formula to adjust annual Salary Cap and Tax Levels to help reduce the likelihood that total player salaries and benefits for a season will exceed the agreed-upon share of BRI by more than the maximum escrow withholding; the formula also helps to reduce the likelihood that total player salaries and benefits will fall short of the agreed-upon share of BRI (thus triggering the guarantee).

B. Tax

- (1) A team tax trigger (the "Tax Level") is set each season before free agent signings begin at 53.51% of projected BRI. The tax in each season applies to any team with a payroll that exceeds the Tax Level. For the 2014-15 season, the Tax Level is \$76.829 million.
- (2) Prior to the 2013-14 season, any team with a Team Salary over the Tax Level would pay a \$1 tax for each \$1 by which it exceeded the Tax Level. Effective with the 2013-14 season, the tax rates for teams with Team Salary above the Tax Level are as follows:

<u>Incremental Team Salary Above Tax Level</u>	<u>Tax Rate for Increment</u>
\$0 – 4.99M	\$1.50-for-\$1
\$5M – 9.99M	\$1.75-for-\$1
\$10M – 14.99M	\$2.50-for-\$1
\$15M – 19.99M	\$3.25-for-\$1

Tax rates increase by \$0.50 for each additional \$5 million increment above the Tax Level (e.g., for Team Salary \$20 million to \$24.99 million above the Tax Level, the tax rate is \$3.75-for-\$1 for that increment).

Tax rates for teams that are taxpayers in at least 4 out of any 5 seasons (starting in 2011-12) increase by \$1.00 at each increment (e.g., for Team Salary \$5 million to \$9.99 million

above the Tax Level, the tax rate for a repeat taxpayer is \$2.75-for-\$1 instead of \$1.75-for-\$1).

- (3) Up to 50% of tax proceeds for each season may be distributed to teams based in whole or in part on whether such teams did not owe a tax for such season (e.g., the NBA could elect to distribute 50% of such amounts in equal shares to all non-taxpaying teams in such season). The balance of tax proceeds for each season may be distributed to teams or used in such other manner (not payroll-based) as may be determined by the NBA (e.g., to fund a league program).

C. Amnesty

- (1) Each team is permitted to waive one “amnesty” player prior to any one of the first five seasons of the CBA (only for contracts in place at the inception of the CBA) and have 100% of the player’s salary removed from Team Salary for Salary Cap and tax purposes. (Alternatively, a team that previously waived a player prior to the inception of the CBA whose guaranteed salary continues to be included in the team’s payroll for future seasons was permitted to designate that player’s salary for removal from its Team Salary for Salary Cap and tax purposes.)
- (2) Salary of amnestied players is included for purposes of calculating the players’ agreed-upon share of BRI.
- (3) A modified waiver process is utilized for players waived pursuant to the amnesty rule, under which teams with room under the Salary Cap can submit competing offers to assume some but not all of the player’s remaining salary. If a player’s contract is claimed in this manner, the remaining portion of the player’s salary will continue to be paid by the team that waived him.
- (4) The waiving team will not be permitted to re-sign or re-acquire the waived player prior to the end of the term of his terminated contract.
- (5) Teams cannot designate for amnesty treatment any player traded after the inception of the CBA or any player whose contract has been extended, renegotiated or otherwise amended after July 1, 2011.

III. FREE AGENCY

A. Definition of Free Agent Status

- (1) **First Round Picks.** A first round pick will be a Restricted Free Agent (that is, will be subject to a right of first refusal in favor of his prior team) following the expiration of his Rookie Scale Contract if the team exercises its third and fourth year option and makes a Qualifying Offer to the player.
- (2) **Other Players.** Any other player (other than a first round pick whose third or fourth year option was not exercised) will be a Restricted Free Agent at the conclusion of any player contract that expires after any of the first three seasons that the player is in the NBA, provided that the team makes a Qualifying Offer to the player.

B. Qualifying Offers

- (1) For first round picks, a Qualifying Offer is an offer of a one year contract that provides for a salary equal to the player’s fourth year salary, increased by the percentage called for in the player’s applicable Rookie Salary Scale. For all other Restricted Free Agents, the contract must provide for a salary equal to the greater of (a) 125% of the player’s prior year’s salary, or (b) the minimum annual salary

applicable to the player (for the season covered by the Qualifying Offer) plus \$200,000.

- (2) Notwithstanding the above rules, any first round pick selected 10-30 in the Draft who meets one of the “starter criteria” during his fourth season or averages one of the starter criteria over his third and fourth seasons will receive the same Qualifying Offer amount as the player who was the 9th pick in the Draft (for purposes of such Qualifying Offer amount, the fourth year salary of the ninth player shall be deemed to equal 120% of the rookie scale amount applicable to the ninth player). Any second round pick or undrafted player with two or three years of service who meets one of the starter criteria during his prior season or averages one of the starter criteria over his prior two seasons will receive the same Qualifying Offer amount as the player who was the 21st pick in the Draft (for purposes of such Qualifying Offer amount, the fourth year salary of the twenty-first player shall be deemed to equal 100% of the rookie scale amount applicable to the twenty-first player). Any first round pick selected in the first 14 picks in the Draft who fails to meet the starter criteria will receive the lesser of (x) the player’s fourth year salary increased by the percentage called for in the player’s applicable Rookie Salary Scale, or (y) the same Qualifying Offer amount as the 15th pick in the Draft (for purposes of such Qualifying Offer amount, the fourth year salary of the fifteenth player shall be deemed to equal 120% of the rookie scale amount applicable to the fifteenth player). The “starter criteria” for a season are: (i) starting 41 Regular Season games, and (ii) 2,000 or more minutes of playing time in a Regular Season.
- (3) All Qualifying Offers must (a) be fully guaranteed for lack of skill and injury and illness with no other types of protection (e.g., death or mental disability) and (b) provide for the player’s salary to be paid in accordance with paragraph 3 of the player’s contract.

C. Right of First Refusal Rules

(1) *Offer Sheets.* If a Restricted Free Agent receives an offer from a new team that he wants to accept, the player and the new team must provide the terms of the proposed deal to the player’s prior team in the form of an Offer Sheet.

(a) Offer Sheets for players with one or two years of service must comply with the following:

- i. The first year salary may not exceed the amount of the Non-Taxpayer Mid-Level Salary Exception for that year and the second year salary may not increase or decrease by more than 4.5%.
- ii. If the Offer Sheet provides for salary in the first year equal to the amount of the Non-Taxpayer Mid-Level Salary Exception with a 4.5% increase for the second year, then the Offer Sheet may provide for salary in the third year up to the amount that the player would have been eligible to receive in that year had his salary in the first year been for any amount up to the “maximum” salary allowable for that player (e.g., first year at the player’s maximum allowable salary with annual increases of 4.5% of the first-year salary). The player’s salary for the fourth year may increase or decrease by no more than 4.1% of the third-year salary.

In order to determine whether a team has room to extend such an Offer Sheet, the first year salary will be deemed to equal the average of the aggregate salaries for each year covered by the Offer Sheet.

- iii. If the player’s prior team does not exercise its Right of First Refusal, the averaged salary amount will be included in the new team’s Team Salary for each year of the contract. However, if the player’s prior team does exercise its Right of First Refusal, the amount included in Team Salary for each year shall be the salary set forth in the contract.

- (b) Offer Sheets must be for a minimum of two seasons (not including any option year), except that if a player's prior team tenders him both a standard one-year Qualifying Offer and an alternative offer of a "maximum" salary, five-year contract, then the Offer Sheet must be for a minimum of three seasons (not including any option year).
- (2) **Matching.** The player's prior team has three days from when it receives the Offer Sheet to "match" the Offer Sheet by agreeing to its terms. If the prior team does not match within three days, its Right of First Refusal expires and the player's agreement with the new team becomes binding.

IV. ANTI-DRUG AGREEMENT

Since 1983, the NBA and NBPA have jointly maintained and administered a comprehensive Anti-Drug Program for NBA players. The purpose of the Program is to detect and deter the use of illegal and performance-enhancing drugs by players, and to provide treatment and counseling for those who are struggling with substance abuse problems.

The Program subjects each player to six random, unannounced drug tests during each season and off-season. It also includes testing based on reasonable cause at any time. Urine testing is conducted for more than 160 substances by state-of-the-art laboratories certified by the World Anti-Doping Agency, and a standing committee of independent experts appointed by the NBA and NBPA is empowered to ban additional substances as necessary.

Penalties for violations of the Program are substantial; for example, players testing positive for drugs of abuse are banned from the league for a minimum of two years, and players testing positive for performance-enhancing substances are suspended for 20 games (1st violation), 45 games (2nd violation), and a minimum of two years (3rd violation).

A. Prohibited Substances

Generally, the Program prohibits players from using drugs of abuse (e.g., amphetamines, cocaine), marijuana (including synthetic cannabinoids), steroids and performance-enhancing drugs (SPEDs), and masking agents. Currently, there are more than 160 substances banned by the NBA Anti-Drug Program.

B. Testing

All players are subject to six random tests during each season and off-season. Players are subject to four random tests during the NBA season and also two random tests each offseason. All tests are scheduled and conducted by an independent, third-party testing company and are without prior notice to the player. The NBA and NBPA are not involved in the scheduling of any tests or the selection of players for testing.

Drug tests are analyzed by laboratories certified by the World Anti-Doping Agency. In addition to a positive laboratory test, players will also be considered to have tested positive if they fail or refuse to submit to a drug test, or if they attempt to substitute, dilute or adulterate a urine sample.

In addition to random testing, players are subject to reasonable cause testing at any time. Reasonable cause determinations are made by an Independent Expert, upon application from the NBA or NBPA. If the Independent Expert decides that reasonable cause exists to test a player for a Prohibited Substance, the player will be subject to four additional random tests over a six-week period.

C. Discipline

If a player tests positive for a drug of abuse, he will be dismissed and disqualified from the NBA. A player will also be dismissed and disqualified from the NBA if he is convicted of, or pleads guilty to, the use, possession or distribution of a drug of abuse.

If a player tests positive for a SPED, he will be suspended for 20 games for his first violation and 45 games for his second violation, and will be dismissed and disqualified from the NBA for his third violation. A player will also be dismissed and disqualified from the NBA if he is convicted of, or pleads guilty to, a crime involving the use, possession or distribution of a SPED.

If a player tests positive for marijuana, or if he is convicted of, or pleads guilty to, the use or possession of marijuana, he will be required to submit to treatment, counseling, and aftercare testing in the Program. A second violation will result in a \$25,000 fine, and any subsequent violations will result in a suspension that is 5 games longer than the player's immediately-preceding marijuana suspension.

If the NBA obtains evidence of a player's use, possession or distribution of a Prohibited Substance, it can take that evidence to a neutral arbitrator. If the arbitrator finds that the player has used or possessed a Drug of Abuse, or has distributed any Prohibited Substance, he will be dismissed and disqualified from the NBA. If the arbitrator finds that the player has used or possessed Marijuana or a SPED, such a finding is considered a violation under the Program and the player will be subject to the same penalties imposed for a positive drug test.

Any player who is dismissed and disqualified from the NBA may apply for reinstatement to the NBA after two years.

D. Treatment

Any player who tests positive or otherwise enters the Program must comply with the in-patient treatment or aftercare ordered by the Program's Medical Director, including, but not limited to, random testing on a frequent basis for prohibited substances and alcohol. A player's failure to comply with his in-patient or aftercare treatment will result in substantial fines and suspensions.

A player may come forward voluntarily for his use of a prohibited substance and enter the Program. There is no penalty to a player coming forward voluntarily the first time.

E. The Administration of the Program

The NBA and NBPA have selected a Medical Director to manage and oversee the Program, select and supervise Program counselors and other personnel, and evaluate and treat the NBA players in the Program.

The NBA and NBPA have created a Prohibited Substances Committee, comprised of one representative from both the NBA and NBPA, and three independent experts in the field of drug abuse. The Prohibited Substances Committee may decide to add new substances to the list of prohibited substances if they are harmful to players or improperly performance-enhancing.

The NBA, NBA teams, and NBPA are prohibited from publicly disclosing information regarding the testing or treatment of any NBA player in the Program, except as required by the suspension or dismissal of a player in the Program.

V. NBA DEVELOPMENT LEAGUE

- (1) An NBA player may be assigned by his NBA team to the NBA Development League if he is in his first, second, or third season in the league. An NBA player who does not meet the foregoing years of service requirements may also be assigned by his NBA team to its NBA Development League affiliate with the consent of the player and NBPA.
- (2) There is no limit on the number of times a player may be assigned to the NBA Development League.
- (3) A player assigned to the NBA Development League will continue to be paid his NBA salary and will continue to be included on his NBA team's roster (on the inactive list) while playing in the NBA Development League.

VI. MISCELLANEOUS

A. NBA Draft

- (1) The Draft consists of two rounds.
- (2) The age limit for entering the Draft is 19 years of age. U.S. players must also be at least one year removed from high school. A player will meet the 19-year old requirement so long as he turns 19 during the calendar year of the Draft.

B. Rosters

- (1) Each team is required to carry 12 or 13 players on its active list. A team with 12 players on its active list may carry between one and three players on its inactive list. A team with 13 players on its active list may carry between zero and two players on its inactive list. Players sent to the NBA Development League will continue to count on a team's inactive list.
- (2) The league guarantees that, on a league-wide basis, teams will maintain an average roster size of 14 players over the course of the season.

C. Training Camp

On the first reporting day, teams can require players to report by 11 a.m. (local time). Rookies may be required to report up to 10 days prior to the date veterans are required to report.

D. Waiver Period

The time period for a player to clear waivers is 48 hours.

E. Per Diem

For the 2014-15 season, the player per diem will be \$127, which reflects a cost of living adjustment from the prior season.

F. All-Star Game Player Payments

- (1) Player payments for the All-Star Game for the 2014-15 season will be \$50,000 (winners) and \$25,000 (losers).
- (2) Player payments for the Rookie-Sophomore Game for the 2014-15 season will be \$25,000 (winners) and \$10,000 (losers).
- (3) Player Payments for an All-Star Skills Competitions will be as set forth in the CBA or as otherwise agreed to by the NBA and NBPA.

G. Conduct and Discipline

- (1) Missed Practices: \$2,500 for the first offense; \$5,000 for the second offense; \$7,500 for the third offense; for the fourth or any subsequent offense, reasonable discipline (including suspension). However, any time a player intentionally misses a practice without a reasonable excuse, he will be subject to such discipline as is reasonable under the circumstances.
- (2) Missed Exhibition, Regular Season or Playoff Game: 1/110th of salary
- (3) Missed Promotional Appearance: \$20,000
- (4) A player's failure to report for a trade is "conduct detrimental to the NBA," which (in addition to any discipline imposed the team) will subject the player to fines and suspensions by the Commissioner.
- (5) Suspensions by the Commissioner in excess of 12 games for on-court misconduct are subject to review by an independent arbitrator. For this purpose, "on-court" generally includes anything that occurs anywhere in the arena during, before or after a game.
- (6) Players convicted of DUI/DWI will be subject to a mandatory evaluation by the Medical Director of the Anti-Drug Program.

H. Player Appearances

Upon request, players are obligated to make at least 12 promotional appearances for their team or the NBA each year.

I. International Player Buyout Payments

The limit on payments to international teams (for the purpose of securing the right to enter into a contract with a player) that will be excluded from Team Salary is \$600,000 for the 2014-15 season, increasing by \$25,000 each season thereafter.

J. Benefits

A new benefits pool is funded with 1% of BRI for post-career annuity and welfare benefits. This 1% of BRI benefits pool is included in (and is not in addition to) the players' share of BRI.

K. Days Off

Teams must provide players with 16 days off during each Regular Season. A “day off” is defined to mean a day when a player is neither required nor permitted to engage in any team directed activity (including, e.g., promotional appearances). Days off can also include days “on the road.” Players are permitted to voluntarily participate in individual basketball-related activities at team facilities or elsewhere during days off.

L. Disclosure Rules

No financial terms of any player contract may be disclosed to the public by the NBA, NBPA, a team or its employees, the player or the player’s employee, agent or representative.

EXHIBIT A

2011-12 NBA Rookie Scale

(\$000's)

<u>Pick</u>	<u>1st Year Salary</u>	<u>2nd Year Salary</u>	<u>3rd Year Option Salary</u>	<u>4th Year Option: Percentage Increase Over 3rd Year Salary</u>	<u>Qualifying Offer: Percentage Increase Over 4th Year Salary</u>
1	4,286.9	4,479.8	4,672.7	26.1%	30.0%
2	3,835.6	4,008.2	4,180.8	26.2%	30.5%
3	3,444.4	3,599.4	3,754.4	26.4%	31.2%
4	3,105.5	3,245.2	3,385.0	26.5%	31.9%
5	2,812.2	2,938.7	3,065.3	26.7%	32.6%
6	2,554.2	2,669.1	2,784.1	26.8%	33.4%
7	2,331.7	2,436.6	2,541.6	27.0%	34.1%
8	2,136.1	2,232.2	2,328.3	27.2%	34.8%
9	1,963.6	2,052.0	2,140.3	27.4%	35.5%
10	1,865.3	1,949.2	2,033.2	27.5%	36.2%
11	1,772.1	1,851.8	1,931.6	32.7%	36.9%
12	1,683.5	1,759.3	1,835.0	37.8%	37.6%
13	1,599.3	1,671.3	1,743.2	42.9%	38.3%
14	1,519.4	1,587.8	1,656.1	48.1%	39.1%
15	1,443.3	1,508.2	1,573.2	53.3%	39.8%
16	1,371.2	1,432.9	1,494.6	53.4%	40.5%
17	1,302.6	1,361.2	1,419.8	53.6%	41.2%
18	1,237.5	1,293.2	1,348.9	53.8%	41.9%
19	1,181.8	1,235.0	1,288.2	54.0%	42.6%
20	1,134.5	1,185.6	1,236.6	54.2%	43.3%
21	1,089.1	1,138.1	1,187.1	59.3%	44.1%
22	1,045.6	1,092.7	1,139.7	64.5%	44.8%
23	1,003.8	1,049.0	1,094.1	69.7%	45.5%
24	963.6	1,007.0	1,050.3	74.9%	46.2%
25	925.1	966.7	1,008.4	80.1%	46.9%
26	894.4	934.6	974.9	80.3%	47.6%
27	868.6	907.7	946.8	80.4%	48.3%
28	863.3	902.1	941.0	80.5%	49.0%
29	857.0	895.6	934.1	80.5%	50.0%
30	850.8	889.1	927.4	80.5%	50.0%

2012-13 NBA Rookie Scale

(\$000's)

<u>Pick</u>	<u>1st Year Salary</u>	<u>2nd Year Salary</u>	<u>3rd Year Option Salary</u>	<u>4th Year Option: Percentage Increase Over 3rd Year Salary</u>	<u>Qualifying Offer: Percentage Increase Over 4th Year Salary</u>
1	4,286.9	4,479.8	4,672.7	26.1%	30.0%
2	3,835.6	4,008.2	4,180.8	26.2%	30.5%
3	3,444.4	3,599.4	3,754.4	26.4%	31.2%
4	3,105.5	3,245.2	3,385.0	26.5%	31.9%
5	2,812.2	2,938.7	3,065.3	26.7%	32.6%
6	2,554.2	2,669.1	2,784.1	26.8%	33.4%
7	2,331.7	2,436.6	2,541.6	27.0%	34.1%
8	2,136.1	2,232.2	2,328.3	27.2%	34.8%
9	1,963.6	2,052.0	2,140.3	27.4%	35.5%
10	1,865.3	1,949.2	2,033.2	27.5%	36.2%
11	1,772.1	1,851.8	1,931.6	32.7%	36.9%
12	1,683.5	1,759.3	1,835.0	37.8%	37.6%
13	1,599.3	1,671.3	1,743.2	42.9%	38.3%
14	1,519.4	1,587.8	1,656.1	48.1%	39.1%
15	1,443.3	1,508.2	1,573.2	53.3%	39.8%
16	1,371.2	1,432.9	1,494.6	53.4%	40.5%
17	1,302.6	1,361.2	1,419.8	53.6%	41.2%
18	1,237.5	1,293.2	1,348.9	53.8%	41.9%
19	1,181.8	1,235.0	1,288.2	54.0%	42.6%
20	1,134.5	1,185.6	1,236.6	54.2%	43.3%
21	1,089.1	1,138.1	1,187.1	59.3%	44.1%
22	1,045.6	1,092.7	1,139.7	64.5%	44.8%
23	1,003.8	1,049.0	1,094.1	69.7%	45.5%
24	963.6	1,007.0	1,050.3	74.9%	46.2%
25	925.1	966.7	1,008.4	80.1%	46.9%
26	894.4	934.6	974.9	80.3%	47.6%
27	868.6	907.7	946.8	80.4%	48.3%
28	863.3	902.1	941.0	80.5%	49.0%
29	857.0	895.6	934.1	80.5%	50.0%
30	850.8	889.1	927.4	80.5%	50.0%

2013-14 NBA Rookie Scale

(\$000's)

<u>Pick</u>	<u>1st Year Salary</u>	<u>2nd Year Salary</u>	<u>3rd Year Option Salary</u>	<u>4th Year Option: Percentage Increase Over 3rd Year Salary</u>	<u>Qualifying Offer: Percentage Increase Over 4th Year Salary</u>
1	4,436.9	4,636.6	4,836.3	26.1%	30.0%
2	3,969.8	4,148.5	4,327.1	26.2%	30.5%
3	3,565.0	3,725.4	3,885.8	26.4%	31.2%
4	3,214.2	3,358.8	3,503.5	26.5%	31.9%
5	2,910.6	3,041.6	3,172.6	26.7%	32.6%
6	2,643.6	2,762.6	2,881.5	26.8%	33.4%
7	2,413.3	2,521.9	2,630.5	27.0%	34.1%
8	2,210.9	2,310.4	2,409.8	27.2%	34.8%
9	2,032.3	2,123.8	2,215.2	27.4%	35.5%
10	1,930.6	2,017.5	2,104.3	27.5%	36.2%
11	1,834.1	1,916.7	1,999.2	32.7%	36.9%
12	1,742.4	1,820.8	1,899.2	37.8%	37.6%
13	1,655.3	1,729.8	1,804.3	42.9%	38.3%
14	1,572.6	1,643.3	1,714.1	48.1%	39.1%
15	1,493.8	1,561.0	1,628.3	53.3%	39.8%
16	1,419.2	1,483.1	1,546.9	53.4%	40.5%
17	1,348.2	1,408.9	1,469.5	53.6%	41.2%
18	1,280.8	1,338.4	1,396.1	53.8%	41.9%
19	1,223.2	1,278.2	1,333.2	54.0%	42.6%
20	1,174.2	1,227.0	1,279.9	54.2%	43.3%
21	1,127.2	1,177.9	1,228.7	59.3%	44.1%
22	1,082.2	1,130.9	1,179.6	64.5%	44.8%
23	1,038.9	1,085.7	1,132.4	69.7%	45.5%
24	997.3	1,042.2	1,087.1	74.9%	46.2%
25	957.5	1,000.6	1,043.7	80.1%	46.9%
26	925.7	967.4	1,009.0	80.3%	47.6%
27	899.0	939.5	979.9	80.4%	48.3%
28	893.5	933.7	973.9	80.5%	49.0%
29	887.0	926.9	966.8	80.5%	50.0%
30	880.6	920.2	959.8	80.5%	50.0%

2014-15 NBA Rookie Scale

(\$000's)

<u>Pick</u>	<u>1st Year Salary</u>	<u>2nd Year Salary</u>	<u>3rd Year Option Salary</u>	<u>4th Year Option: Percentage Increase Over 3rd Year Salary</u>	<u>Qualifying Offer: Percentage Increase Over 4th Year Salary</u>
1	4,592.2	4,798.9	5,005.5	26.1%	30.0%
2	4,108.8	4,293.7	4,478.6	26.2%	30.5%
3	3,689.7	3,855.8	4,021.8	26.4%	31.2%
4	3,326.7	3,476.4	3,626.1	26.5%	31.9%
5	3,012.5	3,148.1	3,283.6	26.7%	32.6%
6	2,736.1	2,859.2	2,982.4	26.8%	33.4%
7	2,497.8	2,610.2	2,722.6	27.0%	34.1%
8	2,288.2	2,391.2	2,494.2	27.2%	34.8%
9	2,103.5	2,198.1	2,292.8	27.4%	35.5%
10	1,998.2	2,088.1	2,178.0	27.5%	36.2%
11	1,898.3	1,983.7	2,069.2	32.7%	36.9%
12	1,803.4	1,884.6	1,965.7	37.8%	37.6%
13	1,713.2	1,790.3	1,867.4	42.9%	38.3%
14	1,627.6	1,700.9	1,774.1	48.1%	39.1%
15	1,546.1	1,615.7	1,685.2	53.3%	39.8%
16	1,468.9	1,535.0	1,601.1	53.4%	40.5%
17	1,395.4	1,458.2	1,521.0	53.6%	41.2%
18	1,325.6	1,385.3	1,444.9	53.8%	41.9%
19	1,266.0	1,322.9	1,379.9	54.0%	42.6%
20	1,215.3	1,270.0	1,324.7	54.2%	43.3%
21	1,166.7	1,219.2	1,271.7	59.3%	44.1%
22	1,120.1	1,170.5	1,220.9	64.5%	44.8%
23	1,075.3	1,123.7	1,172.1	69.7%	45.5%
24	1,032.2	1,078.7	1,125.1	74.9%	46.2%
25	991.0	1,035.6	1,080.2	80.1%	46.9%
26	958.1	1,001.2	1,044.3	80.3%	47.6%
27	930.5	972.3	1,014.2	80.4%	48.3%
28	924.8	966.4	1,008.0	80.5%	49.0%
29	918.0	959.4	1,000.7	80.5%	50.0%
30	911.4	952.4	993.4	80.5%	50.0%

2015-16 NBA Rookie Scale

(\$000's)

<u>Pick</u>	<u>1st Year Salary</u>	<u>2nd Year Salary</u>	<u>3rd Year Option Salary</u>	<u>4th Year Option: Percentage Increase Over 3rd Year Salary</u>	<u>Qualifying Offer: Percentage Increase Over 4th Year Salary</u>
1	4,753.0	4,966.8	5,180.7	26.1%	30.0%
2	4,252.6	4,444.0	4,635.3	26.2%	30.5%
3	3,818.9	3,990.7	4,162.6	26.4%	31.2%
4	3,443.1	3,598.1	3,753.0	26.5%	31.9%
5	3,117.9	3,258.2	3,398.6	26.7%	32.6%
6	2,831.9	2,959.3	3,086.8	26.8%	33.4%
7	2,585.2	2,701.5	2,817.9	27.0%	34.1%
8	2,368.3	2,474.9	2,581.5	27.2%	34.8%
9	2,177.1	2,275.0	2,373.0	27.4%	35.5%
10	2,068.1	2,161.2	2,254.2	27.5%	36.2%
11	1,964.8	2,053.2	2,141.6	32.7%	36.9%
12	1,866.5	1,950.5	2,034.5	37.8%	37.6%
13	1,773.2	1,853.0	1,932.8	42.9%	38.3%
14	1,684.6	1,760.4	1,836.2	48.1%	39.1%
15	1,600.2	1,672.2	1,744.2	53.3%	39.8%
16	1,520.3	1,588.7	1,657.1	53.4%	40.5%
17	1,444.2	1,509.2	1,574.2	53.6%	41.2%
18	1,372.0	1,433.8	1,495.5	53.8%	41.9%
19	1,310.3	1,369.2	1,428.2	54.0%	42.6%
20	1,257.8	1,314.4	1,371.0	54.2%	43.3%
21	1,207.5	1,261.8	1,316.2	59.3%	44.1%
22	1,159.3	1,211.4	1,263.6	64.5%	44.8%
23	1,112.9	1,163.0	1,213.1	69.7%	45.5%
24	1,068.4	1,116.4	1,164.5	74.9%	46.2%
25	1,025.7	1,071.8	1,118.0	80.1%	46.9%
26	991.6	1,036.3	1,080.9	80.3%	47.6%
27	963.0	1,006.4	1,049.7	80.4%	48.3%
28	957.2	1,000.2	1,043.3	80.5%	49.0%
29	950.2	992.9	1,035.7	80.5%	50.0%
30	943.3	985.7	1,028.2	80.5%	50.0%

2016-17 NBA Rookie Scale

(\$000's)

<u>Pick</u>	<u>1st Year Salary</u>	<u>2nd Year Salary</u>	<u>3rd Year Option Salary</u>	<u>4th Year Option: Percentage Increase Over 3rd Year Salary</u>	<u>Qualifying Offer: Percentage Increase Over 4th Year Salary</u>
1	4,919.3	5,140.7	5,362.1	26.1%	30.0%
2	4,401.4	4,599.5	4,797.6	26.2%	30.5%
3	3,952.5	4,130.4	4,308.3	26.4%	31.2%
4	3,563.6	3,724.0	3,884.4	26.5%	31.9%
5	3,227.1	3,372.3	3,517.5	26.7%	32.6%
6	2,931.0	3,062.9	3,194.8	26.8%	33.4%
7	2,675.7	2,796.1	2,916.5	27.0%	34.1%
8	2,451.2	2,561.5	2,671.8	27.2%	34.8%
9	2,253.3	2,354.7	2,456.1	27.4%	35.5%
10	2,140.5	2,236.8	2,333.1	27.5%	36.2%
11	2,033.5	2,125.0	2,216.5	32.7%	36.9%
12	1,931.9	2,018.8	2,105.7	37.8%	37.6%
13	1,835.2	1,917.8	2,000.4	42.9%	38.3%
14	1,743.5	1,822.0	1,900.5	48.1%	39.1%
15	1,656.2	1,730.7	1,805.3	53.3%	39.8%
16	1,573.5	1,644.3	1,715.1	53.4%	40.5%
17	1,494.8	1,562.0	1,629.3	53.6%	41.2%
18	1,420.1	1,484.0	1,547.9	53.8%	41.9%
19	1,356.1	1,417.2	1,478.2	54.0%	42.6%
20	1,301.9	1,360.4	1,419.0	54.2%	43.3%
21	1,249.8	1,306.0	1,362.2	59.3%	44.1%
22	1,199.9	1,253.8	1,307.8	64.5%	44.8%
23	1,151.9	1,203.7	1,255.6	69.7%	45.5%
24	1,105.8	1,155.5	1,205.3	74.9%	46.2%
25	1,061.6	1,109.3	1,157.1	80.1%	46.9%
26	1,026.3	1,072.5	1,118.7	80.3%	47.6%
27	996.7	1,041.6	1,086.4	80.4%	48.3%
28	990.7	1,035.2	1,079.8	80.5%	49.0%
29	983.4	1,027.7	1,071.9	80.5%	50.0%
30	976.3	1,020.2	1,064.2	80.5%	50.0%

2017-18 NBA Rookie Scale

(\$000's)

Pick	1st Year Salary	2nd Year Salary	3rd Year Option Salary	4th Year Option: Percentage Increase Over 3rd Year Salary	Qualifying Offer: Percentage Increase Over 4th Year Salary
1	5,091.5	5,320.6	5,549.7	26.1%	30.0%
2	4,555.5	4,760.5	4,965.5	26.2%	30.5%
3	4,090.9	4,275.0	4,459.0	26.4%	31.2%
4	3,688.4	3,854.3	4,020.3	26.5%	31.9%
5	3,340.0	3,490.3	3,640.6	26.7%	32.6%
6	3,033.6	3,170.1	3,306.6	26.8%	33.4%
7	2,769.3	2,893.9	3,018.6	27.0%	34.1%
8	2,537.0	2,651.2	2,765.3	27.2%	34.8%
9	2,332.1	2,437.1	2,542.0	27.4%	35.5%
10	2,215.4	2,315.1	2,414.8	27.5%	36.2%
11	2,104.7	2,199.4	2,294.1	32.7%	36.9%
12	1,999.5	2,089.4	2,179.4	37.8%	37.6%
13	1,899.5	1,984.9	2,070.4	42.9%	38.3%
14	1,804.6	1,885.8	1,967.0	48.1%	39.1%
15	1,714.2	1,791.3	1,868.5	53.3%	39.8%
16	1,628.6	1,701.8	1,775.1	53.4%	40.5%
17	1,547.1	1,616.7	1,686.3	53.6%	41.2%
18	1,469.8	1,535.9	1,602.0	53.8%	41.9%
19	1,403.6	1,466.8	1,529.9	54.0%	42.6%
20	1,347.4	1,408.1	1,468.7	54.2%	43.3%
21	1,293.5	1,351.7	1,409.9	59.3%	44.1%
22	1,241.8	1,297.7	1,353.6	64.5%	44.8%
23	1,192.2	1,245.8	1,299.5	69.7%	45.5%
24	1,144.5	1,196.0	1,247.5	74.9%	46.2%
25	1,098.7	1,148.2	1,197.6	80.1%	46.9%
26	1,062.3	1,110.1	1,157.9	80.3%	47.6%
27	1,031.6	1,078.0	1,124.5	80.4%	48.3%
28	1,025.3	1,071.5	1,117.6	80.5%	49.0%
29	1,017.8	1,063.7	1,109.5	80.5%	50.0%
30	1,010.5	1,056.0	1,101.4	80.5%	50.0%

2018-19 NBA Rookie Scale

(\$000's)

<u>Pick</u>	<u>1st Year Salary</u>	<u>2nd Year Salary</u>	<u>3rd Year Option Salary</u>	<u>4th Year Option: Percentage Increase Over 3rd Year Salary</u>	<u>Qualifying Offer: Percentage Increase Over 4th Year Salary</u>
1	5,269.7	5,506.8	5,744.0	26.1%	30.0%
2	4,714.9	4,927.1	5,139.3	26.2%	30.5%
3	4,234.0	4,424.6	4,615.1	26.4%	31.2%
4	3,817.5	3,989.2	4,161.0	26.5%	31.9%
5	3,456.9	3,612.5	3,768.0	26.7%	32.6%
6	3,139.8	3,281.1	3,422.3	26.8%	33.4%
7	2,866.3	2,995.2	3,124.2	27.0%	34.1%
8	2,625.8	2,744.0	2,862.1	27.2%	34.8%
9	2,413.8	2,522.4	2,631.0	27.4%	35.5%
10	2,292.9	2,396.1	2,499.3	27.5%	36.2%
11	2,178.4	2,276.4	2,374.4	32.7%	36.9%
12	2,069.5	2,162.6	2,255.7	37.8%	37.6%
13	1,965.9	2,054.4	2,142.9	42.9%	38.3%
14	1,867.7	1,951.8	2,035.8	48.1%	39.1%
15	1,774.2	1,854.0	1,933.9	53.3%	39.8%
16	1,685.6	1,761.4	1,837.3	53.4%	40.5%
17	1,601.2	1,673.3	1,745.3	53.6%	41.2%
18	1,521.2	1,589.7	1,658.1	53.8%	41.9%
19	1,452.7	1,518.1	1,583.5	54.0%	42.6%
20	1,394.6	1,457.3	1,520.1	54.2%	43.3%
21	1,338.8	1,399.0	1,459.3	59.3%	44.1%
22	1,285.3	1,343.1	1,401.0	64.5%	44.8%
23	1,233.9	1,289.5	1,345.0	69.7%	45.5%
24	1,184.5	1,237.8	1,291.1	74.9%	46.2%
25	1,137.2	1,188.4	1,239.5	80.1%	46.9%
26	1,099.4	1,148.9	1,198.4	80.3%	47.6%
27	1,067.7	1,115.8	1,163.8	80.4%	48.3%
28	1,061.2	1,109.0	1,156.7	80.5%	49.0%
29	1,053.5	1,100.9	1,148.3	80.5%	50.0%
30	1,045.9	1,092.9	1,140.0	80.5%	50.0%

2019-20 NBA Rookie Scale

(\$000's)

<u>Pick</u>	<u>1st Year Salary</u>	<u>2nd Year Salary</u>	<u>3rd Year Option Salary</u>	<u>4th Year Option: Percentage Increase Over 3rd Year Salary</u>	<u>Qualifying Offer: Percentage Increase Over 4th Year Salary</u>
1	5,454.1	5,699.6	5,945.0	26.1%	30.0%
2	4,880.0	5,099.6	5,319.2	26.2%	30.5%
3	4,382.2	4,579.4	4,776.6	26.4%	31.2%
4	3,951.1	4,128.9	4,306.7	26.5%	31.9%
5	3,577.9	3,738.9	3,899.9	26.7%	32.6%
6	3,249.7	3,395.9	3,542.1	26.8%	33.4%
7	2,966.6	3,100.1	3,233.6	27.0%	34.1%
8	2,717.7	2,840.0	2,962.3	27.2%	34.8%
9	2,498.2	2,610.7	2,723.1	27.4%	35.5%
10	2,373.2	2,480.0	2,586.8	27.5%	36.2%
11	2,254.6	2,356.1	2,457.5	32.7%	36.9%
12	2,141.9	2,238.3	2,334.7	37.8%	37.6%
13	2,034.8	2,126.3	2,217.9	42.9%	38.3%
14	1,933.1	2,020.1	2,107.1	48.1%	39.1%
15	1,836.3	1,918.9	2,001.5	53.3%	39.8%
16	1,744.5	1,823.1	1,901.6	53.4%	40.5%
17	1,657.3	1,731.8	1,806.4	53.6%	41.2%
18	1,574.4	1,645.3	1,716.1	53.8%	41.9%
19	1,503.6	1,571.2	1,638.9	54.0%	42.6%
20	1,443.4	1,508.4	1,573.3	54.2%	43.3%
21	1,385.6	1,448.0	1,510.3	59.3%	44.1%
22	1,330.3	1,390.2	1,450.0	64.5%	44.8%
23	1,277.1	1,334.6	1,392.1	69.7%	45.5%
24	1,226.0	1,281.1	1,336.3	74.9%	46.2%
25	1,177.0	1,229.9	1,282.9	80.1%	46.9%
26	1,137.9	1,189.1	1,240.3	80.3%	47.6%
27	1,105.1	1,154.8	1,204.6	80.4%	48.3%
28	1,098.4	1,147.8	1,197.2	80.5%	49.0%
29	1,090.3	1,139.4	1,188.5	80.5%	50.0%
30	1,082.5	1,131.2	1,179.9	80.5%	50.0%

2020-21 NBA Rookie Scale

(\$000's)

<u>Pick</u>	<u>1st Year Salary</u>	<u>2nd Year Salary</u>	<u>3rd Year Option Salary</u>	<u>4th Year Option: Percentage Increase Over 3rd Year Salary</u>	<u>Qualifying Offer: Percentage Increase Over 4th Year Salary</u>
1	5,645.0	5,899.1	6,153.1	26.1%	30.0%
2	5,050.8	5,278.0	5,505.3	26.2%	30.5%
3	4,535.6	4,739.7	4,943.8	26.4%	31.2%
4	4,089.4	4,273.4	4,457.4	26.5%	31.9%
5	3,703.1	3,869.8	4,036.4	26.7%	32.6%
6	3,363.4	3,514.7	3,666.1	26.8%	33.4%
7	3,070.4	3,208.6	3,346.7	27.0%	34.1%
8	2,812.8	2,939.4	3,066.0	27.2%	34.8%
9	2,585.7	2,702.0	2,818.4	27.4%	35.5%
10	2,456.2	2,566.8	2,677.3	27.5%	36.2%
11	2,333.5	2,438.5	2,543.5	32.7%	36.9%
12	2,216.8	2,316.6	2,416.4	37.8%	37.6%
13	2,106.0	2,200.7	2,295.5	42.9%	38.3%
14	2,000.8	2,090.8	2,180.8	48.1%	39.1%
15	1,900.6	1,986.1	2,071.6	53.3%	39.8%
16	1,805.6	1,886.9	1,968.1	53.4%	40.5%
17	1,715.3	1,792.5	1,869.7	53.6%	41.2%
18	1,629.6	1,702.9	1,776.2	53.8%	41.9%
19	1,556.2	1,626.2	1,696.3	54.0%	42.6%
20	1,493.9	1,561.1	1,628.4	54.2%	43.3%
21	1,434.1	1,498.7	1,563.2	59.3%	44.1%
22	1,376.9	1,438.8	1,500.8	64.5%	44.8%
23	1,321.8	1,381.3	1,440.8	69.7%	45.5%
24	1,268.9	1,326.0	1,383.1	74.9%	46.2%
25	1,218.2	1,273.0	1,327.8	80.1%	46.9%
26	1,177.8	1,230.8	1,283.8	80.3%	47.6%
27	1,143.8	1,195.3	1,246.7	80.4%	48.3%
28	1,136.8	1,188.0	1,239.1	80.5%	49.0%
29	1,128.5	1,179.3	1,230.1	80.5%	50.0%
30	1,120.3	1,170.8	1,221.2	80.5%	50.0%

EXHIBIT B

Minimum Annual Salary Scale

<u>Years of Service</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
0	473,604	473,604	490,180	507,336	525,093	543,471	562,493	582,180	602,557	623,646
1	762,195	762,195	788,872	816,482	845,059	874,636	905,249	936,932	969,725	1,003,665
2	854,389	854,389	884,293	915,243	947,276	980,431	1,014,746	1,050,262	1,087,021	1,125,067
3	885,120	885,120	916,099	948,163	981,348	1,015,696	1,051,245	1,088,038	1,126,120	1,165,534
4	915,852	915,852	947,907	981,084	1,015,421	1,050,961	1,087,745	1,125,816	1,165,220	1,206,002
5	992,680	992,680	1,027,424	1,063,384	1,100,602	1,139,123	1,178,992	1,220,257	1,262,966	1,307,170
6	1,069,509	1,069,509	1,106,942	1,145,685	1,185,784	1,227,286	1,270,241	1,314,700	1,360,714	1,408,339
7	1,146,337	1,146,337	1,186,459	1,227,985	1,270,964	1,315,448	1,361,489	1,409,141	1,458,461	1,509,507
8	1,223,166	1,223,166	1,265,977	1,310,286	1,356,146	1,403,611	1,452,738	1,503,583	1,556,209	1,610,676
9	1,229,255	1,229,255	1,272,279	1,316,809	1,362,897	1,410,598	1,459,969	1,511,068	1,563,956	1,618,694
10+	1,352,181	1,352,181	1,399,507	1,448,490	1,499,187	1,551,659	1,605,967	1,662,176	1,720,352	1,780,564