

**MINUTES
OF THE MEETING OF
THE BOARD OF DIRECTORS OF
UNITED STATES TENNIS ASSOCIATION INCORPORATED**

**PENDRY WASHINGTON DC – THE WHARF
WASHINGTON, DC**

JUNE 27 & 28, 2025

PRESENT: Brian Vahaly, Chairman of the Board, J. Christopher Lewis, First Vice President, Maggie Chan Jones, Vice President, Megan Moulton-Levy, Vice President, William McGugin, Secretary-Treasurer, Catherine (CiCi) Bellis (via teleconference), Laura F. Canfield (via teleconference), Violet Clark, Amanda Fink-Moore, Kathleen Francis, Jon Rydberg, Hon. Derek J. White, Perren Wong, Directors at Large, and Dr. Brian Hainline, Immediate Past President.

ABSENT: Chris Capossela, Director at Large.

ALSO PRESENT: Lew Sherr, Chief Executive Officer and Executive Director, Andrea Hirsch, Chief Operating Officer (via teleconference), and Rachel Booth, General Counsel.

1. **Chairman's Welcome & Opening Remarks.** Lewis called the meeting to order at 9:42 a.m. (EST) on Friday, June 27, 2025 and welcomed the Board to Washington DC. A roll call was taken and a quorum certified. Lewis expressed excitement at holding the meeting at Junior Tennis Champions Center ("JTCC") and the upcoming activities, and spoke to the complexity of the upcoming Bain presentation of 35 X 35.

2. **CEO's Update.** Sherr referred to a CEO update previously distributed. He summarized US Open preparations and described robust ticket sales.

a. **PTPA Litigation.** Sherr provided an update on the PTPA litigation and related matters. He opined on the opportunity for USTA to share its vision and to work with the PTPA to move the needle and garner player support. Sherr reviewed demands included in a letter from Larry Scott, on behalf of certain players to increase prize money, contribute to player welfare funds, and offer players an opportunity to provide input on Grand Slam tournament decision making. He noted meetings with interested stakeholders are being scheduled during Wimbledon.

(Kevin Flaherty, Chief Financial Officer, and Michael McGoohan, Chief Growth Officer, joined the meeting.)

3. **USTA Consent Agenda.**

a. **Approval of the USTA Consent Agenda.** The USTA Consent Agenda was presented and no objections were made. The USTA Consent Agenda included:

i) Minutes:

- The Minutes of the Meeting of the Board of Directors of the United States Tennis Association, General Session - March 20, 2025.
- The Minutes of the Meeting of USTA National Tennis Center - March 20, 2025.
- The Minutes of the Meeting of USTA Player Development - March 20, 2025.
- The Minutes of the Meeting of the Board of Directors of the United States Tennis Association, General Session, Teleconference - April 24, 2025.
- Minutes of the Meeting of the Board of Directors of the United States Tennis Association, General Session, Teleconference - May 29, 2025.
- Minutes of the Meeting of the Board of Directors of the United States Tennis Association, General Session, Teleconference - June 5, 2025.

ii) Player Inclusion Policy.

iii) Retirement Plan Committee Appointment.

iv) Compensation Committee Chair Appointment.

v) USTA Coaching Board Appointment.

Upon motion duly made by Francis, and seconded, the USTA Board approved the USTA Consent Agenda as presented.

(Moulton-Levy departed the meeting.)

4. Related Party Transaction. Hirsch explained that pursuant to New York not-for-profit law, a corporation cannot enter into any arrangement in which a “related party” (i.e., directors, officers, “key people,” and their relatives) has a financial interest unless certain procedures are followed before the time such transaction occurs. She advised that the Board is being asked to consider whether the USTA may engage Moulton-Levy to serve as a commentator for US Open Radio, (advising that is the reason Moulton-Levy recused herself from the discussion and departed the meeting). Hirsch referred the Board to materials previously provided which contained the details of the proposed engagement and advised that the compensation offered is comparable to Moulton-Levy’s level of experience, her status as former pro qualifies her to provide insight and knowledge, and engaging her in this capacity is in the best interests of the Association.

Upon motion duly made by Clark, and seconded, the Board approved Moulton-Levy for seasonal employment as a commentator for US Open Radio at the 2025 US Open.

(Moulton-Levy rejoined the meeting.)

5. Treasurer’s Report.

a. Financial Update/Portfolio Review. Flaherty presented highlights from material previously distributed, noting that the US Open is tracking better than budgeted due to strong sales and subscription renewals. Flaherty briefly reviewed the balance sheet, explaining the rating agency, Fitch, had reaffirmed the USTA credit rating of A- and dropped the rating from “good” to “stable” due to the expected increase in construction debt. Flaherty expressed comfort with the rating and advised he is in talks with Bank of America (“BOA”) and JP Morgan regarding BOA finance rates for the construction. He noted that the Board will be asked to approve terms and fees for the construction financing at the August Board teleconference.

Flaherty fielded questions on USTA's cash position, short-term treasuries and the Fitch rating of "stable." Flaherty provided a progress update on investment consultant interviews.

b. USTA Ventures Update. McGugin discussed the positive momentum of the Strategic Investment Committee, highlighting their latest investment, Edge Sound. He explained that Edge Sound transforms inanimate objects and furniture into speakers, enhancing the fan experience. McGugin noted that Edge Sound will be conducting a proof-of-concept pilot in the commercial suite during the US Open and a demonstration at the USTA Connect partner event. He fielded questions from the Board.

(Henry Lescaille, Chief People and Culture Officer, and Marisa Grimes, Chief Diversity, Equity & Inclusion Officer, joined the meeting.)

6. People and Culture.

a. Social Impact Phase Two. Grimes reviewed the foundational work completed in 2024 to arrive at a purpose-driven mission statement and values.

Grimes opined that USTA holds a strong position on social impact issues but lacks a cohesive strategy to publicly demonstrate that commitment. She noted that the current fragmented approach obscures the full extent of USTA's impact. To resolve this, Grimes proposed implementing an overarching framework that integrates and elevates all programs, including USTA Foundation and DEI initiatives. She explained this approach would define the specific issues USTA will publicly address. Grimes proposed two areas of focus: world's healthiest sport and economic inequality, as described in materials previously distributed.

Discussions ensued around the volume of issues worthy of advocacy, the distinct social impacts for each of the USTA and the USTA Foundation, and connection to 35 X 35. Grimes addressed inquiries regarding collaboration with other leagues, her work with the Communications & Content team on a communication strategy, the importance of managing expectations within the USTA family, and the understanding that tennis should not address every issue. The Board requested Grimes identify advocacy areas and issues tennis should impact and to make a recommendation of what that support would look like. Vahaly thanked Grimes for her presentation.

(Lescaille and Grimes departed the meeting.)

(The meeting recessed at 11:27 a.m. and reconvened at 11:45 a.m.)

(Ray Benton, CEO, Joe Wilkerson, COO, and Vesa Ponkka, President, of JTCC, joined the meeting).

7. Junior Tennis Champions Center. Benton, Wilkerson, Ponkka and Moulton-Levy led a wide ranging discussion on JTCC's evolution, its approach and success as an NJTL, the community JTCC serves, its high performance program, its approach to customer acquisition and retention, and its highly successful collegiate prep program.

(The meeting recessed at 12:30 p.m. on Friday, June 27, and reconvened at 8:30 a.m. on Saturday, June 28.)

(Ted Loehrke, Managing Director, Head of Section Partnership, Mike McGoohan, Chief Growth Officer, Tracy Davies, General Manager, USA Tennis, Liz McSorley, Managing Director, Strategy & Innovation, and Lydia Colaresi, Managing Director, Head of Digital Strategy, joined the meeting.)

(Stuart Campbell, Jacob Scott, David Sanderson, David Mortlock, Bain Consulting, Ben Zislis, USTA Middle States Section Executive Director, and Becky Cantellano, USTA Northern Section Executive Director, joined the meeting.)

8. Operationalizing 35 X 35. Sherr introduced the Bain presentation, characterizing 35 X 35 as the most significant initiative currently underway, and the means to operationalize USTA aspirations. He explained that the purpose of the discussion is to gauge Board alignment before presenting to the Sections.

Campbell described the extensive foundational work performed, including over 70 interviews with National and Section leaders, eight workshops across the country, a voluminous document review, and over 30 working sessions, among other tasks. He then provided an overview of the 35 X 35 strategy which emphasizes a shift from a "direct to player" approach to an "Association to Provider" model, leveraging "force multipliers" like coaches, facilities, and other organizations to amplify the USTA's impact. Campbell described the pathway to achieve 35 X 35 and the USTA's role within the ecosystem, the importance of clarifying roles and responsibilities between Sections and National, and the need to establish an optimal operating model and structure to leverage expertise, scale, and efficiencies. He also noted a detailed operating plan to implement the strategic priorities and initiatives had been developed but would not be the focus of today's discussion.

Discussion explored understanding data for players outside the USTA system, strategies for player retention, and clarifying the origin of the estimated 26 million individuals within the ecosystem.

Campbell described the strategy as a multi-pronged solution that incorporates commonalities across the USTA's 40+ Sections and Districts, while also allowing for variations tailored to each Section. He observed that considerable efforts are already under way throughout the USTA and its Sections, which offer valuable insights. He offered the initiative not as an overhaul of every current practice within the Association, but rather as a fundamental transformation of "how" operations are conducted. This involves implementing new strategies, widely sharing best practices, and adjusting the approach to game growth for participating Sections and Districts. Campbell emphasized Section autonomy remains central to this approach. He noted the aim is not to achieve unanimity, but to identify common ground where collective improvement can be demonstrably achieved.

Campbell proposed several key strategies: enhancing data collection and utilization, reimagining outreach to the broader tennis community through "multipliers," and streamlining internal organizational processes. He emphasized that a crucial strategic principle for operational plans is that while both acquisition and retention are necessary for growth, improving retention holds greater value. Ultimately, USTA must focus on achieving a "scale of impact."

Robust discussion explored the concept of "force multipliers," the need to amplify impact, and a philosophical shift within USTA and culture, moving from USTA programs to tennis in general. Further discussion delved into strategies for influencing, promoting, and funding programs identified as potential multipliers, underscoring the necessity of a cultural transformation.

Zislis and Castellano emphasized the need for Section autonomy, the importance of communication and called for greater efficiency in access to funding sources.

(The meeting recessed at 10:34 a.m. and reconvened at 10:50 a.m.)

Campbell highlighted ten areas for prioritization, giving a brief overview on each of: school-to-tennis accelerators; provider-centric playbooks/formats; support and growth for private courts; advocacy and support for public courts; unlocking capital for courts; coaching recruitment, education, and retainment; shaping the tennis narrative; data-driven decisions; enabling Sections to pivot to mass participation; and redesigning National support. He explained these priorities represent a fundamental shift in "how" the USTA operates, moving from direct program delivery to curating and enabling through partners and data-driven decisions and establishing National USTA as a "Section+ service hub" that influences and supports, rather than mandates.

Robust discussion ensued regarding drivers of youth programs, schools as force multipliers, Section involvement in identifying the 10 priorities, and the role of the USTA brand. Discussion continued regarding USTA membership, leading by influence and best practices, and increasing shared services to Sections. Zislis cautioned that Sections will require time to absorb changes. USTA staff and Bain were queried on potential roles and responsibilities for each of National and the Sections.

The Board aligned that the strategic plan is directionally correct but requires refinement and greater Section input. Discussion continued as to the need for clarity in roles and mechanisms to remove inefficiencies.

(The meeting recessed at 12:00 p.m. and reconvened at 2:33 p.m.)

9. Facilities Grant Proposal. Loehrke presented a revised strategy for funding tennis facility development to replace the Major Facility Grant program. He reviewed the 2023 Major Facility Grant program, noting its limited success, with only one approved application and no funds disbursed, largely because many Sections prefer investing in numerous high-impact local projects rather than owning and operating large facilities.

Loehrke explained that in response, the USTA piloted a new \$5 million co-investment model with USTA Southern, allowing USTA National and USTA Southern to jointly fund larger, strategically important projects. He recounted the success of the pilot, which identified nine projects that could create 133 new courts and significantly expand tennis participation opportunities within just six months.

Building on this success and inquiries from other Sections, Loehrke proposed leveraging the unused Major Facility Grant funds to create a new, enhanced grant program. He explained the program would allow USTA National to match up to \$2.5 million in investments from each Section over the next five years. Loehrke reviewed key features of this new program, including equal co-investment between National and Sections, a focus on high-impact projects, new court construction, public accessibility, and USTA program commitments.

Loehrke fielded questions on the impact of equal co-investment on smaller Sections, project types eligible for grants, and the number of grant opportunities available. Discussion ensued as to Section effort required to apply for grants.

Upon Motion duly made by McGugin, and seconded, the Board approved the reallocation of the Major Facility Grant Fund to an Enhanced Facility Grant Fund.

10. Collegiate Tennis Situational Analysis. Davies presented a situational analysis on the future of Collegiate tennis, explaining the vital pathway it plays for junior players into both college and professional tennis careers. She framed concerns in the context of the recent House v. NCAA settlement and advised that since the settlement, 17-20 college tennis programs have been eliminated. Hainline discussed the broader, negative implications of the settlement on Olympic pipeline sports.

Sherr described the aspirational importance of college tennis for juniors. He suggested the Board consider what USTA might be willing to fund and what we might request in return, i.e. court use or tennis on campus programs.

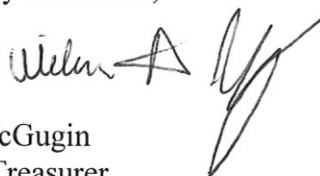
Davies presented options to provide support for collegiate programs, including Conference financial support in the form of prize money; program support, such as Regionalized or independent competition models; NIL support; acquiring the Intercollegiate Tennis Association ("ITA"); and various Revenue Generating Initiatives, such as broadcast and sports betting.

Discussion ensued as to the nexus between collegiate and 35 X 35. Davies advised that additional discussions with conference commissioners and athletic administrators as well as Deloitte will continue and will culminate in a support plan for future presentation to the Board.

Lewis thanked Sherr for his service to the USTA and wished him well on behalf of the Board.

The meeting concluded at 3:10 p.m. (EST) on Saturday, June 28, 2025.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'William McGugin', followed by a large, stylized flourish or checkmark.

William McGugin
Secretary-Treasurer