

May 29, 2008

**Notice of Status under the Pension Protection Act  
for  
The National Basketball Association Players' Pension Plan (the "Plan")**

TO: All Plan Participants and Beneficiaries, the NBA, the National Basketball Players Association and the NBA Teams

FROM: Pension Committee for the Plan

The Pension Protection Act of 2006 (the "PPA") has added requirements to categorize multiemployer pension plans, such as the Plan, and, in certain cases, to require notification of such category. The categorization is based on three criteria: the plan's projected contributions sufficiency, projected cash flow sufficiency and funded status. The Plan's actuaries have determined that Plan contributions are projected to meet PPA requirements. In addition, the Plan's actuaries have determined that cash flow for the Plan is projected to meet PPA requirements. However, because the Plan has a funded status of below 80% as of February 2, 2008, the PPA requires that, until the Plan's funded status rises to 80%, the Plan be placed in the category of endangered status, also known as the "yellow zone", and that Plan participants be notified of this status. In connection with this categorization, the PPA requires that the Plan's actuaries certify to the IRS and the plan sponsor regarding the Plan's status. This certification was provided on May 1, 2008. As explained below, we do not anticipate that any changes to the Plan's current funding approach will be needed as a result of this categorization.

The PPA also requires that any pension plan in the yellow zone adopt a "Funding Improvement Plan" (the "FIP"). The FIP is an action plan designed to help the Plan meet certain funding benchmarks required by the PPA. However, it is not expected that the FIP will require any changes to the Plan's current funding approach. This is because the actuaries for the Plan have determined that the scheduled contribution methodology already in effect for the Plan is projected to yield Plan contributions that are expected to meet the PPA funding benchmarks and be sufficient to fund the benefits that participants earn each year, as well as to pay the Plan's operating costs and amortize the unfunded actuarial liability for Plan benefits.

The Pension Committee does not expect that any additional funding will be required as a result of the yellow zone categorization and expects that the Plan's funding percentage will continue to improve, in line with the requirements of the PPA. Please note that the PPA requires that the Plan's funding status be reviewed and certified by the actuary annually and that notices, like this one, be sent each year until the Plan is no longer in the yellow zone.

In the event you have questions or would like additional information, you may contact Meryl Steinberg, Benefits Manager, at 100 Plaza Drive, Secaucus, NJ 07094, [msteinberg@nba.com](mailto:msteinberg@nba.com).

cc: US Department of Labor  
US Pension Benefit Guaranty Corporation