

CBA

101

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



Prepared by the NBA (August 2010)

TABLE OF CONTENTS

I. SALARY CAP AND RELATED RULES	2-9
A. Term of Agreement	2
B. Calculating the Salary Cap and Minimum Team Salary	2
C. Room	2
D. Length of Contracts and Disclosure Rules	3
E. Salary Cap Exceptions	3-4
Qualifying Veteran Free Agent (“Bird”) Exception; Early Qualifying Veteran Free Agent (“Early Bird”) Exception; Non-Qualifying Veteran Free Agent (“Non-Bird”) Exception; Bi-Annual Exception; Mid-Level Salary Exception, Rookie Exception; Minimum Salary Exception; Disabled Player Exception; Assigned (“Traded”) Player Exception	
F. Rules Relating to Exceptions	4
G. Additional Trade Rules	5
H. Annual Salary Increases and Decreases	6
I. Renegotiations	6
J. Rookie Scale Extensions	6
K. Veteran Extensions	6-7
L. Team Salary Rules	7
M. Certain Player Salary Rules	7-8
Right of Set-Off; Over 36 Rules; Signing Bonuses; Loans; Performance Bonuses	
N. One-Year Minimum Contracts	8
O. July Moratorium	8
P. Minimum Player Salary	8
Q. Maximum Player Salary	8-9
R. Rookie Salary Scale	9
S. Early Termination Options	9
II. ESCROW AND TAX ARRANGEMENT	9-10
A. Escrow	9
B. Tax	9-10
III. FREE AGENCY	10-11
A. Definition of Free Agent Status	10
B. Qualifying Offers	10
C. Right of First Refusal Rules	10-11
IV. ANTI-DRUG AGREEMENT	11-12
A. Prohibited Substances	11
B. Testing	11
C. Coming Forward Voluntarily	11-12
D. Penalties	12
E. Reinstatement	12
V. NBA DEVELOPMENT LEAGUE	13
VI. MISCELLANEOUS	13-14
A. NBA Draft	13
B. Rosters	13
C. Training Camp	13
D. Waiver Period	13
E. Per Diem	13
F. All-Star Game Player Payments	13-14
G. Conduct and Discipline	14
H. Player Appearances	14
I. Buyout Payments to International Teams	14
J. Pension	14

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 2005-06 season (July 29, 2005) and runs through the 2010-11 season (June 30, 2011). The NBA had the option to extend the CBA for one year (through June 30, 2012) but declined to exercise that option.

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.). The "Minimum Team Salary" is the minimum amount that a team must pay its players in total salaries by the end of a season.

The Salary Cap for 2010-11 is \$58.044 million. The Salary Cap for each season, subject to certain adjustments, is 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 51%, subtracting player benefits, and then dividing the result by 30. The Minimum Team Salary for the 2010-11 season, which is calculated by multiplying the Salary Cap by 75%, is \$43.533 million.

The NBA Salary Cap, since its introduction in 1984-85, has risen as follows:

Season	Salary Cap
1984-85	\$3.6 million
1985-86	\$4.233 million
1986-87	\$4.945 million
1987-88	\$6.164 million
1988-89	\$7.232 million
1989-90	\$9.802 million
1990-91	\$11.871 million
1991-92	\$12.5 million
1992-93	\$14.0 million
1993-94	\$15.175 million
1994-95	\$15.964 million
1995-96	\$23.0 million
1996-97	\$24.363 million
1997-98	\$26.9 million
1998-99	\$30.0 million
1999-00	\$34.0 million
2000-01	\$35.5 million
2001-02	\$42.5 million
2002-03	\$40.271 million
2003-04	\$43.84 million
2004-05	\$43.87 million
2005-06	\$49.5 million
2006-07	\$53.135 million
2007-08	\$55.630 million
2008-09	\$58.680 million
2009-10	\$57.7 million
2010-11	\$58.044 million

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 = \$58.044 million; Team Salary = \$50 million
Team has Room of \$8.044 million and may sign player(s) for up to \$8.044 million.

(2) Salary Cap = \$58.044 million; Team Salary = \$65 million
Team has \$5.765 million Mid-Level Exception. Team has Room of \$5.765 million and may sign player(s) for up to \$5.765 million.

D. Length of Contracts and Disclosure Rules

(1) The maximum lengths of contracts are:

- (a) Contracts between a team and its Bird free agents and extensions of Rookie Scale Contracts: six years
- (b) Contracts signed using the the Minimum Salary Exception or the Bi-Annual Exception: two years
- (c) Rookie Scale Contracts: required term: two years, plus two one-year team options for a third and fourth year, respectively
- (d) All other contracts, including extensions: five years

(2) 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.

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).

(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) 108% 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). 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) 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 the following amounts:

For 2005-06:	\$1.67 million
For 2006-07:	\$1.75 million
For 2007-08:	\$1.83 million
For 2008-09:	\$1.91 million
For 2009-10:	\$1.99 million
For 2010-11:	\$2.08 million

(b) Teams can use the Bi-Annual Exception up to three times during the CBA's six-year term, but not in consecutive years.

(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 trade.

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

(a) A team may use the 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 108% of the average player salary for the prior season. The Mid-Level Salary Exception for the 2010-11 season is \$5.765 million.

(b) The Mid-Level Salary Exception can be used every year of the CBA.

(c) Contracts signed under the Mid-Level Salary Exception can cover up to five seasons.

(d) A team can use the 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 trade.

(6) 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 2010-11.)

(7) Minimum Salary Exception. A team may sign a player to a one-year or two-year contract at the applicable minimum player salary (pro-rated as appropriate for a 10-day or rest-of-season contract). This Exception may also be used to acquire a player who is making the minimum by trade.

(8) Disabled Player Exception. A team may replace a player who suffers a season-ending injury with one player making up to 50% of the injured player's current salary, up to a maximum of 108% of the average player salary for the prior season. The Disabled Player Exception is available in the following circumstances:

(a) If the player is injured between July 1 and November 30 and is determined to be out for that season, the team has 45 days from the date the Exception arose to use the Exception (In general, a Disabled Player Exception arises on the date the team knew or reasonably should have known that the injury or illness would cause the player to miss the season); or

(b) If the player is injured between December 1 and June 30 and is determined to be out for the remainder of that season and the subsequent season, the team has until the following October 1 to use the Exception.

(9) 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 trade.

(a) A traded player may be "simultaneously" replaced (i.e., in the same transaction) by one or more players whose salaries in the aggregate do not exceed 125% of the salary (or Base Year Compensation, if applicable -- refer to Section I.G.(5)) of the player being replaced, plus \$100,000.

(b) A traded player may be replaced in a non-simultaneous transaction by one or more players whose salaries in the aggregate do not exceed 100% of the salary (or Base Year Compensation) of the player being replaced, plus \$100,000.

(c) A team with a team salary below the Salary Cap may acquire one or more players by trade whose post-trade salaries, in the aggregate, are no more than an amount equal to the team's salary cap room plus \$100,000.

Examples:

(i) Salary Cap = \$58.044 million; Team Salary = \$65 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).

(ii) Salary Cap = \$58.044 million; Team Salary = \$65 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).

(iii) Salary Cap = \$58.044 million; Team Salary = \$50 million

Team seeks to trade a \$4 million player. Team could replace that player in a simultaneous trade with a player or players making \$12.144 million. (\$58.044 million – 50 million + \$4 million plus \$100,000).

F. Rules Relating to Exceptions

(1) In order for a team to be able to use a Disabled Player, Bi-Annual, Mid-Level Salary, or Traded Player Exception, at the time the Exception arises and until it is used to sign or acquire a new player, the team's Team Salary must be over the Salary Cap or below the Salary Cap by less than the amount of the Exception(s).

(2) 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 125% of the sum of the aggregated salaries (or Base Year Compensations, if applicable), plus \$100,000.

Example:

Salary Cap = \$58.044 million; Team Salary = \$65 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 \$5.1 million (\$4.0 million x 125% plus \$100,000).

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

(3) The Mid-level, Bi-Annual, Bird, Early Bird and Non-Bird exceptions are prorated beginning on January 10 of each season. The Minimum Player Salary exception is prorated after the first day of the season.

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 the contract is for three or more years (the first season of the contract must be fully guaranteed).

(2) Cash Transfers. A team cannot receive more than \$3 million in cash or other compensation, including salary reimbursements, in any trade.

(3) 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.)

(4) Waiting Period for New Contracts.

(a) 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. This rule does not apply to extensions, renegotiations, or "sign-and-trade" transactions. 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) 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 at least 30 days have passed following the date the trade was consummated (or 20 days for trades that occur during the off-season).

(5) Base Year Compensation.

(a) If a team is over the Salary Cap and enters into (i) a new player contract with a Bird or Early Bird free agent or (ii) an extension of a Rookie Scale Contract, 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, the player will be subject to a Base Year Compensation. If such a player is traded, his Base Year Compensation will be used instead of his salary for purposes of determining the amount of his Traded Player Exception.

(b) The player's Base Year Compensation will equal the greater of (a) the salary for the last season of his preceding contract, or in the case of a Rookie Scale Extension, the last season of the original term of the contract or (b) 50% of the player's salary for the first season of the new contract, or in the case of a Rookie Scale Extension, the first season of the

extended term. A player's Base Year Compensation will go into effect on the date the new contract is entered into, or, in the case of a Rookie Scale Extension, the day following the last day of the Moratorium Period (refer to Section I.O. below) that precedes the first season of the extended term, and will expire on the later of (i) the following June 30, or (ii) six (6) months following the date the Base Year Compensation goes into effect.

Example:

Bird player who made \$1 million in 2009-10 signs a three-year contract beginning in 2010-11 for \$5.0 million per year. The player will have a Base Year Compensation in the first year of his new contract equal to \$2.5 million (i.e., 1/2 of \$5.0 million). Therefore,

if his team is over the Salary Cap and trades him during that year it can only acquire a player making \$3.225 million in return (\$2.5 million x 125% plus \$100,000).

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 10.5% of the first year's salary. For all other contracts, salary may increase or decrease after the first year of the contract by up to 8% 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 10.5% of \$5.0 million (\$525,000):

Year 1	\$5.0 million
Year 2	\$5.525 million
Year 3	\$6.050 million
Year 4	\$6.575 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 8% of \$5.0 million (\$400,000):

Year 1	\$5.0 million
Year 2	\$5.4 million
Year 3	\$5.8 million
Year 4	\$6.2 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) 10.5% of the increase in salary in the first season that was renegotiated. (Refer to Section I.K. for an example.)

(2) A renegotiation may not provide for a decrease in salary in any season.

(3) No player contract may be renegotiated until the third anniversary of the signing of the contract, or until the third anniversary of any subsequent extension of the contract.

(4) A player contract may not be renegotiated from March 1 through June 30.

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 may add up to five new seasons to the player's contract (six seasons in total) and may provide for a salary in the first season of the extension of any amount up to the maximum player salary (Refer to Section I.Q). Salary may increase or decrease in subsequent seasons by up to 10.5% of the salary in the first season of the extension.

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 110.5% of the salary in the last year of the original contract. Salary may increase or decrease in subsequent seasons by up to 10.5% of the salary in the last year of the original term of the contract.

(2) With respect to any player contract entered into after the date of the current CBA, a player contract covering a term of four, five or six seasons may not be extended until the third anniversary of the signing of the contract. For contracts signed prior to the current CBA, (a) no player contract of six or seven years in length may be extended until the fourth anniversary of the signing of the contract and (b) no player contract of four or five years in length may be extended until 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 three years left on his original six-year contract:

Year 4	\$6.0 million
Year 5	\$6.5 million
Year 6	\$7.0 million

Maximum permissible renegotiation of existing term of contract:

Year 4	\$8.0 million (\$6.0 million + \$2.0 million)
Year 5	\$8.71 million (\$6.5 million + \$2.0 million + \$210,000 (10.5% of \$2.0 million))
Year 6	\$9.42 million (\$7.0 million + \$2.21 million + \$210,000 (10.5% of \$2.0 million))

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

Extension Year 1 --	\$10.41 million (110.5% of \$9.42 million)
Extension Year 2 --	\$11.40 million (increase is \$9.42 million x 10.5%)

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 200% 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) Summer Contracts. From the day after the Moratorium Period ends until 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 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 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:

If Player A is a second-year player and is waived by Team Z with two guaranteed years remaining on his contract and then signs a contract with Team Y after clearing waivers, Team Z could be owed a setoff. If 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 \$3.24 million for year two, the setoff for each year would be calculated as below:

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

Year One – (\$3 million - \$762,195) x 50% = \$1,118,902.50

Year Two – (\$3.24 million - \$762,195) x 50% = \$1,238,902.50

(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 allows the player to opt-out at any point, the signing bonus will be allocated only over the years prior to the season(s) covered by the opt-out. A signing bonus may not exceed 20% of the total amount of the contract – or 17.5% in the case of an offer sheet (including the signing bonus but excluding incentive compensation). Minimum salary contracts may not contain signing bonuses.

(4) 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.

(5) 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 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 25% of the player's base salary for the season.

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 (\$854,389 for 2010-11). 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 Restricted Free Agents.

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.)

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 entered into after July 29, 2005. (Subsequent seasons of the contract are governed by the 10.5% and 8% 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, (y) 105% of the player's salary for the prior season, or (z) \$9 million.

(2) For any player who has completed at least seven (7) 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, (y) 105% of the player's salary for the prior season, or (z) \$11 million.

(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, (y) 105% of the player's salary for the prior season, or (z) \$14 million.

* The maximum player salaries are based on a 48.04% of Basketball Related Income (BRI) Salary Cap (not on the current 51% Salary Cap). For the 2010-11 season, that figure is \$54.415 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 2010-11.)

S. Early Termination Options

A 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 a contract.

II. ESCROW AND TAX ARRANGEMENT

A. Escrow

(1) The Escrow System began in the 2001-02 season and will remain in effect for the duration of the current CBA.

(2) The maximum percentage of player salaries and benefits that can be withheld from the players for purposes of escrow are as follows:

Season	% of Total Salaries and Benefits
2005-06	10%
2006-07	9%
2007-08	9%
2008-09	9%
2009-10	9%
2010-11	8%

(3) The escrow level will be 57% of BRI for each year of the current CBA. This percentage will be guaranteed to the players so that if total player costs are less than 57% of BRI, the difference will be paid by the league to the players.

(4) In the event BRI for any season was more than 30% above the BRI level for the 2004-05 season, the escrow level would have increased to 57½ % for that season and subsequent seasons.

(5) 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).

B. Tax

(1) A team tax trigger is set at 61% of projected Basketball Related Income ("BRI"). The tax is in effect each season, regardless of the percentage of BRI paid by the league as a whole, and will apply to any team with a payroll that exceeds the tax trigger.

(2) The tax trigger for each season is established before free agent signings begin.

(3) For the 2010-11 season, the team tax trigger is \$70.307 million. Any team with a Team Salary over \$70.307 million would pay a \$1 tax for each \$1 by which it exceeds \$70.307 million. Thus a team with a Team Salary of \$75.307 million would pay a \$5 million tax.

(4) Each non-taxpaying team will receive a 1/30th share of the tax payments.

(5) The remaining tax funds (“undistributed funds”) 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).

(6) Each team was permitted to designate one “amnesty” player (a player waived before August 15, 2005) so that the player’s salary would be removed from the team’s payroll for purposes of computing the team’s tax payment for the 2005-06 season and any future seasons for which the player was under contract. (NOTE: Commencing with the 2008-09 season, the amnesty provisions of the CBA are no longer relevant as the player contracts for all “amnesty” players expired prior to the 2008-09 season.)

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

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 \$175,000.

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 108% of the average player salary for the prior year and the second year salary may not increase or decrease by more than 8%.

(ii) (ii) If the Offer Sheet provides for 108% of the average player salary for the first year with an 8% 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 8% of the first-year salary). The player’s salary after the third year may increase or decrease by no more than 6.9% 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 doesn’t 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, six-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 seven 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 seven days, its Right of First Refusal expires and the player's agreement with the new team becomes binding.

IV. ANTI-DRUG AGREEMENT

A. Prohibited Substances

The following substances are Prohibited Substances under the Program: amphetamine and its analogs (including, but not limited to, methamphetamine and MDMA), cocaine, LSD, opiates (heroin, codeine and morphine), and PCP (collectively, "Drugs of Abuse"); marijuana; steroids, performance-enhancing drugs and masking agents (collectively, "SPEDs"); and diuretics.

B. Testing

(1) Laboratories and Testing: All drug tests will be analyzed by certified laboratories selected by the NBA and NBPA and approved by the Medical Director. A player will test "positive" for a Prohibited Substance at the concentration levels set forth in the CBA, if the player fails or refuses to submit to a drug test, or if the player attempts to substitute, dilute or adulterate his urine sample. A player notified of a positive result has five (5) business days to request a re-test from the NBA and NBPA. The re-test will be performed at a laboratory different from the laboratory used for the first test.

(2) Random Testing: All players are subject to four random tests each season (from October 1 to June 30). All such tests are scheduled and conducted by an independent, third-party entity and are without prior notice to the player. The NBA and the NBPA are not involved in the scheduling of any tests or the selection of players for testing.

(3) Reasonable Cause Testing: If the NBA or NBPA receives information that provides reasonable cause of a player's use, possession or distribution of a Prohibited Substance, the NBA or NBPA may request a hearing with the other party and the Independent Expert within 24 hours of the receipt of that information. At that hearing, the Independent Expert will decide whether reasonable cause exists, and if it does exist, will issue an authorization for

testing. After an authorization for testing is issued, the NBA will arrange for testing of the player four times during the next six weeks.

(4) Adjudication Without Testing: If the NBA or NBPA believes that there is sufficient evidence of a player's use, possession or distribution of a Prohibited Substance, or of his treatment outside the Program for the use of a Prohibited Substance, the matter may be taken directly to the Grievance Arbitrator. If the Grievance Arbitrator determines that the player has used or possessed a Drug of Abuse, or has distributed any Prohibited Substance, the player will be dismissed and disqualified from the NBA. If the Grievance Arbitrator determines that the player has used or possessed marijuana or a SPED, the player will be subject to the penalties for a positive test result for the applicable Prohibited Substance.

C. Coming Forward Voluntarily

Under the Anti-Drug Program, any player who voluntarily comes forward to seek treatment of a drug problem is provided with appropriate in-patient counseling and medical treatment, as prescribed by the Program's Medical Director. In order to encourage players with problems to seek help, this treatment is provided at the expense of the team, the player continues to be paid, and penalties are generally not imposed as long as the player complies with the terms of his prescribed treatment.

(1) A player may not come forward voluntarily until he has been selected in an NBA Draft or invited to an NBA training camp. He also may not come forward voluntarily: (a) during a period in which he is subject to reasonable cause testing under the Program; (b) during a period in which he is subject to in-patient or aftercare treatment in the Program; or (c) if he has already reached Stage 2 of the Drugs of Abuse Program.

(2) In order to come forward voluntarily, a player must directly communicate his desire to enter the Anti-Drug Program and seek treatment for a problem involving the use of a Prohibited Substance, and he must communicate this to the Medical Director of the Anti-Drug Program or a designated representative of the NBA League Office or the Executive Office of the Players Association. A player is not permitted to come forward voluntarily to a representative of a team. Therefore, any player who tells an owner or other

team employee that he is having a drug problem has not come forward voluntarily within the meaning of the Anti-Drug Program and remains subject to all Program penalties.

(3) Upon voluntary entry into the Anti-Drug Program, the player will be evaluated by the Medical Director and a treatment program (usually including counseling and testing) will be designed specifically for that player. If the player fails to comply with his in-patient treatment or with his aftercare, as prescribed by the Program's counselors, he is subject to substantial fines and suspensions.

D. Penalties

(1) Drugs of Abuse: If a player tests positive for a Drug of Abuse during Random Testing or Reasonable Cause Testing, 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, no contest or nolo contendere to, a crime involving the use or possession of a Drug of Abuse.

(2) SPEDs: If a player tests positive the first time for SPEDs during Random Testing or Reasonable Cause Testing, the player will be suspended for ten (10) games and will be required to enter the SPEDs Program. A second positive test for SPEDs will result in a 25-game suspension and the player's re-entry into the SPEDs Program. A third positive test for SPEDs will result in a one-year suspension and the player's re-entry into the SPEDs Program. A fourth positive test for SPEDs will result in the player being 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, no contest or nolo contendere to, a crime involving the use or possession of a SPED.

(3) Marijuana: If a player tests positive for marijuana during Random Testing or Reasonable Cause Testing, or he is convicted of, or pleads guilty, nolo contendere or no contest to, the use or possession of marijuana in violation of the law, he will be required to enter the Marijuana Program. A second

positive test for marijuana will result in a \$25,000 fine and the player's re-entry into the Marijuana Program. A third positive test for marijuana will result in a five-game suspension and the player's re-entry into the Marijuana Program. A fourth (or any subsequent) positive test for marijuana will result in a suspension that is five (5) games longer than the player's immediately-preceding suspension.

(4) Diuretics: If a player tests positive for a diuretic during Random Testing, he will be subject to the penalties for a positive test result for SPEDs. If a player tests positive for a diuretic during Reasonable Cause Testing, he will be subject to the penalties for a positive test result for the Prohibited Substance for which the authorization for Reasonable Cause Testing was issued.

(5) Non-Compliance With Treatment: Any player that enters the Program must comply with the in-patient and/or aftercare ordered by the 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 while in the Program will result in substantial fines and suspensions, which will be imposed until that player fully complies with the requirements of the Program. If the player is in the Drugs of Abuse Program, his failure to comply with the Program's requirements can also lead to the termination of his player contract and his dismissal and disqualification from the NBA.

During Stage 2 of the Drugs of Abuse Program, a player will automatically be suspended during his period of in-patient treatment and for at least six (6) months of his aftercare. Any later use, possession or distribution of a Drug of Abuse by a Stage 2 player (even if voluntarily disclosed) will result in his dismissal and disqualification from the NBA.

If a player seeks treatment outside the Program, he may be required to be tested without notice. If the player tests positive for a Drug of Abuse during this testing, or does not voluntarily come forward for testing within 60 days of the NBA's request, the player will advance two stages in the Drugs of Abuse Program. If he was previously in the Drugs of Abuse Program, he will be dismissed and disqualified from the NBA.

E. Reinstatement

Any First-Year Player who is dismissed and disqualified from the NBA pursuant to Random Testing will be disqualified for a period of not less than one (1) year. Any other player who is dismissed and disqualified from the NBA under the terms of the Program will be disqualified for a period of not less than two (2) years. A player will only be reinstated with the approval of both the NBA and the NBPA, and such approval may be conditioned on random testing and other terms.

V. NBA DEVELOPMENT LEAGUE

(1) During an NBA player's first two seasons in the league (regardless of his age when he entered the league), his team will be permitted to assign him to a team in the NBA Development League.

(2) A player can be assigned to the NBA Development League up to three times per season.

(3) The player 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 players on its active list and one player on its inactive list. Teams may have a maximum of three 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 has agreed to guarantee 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). For the 2010-11 season, veteran players must report by 11 a.m. (local time) on Monday, September 27. Team practices can not begin until Tuesday, September 28. Rookies may be required to report up to 10 days prior to the date veterans are required to report.

D. Waiver Period

From August 15 through the end of the season, the time period for a player to clear waivers is 48 hours. From the day following the end of the season through August 14, the time period for a player to clear waivers is seven days.

E. Per Diem

For the 2010-11 season, the player per diem will be \$115, 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 2010-11 season will be \$35,000 (winners) and \$15,000 (losers).

(2) Player payments for the Rookie Challenge for the 2010-11 season will be \$15,000 (winners)/\$5,000 (losers).

(3) Player Payments for an All-Star Skills Competition are listed below:

Slam Dunk		Three-Point Shootout	
1st Place	\$35,000	1st Place	\$35,000
2nd Place	\$22,500	2nd Place	\$22,500
3rd Place	\$16,125	3rd Place	\$15,000
4th Place	\$16,125	4th Place	\$4,500
		5th Place	\$4,500
		6th Place	\$4,500

Skills

1st Place	\$35,000
2nd Place	\$22,500
3rd Place	\$9,000
4th Place	\$9,000

Shooting Stars

Winning Team	\$45,000
2nd Place Team	\$33,750
3rd Place Team	\$16,875
4th Place Team	\$16,875

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 has been deemed "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) Suspension 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.

H. Player Appearances

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

I. Buyout Payments to International Teams

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 \$500,000.

J. Pension

The NBA and NBPA agreed to substantial pension increases for both current and former players. In addition, under the prior CBA, players whose careers terminated prior to 1965 required 5 or more years of service to receive pension benefits. Under the current CBA, the group of pre-1965 players receiving benefits has been expanded to include players with 3 or more years of service.

**2005-06 NBA Rookie Scale
(\$000's)**

Pick	1st Year Salary	2nd Year Salary	3rd Year Option Salary Over 3rd Year Salary	4th Year Option: Percentage Increase Over 4th Year Salary	Qualifying Offer: Percentage Increase
1	3,617.1	3,888.3	4,159.6	26.1%	30.0%
2	3,236.3	3,479.0	3,721.7	26.2%	30.5%
3	2,906.2	3,124.2	3,342.2	26.4%	31.2%
4	2,620.2	2,816.8	3,013.3	26.5%	31.9%
5	2,372.8	2,550.7	2,728.7	26.7%	32.6%
6	2,155.1	2,316.8	2,478.4	26.8%	33.4%
7	1,967.4	2,114.9	2,262.5	27.0%	34.1%
8	1,802.4	1,937.5	2,072.7	27.2%	34.8%
9	1,656.8	1,781.0	1,905.3	27.4%	35.5%
10	1,573.9	1,691.9	1,810.0	27.5%	36.2%
11	1,495.2	1,607.3	1,719.5	32.7%	36.9%
12	1,420.4	1,526.9	1,633.5	37.8%	37.6%
13	1,349.4	1,450.6	1,551.8	42.9%	38.3%
14	1,282.0	1,378.1	1,474.3	48.1%	39.1%
15	1,217.8	1,309.1	1,400.5	53.3%	39.8%
16	1,157.0	1,243.7	1,330.5	53.4%	40.5%
17	1,099.1	1,181.5	1,264.0	53.6%	41.2%
18	1,044.2	1,122.5	1,200.8	53.8%	41.9%
19	997.1	1,071.9	1,146.7	54.0%	42.6%
20	957.3	1,029.0	1,100.8	54.2%	43.3%
21	918.9	987.9	1,056.8	59.3%	44.1%
22	882.2	948.3	1,014.5	64.5%	44.8%
23	847.0	910.5	974.0	69.7%	45.5%
24	813.0	874.0	935.0	74.9%	46.2%
25	780.5	839.0	897.6	80.1%	46.9%
26	754.7	811.2	867.8	80.3%	47.6%
27	732.8	787.8	842.8	80.4%	48.3%
28	728.4	783.0	837.6	80.5%	49.0%
29	723.1	777.3	831.5	80.5%	50.0%
30	717.8	771.7	825.5	80.5%	50.0%

**2006-07 NBA Rookie Scale
(\$000's)**

Pick	1st Year Salary	2nd Year Salary	3rd Year Option Salary Over 3rd Year Salary	4th Year Option: Percentage Increase Over 4th Year Salary	Qualifying Offer: Percentage Increase
1	3,751.0	4,032.4	4,313.7	26.1%	30.0%
2	3,356.1	3,607.8	3,859.5	26.2%	30.5%
3	3,013.9	3,239.9	3,466.0	26.4%	31.2%
4	2,717.3	2,921.1	3,124.9	26.5%	31.9%
5	2,460.7	2,645.2	2,829.8	26.7%	32.6%
6	2,234.9	2,402.6	2,570.2	26.8%	33.4%
7	2,040.2	2,193.2	2,346.3	27.0%	34.1%
8	1,869.1	2,009.3	2,149.5	27.2%	34.8%
9	1,718.1	1,847.0	1,975.8	27.4%	35.5%
10	1,632.2	1,754.6	1,877.0	27.5%	36.2%
11	1,550.6	1,666.8	1,783.1	32.7%	36.9%
12	1,473.0	1,583.5	1,694.0	37.8%	37.6%
13	1,399.4	1,504.3	1,609.3	42.9%	38.3%
14	1,329.5	1,429.2	1,528.9	48.1%	39.1%
15	1,262.9	1,357.6	1,452.3	53.3%	39.8%
16	1,199.8	1,289.8	1,379.8	53.4%	40.5%
17	1,139.8	1,225.3	1,310.8	53.6%	41.2%
18	1,082.8	1,164.1	1,245.3	53.8%	41.9%
19	1,034.1	1,111.6	1,189.2	54.0%	42.6%
20	992.7	1,067.2	1,141.6	54.2%	43.3%
21	953.0	1,024.4	1,095.9	59.3%	44.1%
22	914.9	983.5	1,052.1	64.5%	44.8%
23	878.3	944.2	1,010.1	69.7%	45.5%
24	843.1	906.4	969.6	74.9%	46.2%
25	809.4	870.1	930.8	80.1%	46.9%
26	782.6	841.3	900.0	80.3%	47.6%
27	760.0	817.0	874.0	80.4%	48.3%
28	755.4	812.0	868.7	80.5%	49.0%
29	749.9	806.1	862.3	80.5%	50.0%
30	744.4	800.2	856.1	80.5%	50.0%

**2007-08 NBA Rookie Scale
(\$000's)**

Pick	1st Year Salary	2nd Year Salary	3rd Year Option Salary Over 3rd Year Salary	4th Year Option: Percentage Increase Over 4th Year Salary	Qualifying Offer: Percentage Increase
1	3,885.0	4,176.4	4,467.7	26.1%	30.0%
2	3,476.0	3,736.7	3,997.4	26.2%	30.5%
3	3,121.5	3,355.6	3,589.7	26.4%	31.2%
4	2,814.3	3,025.4	3,236.5	26.5%	31.9%
5	2,548.5	2,739.7	2,930.8	26.7%	32.6%
6	2,314.8	2,488.4	2,662.0	26.8%	33.4%
7	2,113.1	2,271.6	2,430.1	27.0%	34.1%
8	1,935.9	2,081.1	2,226.2	27.2%	34.8%
9	1,779.5	1,912.9	2,046.4	27.4%	35.5%
10	1,690.5	1,817.3	1,944.0	27.5%	36.2%
11	1,605.9	1,726.4	1,846.8	32.7%	36.9%
12	1,525.6	1,640.1	1,754.5	37.8%	37.6%
13	1,449.3	1,558.0	1,666.7	42.9%	38.3%
14	1,376.9	1,480.2	1,583.5	48.1%	39.1%
15	1,308.0	1,406.1	1,504.2	53.3%	39.8%
16	1,242.7	1,335.8	1,429.0	53.4%	40.5%
17	1,180.5	1,269.1	1,357.6	53.6%	41.2%
18	1,121.5	1,205.6	1,289.7	53.8%	41.9%
19	1,071.0	1,151.3	1,231.6	54.0%	42.6%
20	1,028.2	1,105.3	1,182.4	54.2%	43.3%
21	987.0	1,061.0	1,135.1	59.3%	44.1%
22	947.5	1,018.6	1,089.7	64.5%	44.8%
23	909.7	977.9	1,046.2	69.7%	45.5%
24	873.2	938.7	1,004.2	74.9%	46.2%
25	838.3	901.2	964.1	80.1%	46.9%
26	810.6	871.3	932.1	80.3%	47.6%
27	787.1	846.2	905.2	80.4%	48.3%
28	782.3	841.0	899.7	80.5%	49.0%
29	776.6	834.9	893.1	80.5%	50.0%
30	771.0	828.8	886.6	80.5%	50.0%

**2008-09 NBA Rookie Scale
(\$000's)**

Pick	1st Year Salary	2nd Year Salary	3rd Year Option Salary Over 3rd Year Salary	4th Year Option: Percentage Increase Over 4th Year Salary	Qualifying Offer: Percentage Increase
1	4,019.0	4,320.4	4,621.8	26.1%	30.0%
2	3,595.8	3,865.5	4,135.2	26.2%	30.5%
3	3,229.2	3,471.3	3,713.5	26.4%	31.2%
4	2,911.4	3,129.7	3,348.1	26.5%	31.9%
5	2,636.4	2,834.2	3,031.9	26.7%	32.6%
6	2,394.6	2,574.2	2,753.8	26.8%	33.4%
7	2,186.0	2,349.9	2,513.9	27.0%	34.1%
8	2,002.6	2,152.8	2,303.0	27.2%	34.8%
9	1,840.8	1,978.9	2,117.0	27.4%	35.5%
10	1,748.8	1,879.9	2,011.1	27.5%	36.2%
11	1,661.3	1,785.9	1,910.5	32.7%	36.9%
12	1,578.2	1,696.6	1,815.0	37.8%	37.6%
13	1,499.3	1,611.8	1,724.2	42.9%	38.3%
14	1,424.4	1,531.3	1,638.1	48.1%	39.1%
15	1,353.1	1,454.6	1,556.1	53.3%	39.8%
16	1,285.5	1,381.9	1,478.3	53.4%	40.5%
17	1,221.2	1,312.8	1,404.4	53.6%	41.2%
18	1,160.2	1,247.2	1,334.2	53.8%	41.9%
19	1,107.9	1,191.0	1,274.1	54.0%	42.6%
20	1,063.6	1,143.4	1,223.2	54.2%	43.3%
21	1,021.0	1,097.6	1,174.2	59.3%	44.1%
22	980.2	1,053.7	1,127.2	64.5%	44.8%
23	941.1	1,011.7	1,082.2	69.7%	45.5%
24	903.4	971.1	1,038.9	74.9%	46.2%
25	867.2	932.3	997.3	80.1%	46.9%
26	838.5	901.4	964.3	80.3%	47.6%
27	814.3	875.4	936.4	80.4%	48.3%
28	809.3	870.0	930.7	80.5%	49.0%
29	803.4	863.7	923.9	80.5%	50.0%
30	797.6	857.4	917.2	80.5%	50.0%

**2009-10 NBA Rookie Scale
(\$000's)**

Pick	1st Year Salary	2nd Year Salary	3rd Year Option Salary Over 3rd Year Salary	4th Year Option: Percentage Increase Over 4th Year Salary	Qualifying Offer: Percentage Increase
1	4,152.9	4,464.4	4,775.9	26.1%	30.0%
2	3,715.7	3,994.4	4,273.1	26.2%	30.5%
3	3,336.8	3,587.1	3,837.3	26.4%	31.2%
4	3,008.4	3,234.1	3,459.7	26.5%	31.9%
5	2,724.3	2,928.6	3,132.9	26.7%	32.6%
6	2,474.4	2,660.0	2,845.6	26.8%	33.4%
7	2,258.8	2,428.2	2,597.6	27.0%	34.1%
8	2,069.4	2,224.6	2,379.8	27.2%	34.8%
9	1,902.2	2,044.9	2,187.5	27.4%	35.5%
10	1,807.1	1,942.6	2,078.1	27.5%	36.2%
11	1,716.7	1,845.4	1,974.2	32.7%	36.9%
12	1,630.9	1,753.2	1,875.5	37.8%	37.6%
13	1,549.3	1,665.5	1,781.7	42.9%	38.3%
14	1,471.9	1,582.3	1,692.7	48.1%	39.1%
15	1,398.2	1,503.1	1,608.0	53.3%	39.8%
16	1,328.4	1,428.0	1,527.6	53.4%	40.5%
17	1,261.9	1,356.6	1,451.2	53.6%	41.2%
18	1,198.9	1,288.8	1,378.7	53.8%	41.9%
19	1,144.9	1,230.7	1,316.6	54.0%	42.6%
20	1,099.1	1,181.5	1,263.9	54.2%	43.3%
21	1,055.1	1,134.2	1,213.3	59.3%	44.1%
22	1,012.9	1,088.8	1,164.8	64.5%	44.8%
23	972.5	1,045.4	1,118.3	69.7%	45.5%
24	933.5	1,003.5	1,073.5	74.9%	46.2%
25	896.2	963.4	1,030.6	80.1%	46.9%
26	866.5	931.4	996.4	80.3%	47.6%
27	841.4	904.5	967.6	80.4%	48.3%
28	836.3	899.0	961.7	80.5%	49.0%
29	830.2	892.5	954.7	80.5%	50.0%
30	824.2	886.0	947.8	80.5%	50.0%

**2010-11 NBA Rookie Scale
(\$000's)**

Pick	1st Year Salary	2nd Year Salary	3rd Year Option Salary Over 3rd Year Salary	4th Year Option: Percentage Increase Over 4th Year Salary	Qualifying Offer: Percentage Increase
1	4,286.9	4,608.4	4,929.9	26.1%	30.0%
2	3,835.6	4,123.2	4,410.9	26.2%	30.5%
3	3,444.4	3,702.8	3,961.1	26.4%	31.2%
4	3,105.5	3,338.4	3,571.3	26.5%	31.9%
5	2,812.2	3,023.1	3,234.0	26.7%	32.6%
6	2,554.2	2,745.8	2,937.4	26.8%	33.4%
7	2,331.7	2,506.6	2,681.4	27.0%	34.1%
8	2,136.1	2,296.3	2,456.5	27.2%	34.8%
9	1,963.6	2,110.8	2,258.1	27.4%	35.5%
10	1,865.3	2,005.2	2,145.1	27.5%	36.2%
11	1,772.1	1,905.0	2,037.9	32.7%	36.9%
12	1,683.5	1,809.7	1,936.0	37.8%	37.6%
13	1,599.3	1,719.2	1,839.2	42.9%	38.3%
14	1,519.4	1,633.3	1,747.3	48.1%	39.1%
15	1,443.3	1,551.6	1,659.8	53.3%	39.8%
16	1,371.2	1,474.0	1,576.9	53.4%	40.5%
17	1,302.6	1,400.3	1,498.0	53.6%	41.2%
18	1,237.5	1,330.3	1,423.1	53.8%	41.9%
19	1,181.8	1,270.4	1,359.0	54.0%	42.6%
20	1,134.5	1,219.6	1,304.7	54.2%	43.3%
21	1,089.1	1,170.8	1,252.5	59.3%	44.1%
22	1,045.6	1,124.0	1,202.4	64.5%	44.8%
23	1,003.8	1,079.1	1,154.4	69.7%	45.5%
24	963.6	1,035.9	1,108.1	74.9%	46.2%
25	925.1	994.4	1,063.8	80.1%	46.9%
26	894.4	961.5	1,028.6	80.3%	47.6%
27	868.6	933.7	998.9	80.4%	48.3%
28	863.3	928.0	992.7	80.5%	49.0%
29	857.0	921.3	985.5	80.5%	50.0%
30	850.8	914.6	978.4	80.5%	50.0%

Minimum Annual Salary Scale

Years of Service	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
0	398,762	412,718	427,163	442,114	457,588	473,604
1	641,748	664,209	687,456	711,517	736,420	762,195
2	719,373	744,551	770,610	797,581	825,497	854,389
3	745,248	771,331	798,328	826,269	855,189	885,120
4	771,123	798,112	826,046	854,957	884,881	915,852
5	835,810	865,063	895,341	926,678	959,111	992,680
6	900,498	932,015	964,636	998,398	1,033,342	1,069,509
7	965,185	998,967	1,033,930	1,070,118	1,107,572	1,146,337
8	1,029,873	1,065,918	1,103,225	1,141,838	1,181,803	1,223,166
9	1,035,000	1,071,225	1,108,718	1,147,523	1,187,686	1,229,255
10+	1,138,500	1,178,348	1,219,590	1,262,275	1,306,455	1,352,181