

January 2015

ERISA PRELIMINARY DISCLOSURE
2015 FEB -3 PM 5:00

**Notice of Endangered Status
for
The American Basketball Association Players' Retirement Plan (the "Plan")**

TO: All Plan Participants and Beneficiaries, Brooklyn Nets, LLC, Pacers Basketball, LLC, San Antonio Spurs, L.L.C., and The Denver Nuggets Limited Partnership

FROM: The Plan Administrator for the American Basketball Association Players' Retirement Plan

This is to inform you that on December 29, 2014 the Plan's actuary certified to the U.S. Department of the Treasury, and also to the Plan Sponsor, that the Plan is in Endangered status for the plan year beginning October 1, 2014. Federal law requires that you receive this notice.

Endangered Status

The law considers a pension plan like this one to be in Endangered status if its assets are less than 80% of its liabilities and/or the plan is projected to have a funding deficiency within the next seven years, as defined by Section 432 of the Internal Revenue Code. While the Plan's actuary has certified that the Plan is not projected to have a funding deficiency within the next seven years, the Plan's actuary has determined that the Plan's assets are less than 80% of its projected liabilities. Therefore, the Plan is in Endangered status.

Funding Improvement Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in Endangered status to adopt a Funding Improvement Plan ("FIP") aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, benefits called "non-protected benefits" as part of a FIP. The Plan's Administrative Committee adopted a FIP on August 8, 2014. The current FIP does not change the benefits of any participants, nor is it expected that any future updates to the FIP would result in such changes.

While it is not expected that a FIP will change benefits under the Plan, the plan does have the following non-protected benefits that may be reduced or eliminated as part of any FIP the Trustees may adopt:

- Pre-retirement death benefits to the extent in excess of the minimum Qualified Preretirement Survivor Annuity (QPSA) requirement under ERISA.

If the Plan Sponsor later determines that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any plan amendment reducing non-protected benefits will not reduce the level of a participant's benefits accrued before the date of the amendment.

Where to Get More Information

Please note that the law 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 Endangered status.

In the event you have questions or would like additional information, you may contact Stephanie Ashe at 210-444-5576. You have the right to receive a copy of the FIP.

Receipt of this notice is not a determination on the part of the Plan that the recipient qualifies for a benefit under the Plan.

cc: US Department of Labor
US Pension Benefit Guaranty Corporation