

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

**CHEYENNE MOUNTAIN RESORT
COLORADO SPRINGS, COLORADO**

JUNE 22, 23 & 24, 2023

PRESENT: Brian Hainline, Chairman of the Board, Brian Vahaly, First Vice President, Laura F. Canfield, Vice President, Kathleen Francis, Vice President, J. Christopher Lewis, Secretary-Treasurer, Jeffrey M. Baill, Violet Clark, Maggie Chan Jones, William McGugin, Emily S. Schaefer, Bobby Sharma, Liezel H. Huber, Megan Moulton-Levy, Directors at Large, and Michael J. McNulty, Immediate Past President.

ABSENT: Vania King, Director at Large.

ALSO PRESENT: Lew Sherr, Chief Executive Officer and Executive Director, Andrea S. Hirsch, Chief Operating Officer and General Counsel, Ed Nepl, Chief Financial Officer, Rachel Booth, Senior Counsel, Managing Director Tennis Integrity, and Nellie Nevarez, Administrative Director, Office of the President.

THURSDAY, JUNE 22ND – Allied Partners Meeting

The USTA Board was welcomed by Dragomir Cioroslan, Director of International Strategies and Development of the United States Olympic & Paralympic Committee (“USOPC”). Amber Donaldson, Director of Sports Medicine Clinics for the USOPC led a tour of the USOPC training facility and discussed the USOPC approach to the physical and mental wellbeing of Team USA.

Dr. Jean Merrill, Director of Office of Inclusion, and Anne Rohlman, Director of the Sport Science Institute, both of the NCAA, presented on the issue of transgender athlete participation. They offered scope and context for transgender participation in tennis and all college athletics, an overview of legislation that restricts transgender participation, the NCAA, International Olympic Committee (“IOC”), International Tennis Federation (“ITF”), and WTA Tour policy frameworks that speak to transgender participation, and presented a case for transgender inclusion in sport.

Travis Tygart, CEO of the United States Anti-Doping Agency (USADA), presented on the importance of clean sport and independent enforcement of anti-doping rules, and described the cooperation between USADA and the International Tennis Integrity Agency (“ITIA”). Dr. Jen Royer presented on “True Sport,” USADA’s education program promoting values of sportsmanship, character building, life skills, and clean and healthy performance over the life cycle of the athlete. Royer fielded questions on True Sport content and its availability to NGBs and coaches.

Ju’Riese Colon, CEO of The Center for Safe Sport (the “Center”), provided a brief history of the Center and its direction for the future. She reviewed statistics relating to the number of reports received by the Center since its inception in 2017. Colon responded to questions regarding how to grow the Safe

Sport movement and how to provide for greater consistency within the USOPC movement. Discussion ensued with respect to USTA's ethical responsibility to set policy for coaches, to integrate Safe Sport at every level, and the conundrum of non-NGB sports organizations not upholding the same standards of safety for minor athletes.

Following the departure of the guest speakers, the Board discussed the philosophy behind, and potential frameworks for, a proposed USTA Center for Excellence. Paul Roetert, Head of Special Projects for the USTA, and Mark Kovacs, National Committee member, offered takeaways from site visits made to other facilities.

1. **Welcome & Opening Remarks.** Hainline welcomed the Board to Colorado Springs and called the meeting to order at 8:45 a.m. (MST) on Friday, June 23, 2023. A roll call was taken and a quorum certified.

Hainline provided an update on international tennis matters, including a summary of meetings attended while at Roland Garros. He described enhanced relationships amongst the four Grand Slam tournaments following execution of the Grand Slam Memorandum of Understanding, and the discussions underway with the ATP Tour and WTA Tour to create a more cohesive calendar and governance for the betterment of the sport. He expressed the importance of cooperation amongst the Grand Slam tournaments as a way to elevate the sport, (enhance commercial opportunities) be careful and prepare for disruptors. Hainline complimented staff on the successful staging of the NCAA championships at the National Campus. He then described some updated plans relating to the 2023 US Open.

Sherr provided a summary of the discussion to come over the next two days.

2. **Matters Arising/Action Items.** Hirsch spoke to the process developed to track progress against actions arising out of Board meetings. She fielded questions from the Board.

3. **Approval of Minutes.**

Upon motion duly made by Lewis, and seconded, the Board approved the March 2, 2023 Minutes of the USTA Board of Directors Meeting. Francis abstained.

Upon motion duly made by Lewis, and seconded, the Board approved the March 24, 2023 Minutes of the USTA Board of Directors Teleconference.

Upon motion duly made by Lewis and seconded, the USTA Board acting as USTA-NTC and USTA-PD Boards, approved the March 24, 2023 Minutes of the Combined Meeting of the USTA, USTA-NTC, and USTA-PD Teleconference.

4. **Team USA Spring Meetings Update.** Huber summarized the ongoing work of the USOPC Athlete Advisory Council ("USOPC AAC") and reviewed key topics from their Spring meeting, which included athlete safety, team selection procedures, insurance, athlete funding, and crisis management, as well as presentations by the World Anti-Doping Agency ("WADA") and United States Anti-Doping Agency ("USADA"). She fielded questions from the Board.

5. **Financial Update.**

a. Treasurer's Report. Lewis and Nepl presented the 2023 financial update. Nepl stated the balance sheet is strong. He reported that despite volatility in the market, USTA will continue to execute in accordance with its current investment strategy. Lewis spoke to the differences between the main Portfolio and the Series D Portfolio and the objectives for each. Nepl clarified that the Series D notes have a "bullet" payment whereas other USTA debt is structured mortgage-style.

Nepl presented the US Open revenue projection. He reported that although the broadcast revenue forecast is below budget, new sponsorship agreements and strong interest in hospitality is trending toward a very healthy 2023 US Open with revenue projected at \$458.8 million. Lewis provided an overview of the US Open Cash Flow. He explained that should US Open revenue reach the projection of \$458 million, USTA will generate \$288 million in profit. Of that amount, CAPEX and debt payments of \$80 million will be deducted. Thereafter, of the remaining \$200 million, USTA is budgeting to spend \$175 million, inclusive of Section funding, leaving a projected surplus of \$25 million.

Nepl fielded questions on the costs of Fan Week and the 50th Anniversary of equal prize money. The financial impact of potential force majeure events such as the Canadian wildfires were discussed. Hirsch reminded the Board that earlier in the year the decision was made to forgo cancellation insurance due to the excessive cost and low likelihood of occurrence.

b. Authorized Signatories Approval. Nepl explained the necessity for the Board to appoint authorized signatories of USTA for banking purposes, noting the names and titles of the proposed signatories were previously provided to the Board.

Upon motion duly made by Vahaly, and seconded, the Board adopted the Resolutions attached hereto as Exhibit A.

c. Strategic Investment Committee. Nepl reviewed the formation of the Strategic Investment Committee (the "Committee"); a new Board committee charged with identifying, managing and evaluating investments in new business ventures to elevate the tennis ecosystem and/or the fan experience. He distinguished the Strategic Investment Committee's charge from that of the Investment Committee. McGugin explained the concept for this type of committee is not novel, pointing to other professional leagues that have similar committees such as NBA Equities and WTA Ventures.

Nepl responded to questions concerning the autonomy of the Committee and the financial cap for investment opportunities identified by the Committee.

Nepl reviewed the proposed Committees appointments, explaining that as a Board Committee, only Board members may be members, but that there will be two external advisor appointments, Presidential Appointee Mark Ein, and Perren Wong. Discussion ensued as to appointing Elite Athletes to each of the Strategic Investment Committee and the Investment Committee.

Upon motion duly made by Vahaly, and seconded, the Board appointed the individuals noted on Exhibit B hereto to serve as members and advisors to the Strategic Investment Committee.

Upon motion duly made by Clark, and seconded, the Board approved the appointment of Vania King to the Investment Committee.

Upon motion duly made by Lewis, and seconded, the Board approved the Strategic Investment Policy Statement, attached hereto as Exhibit C.

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

6. DEI Values. Hainline briefly reviewed the in-depth discussion at the March Board meeting on values and social impact, and the appointment of a subset of the Board charged with making a recommendation to the full Board for a social impact strategy that aligns with USTA values. Grimes provided the background and progress made to refine the strategy and purpose of the values and social impact recommendation and referred to materials previously provided to the Board. She opined that the “what” of the USTA mission is clear but not the “why.” Grimes reviewed the research and insights used to ideate around strategy, purpose and social impact, and offered that consensus was reached by the working group around a purpose statement and refreshed core values that directly connect to the social impact pillars and areas of focus.

Grimes offered two possible approaches to a purpose statement for Board consideration, consisting of either a stand-alone statement: “To inspire healthier communities for all” or an integrated purpose-mission statement, “We promote and develop the growth of tennis to inspire healthier communities for all.” Robust discussion ensued with respect to a statement philosophy and a desire to refer to people, human development, and the importance of using tennis for the benefit of individuals and society within the statement. Discussion turned to the appropriate process for ensuring alignment for any changes to the current mission statement and how the proposed statement aligns with the proposed Community Tennis Strategy.

Grimes presented the refreshed core values of community, inclusion, wellness and integrity and offered a positioning statement for each value. Lescaille discussed the importance of integrating the social impact strategy, mission, purpose and values within the USTA’s people and culture strategy. He spoke to activating on these competencies within hiring, succession planning, and the USTA’s leadership development track. Discussion ensued around the importance of integrating other concepts such as innovation, fun, inclusion and safety within the core values, and the differences between values and behaviors.

(The meeting recessed at 10:40 a.m. and reconvened at 10:55 a.m.)

The Board reached consensus to adopt a purposed-driven mission statement and alignment around the values of wellness, community and inclusion, with further review to be given to the value of integrity. Staff was directed to review the current proposal and proposed additional modifications that might make the statement more inspiring.

Grimes then presented the foundation for the Social Impact strategy, built upon pillars that align with the values of wellness, inclusion and community, noting that USTA should focus on those issues that are important to the USTA and which mirror the proposed values. Grimes noted the thematic build-out of the pillars, which can be used as a framework to roll out the Social Impact strategy.

Grimes then suggested that in order to most effectively deploy USTA resources, the working group recommended a three-tiered approach to execute the strategy: i) a signature, primary focus of investment and resources to develop robust initiatives, ii) advocacy areas which will commit resources to help influence change through programs and partnerships, and iii) communications and issue management, to determine positions on social issues as they arise. She noted the need for a communication plan to accompany the strategy. Discussion ensued as to the pillars and strategy, and the interplay between social impact and social justice. The Board reiterated its alignment around a purpose-driven mission statement, the values of community, inclusion, wellness (with further consideration to be given to the value of integrity) and the vision presented for a social impact strategy and pillars, and again directed staff to propose modifications that would make each more inspiring. The Board commended Grimes on her stewardship of this project and requested that she develop a presentation to Section Leadership.

ACTION: Propose “inspiring” modifications to the Social Impact Strategy, prepare alternative approaches for the “Integrity” value, and develop a presentation for Section leadership. Grimes.

(Grimes departed the meeting.)

(The meeting recessed at 12:00 p.m. and reconvened at 1:00 p.m.)

(Craig Morris, Chief Executive Community Tennis, and Liz McSorley, Managing Director, Strategy & Innovation, Community Tennis, Lauren Tracy, Senior Director, Strategic & Business Operations, Tracy Davies, Managing Director, Play and Competition, and Ted Loehrke, Managing Director, Section Partnerships, joined the meeting.)

(Rob Howland, Senior Director, Head of Programs & Social Impact, joined via teleconference.)

7. Community Tennis Update. Sherr introduced recent staff hires Ted Loehrke and Liz McSorley. Hainline reminded the Board of the 2023 priorities which call for the development of a comprehensive strategic plan for Community Tennis. He referred to materials provided to the Board in advance to facilitate this conversation.

a. **NCAA Update.** Morris provided an overview of the success and challenges associated with hosting the NCAA championships. He advised that subject to Board consensus, USTA will make a bid to host the championships in 2027-2030, explaining the process will likely require a capital investment to make the site more suitable to host the Championships. Discussion ensued as to the impact of hosting events in Florida in light of certain policies and legislation. Consensus was reached to move forward with the bid process to host the NCAA championships in 2027-2030.

ACTION: Pursue a bid to host the 2027-2030 NCAA championships. Morris.

b. **Strategic Plan.** Morris introduced the Community tennis strategy, opining that and referred to the pre-read materials. He described the proposed strategy as data-driven and a fundamental change in how USTA operates, shifting from league and competition organizer to industry connector to drive play through the facilities and coaches.

McSorley reviewed the resources used to inform the strategy, including contributions by the Board and Sections, industry reports, the PAC study, and first-party research with coaches, facility operators and more. She advised that Section Leadership have reviewed a draft strategy proposal and have expressed general alignment.

McSorley presented the guiding principles that form the 'north star' of the strategy: i) be the #1 tennis playing population in the world, ii) make tennis look like America, and iii) set the standard as the governing body for tennis, as well as the strategy objectives of player growth, coach engagement and facility accessibility. To provide context for the strategy objectives, McSorley described the key challenges in the tennis ecosystem as high player churn, lack of coach engagement and lack of facility accessibility. She offered target metrics for each of the areas, specifically: player retention to achieve a 0.75 acquisition to churn ratio; coach acquisition and retention to reach 87,500 quality coaches; and ensure 350,000 playable court spaces for Facilities, all by 2035. She described the alignment between the USTA's five corporate strategies, the Community strategy guiding principles and the objectives of player growth, coach engagement and facility accessibility.

Discussion ensued and McSorley fielded questions relating to player retention, the definition of core vs non-core players, and play on untraditional courts. She spoke to a research study underway on player habits.

Davies presented the overall strategy for the Player goal "to create and scale a portfolio of best-in-class-play programs to retain high value player segments across their lifecycle" in order to reach 35 million players by 2035. She advised as to the need to expand USTA's reach to all players at all levels, not only those who play sanctioned USTA programs. Davies reviewed the segmentation of player groups within the strategy and pathways to engage and build those segments. She spoke to the need for a strong entry product for youth, and described youth pilot programs in the works. Davies fielded questions on the use of Serve Tennis and Kinetica to collect and measure player data.

Davies pointed to other sports such as volleyball and flag football that have high retention rates, and the work underway with RCX sports, a youth sport programmer. Discussion ranged from youth and adult pilot programs, lessons to be learned from NJTLs, renaming red ball, opportunities to learn from other sports, adult activations, and the importance of delivering programs through digital formats.

McSorley next presented the Coach Engagement goal to "create and manage a unified pathway that will attract, engage and retain quality coaches at every level, to meet ratios that support player retention." She advised that the goal, which follows the ITF standard of one coach for every four hundred players, translates to 87,500 coaches by 2035. She noted the United States is the only top tennis country not recognized by ITF as a coaching country. McSorley reviewed the five priorities identified to increase the quality, quantity and diversity of coaches. She offered that the culture of competition and non-collaboration in the certification space has fed the coaching crisis and marketplace apathy towards certification. She reviewed best practices for coaching education in other sports and tennis federations, as well as methods by which to incentivize and facilitate coaching as a career.

Discussion ensued as to the current recruitment efforts of USPTA and PTR, the role of other NGBs in coaching, and current factors in the marketplace that suggest a unique opportunity to lead change in coaching engagement. Morris offered that the ITF has already created the gold standard in coaching so there is no need to reinvent the wheel.

Hirsch spoke to the potential legal risks associated with certifying coaches, but noted no impediments to USTA exploring its options. Morris responded to questions regarding the number of registered Net Gen coaches, PE coaches, and community coaches. Morris noted that all levels of coaching must be

included in the strategy. The Board agreed that Morris and his team should explore options on how USTA can play a direct role to improve the quantity and quality of coaches.

ACTION: Explore and report on how USTA can play a direct role to improve the quantity and quality of coaches. Morris.

(The meeting recessed at 3:00 p.m. and reconvened at 3:15 p.m.)

McSorley presented the Facility strategy “to become a trusted partner for facilities and communities to protect and grow the number of courts that create and meet player demand.” She reviewed the strategic priorities identified to both protect and grow court space in Parks and Recs, within schools, and in community and commercial clubs to reach the goal of 350,000 playable courts by 2035. McSorley demonstrated the value and necessity of data to further the facilities goal, referring to sample insights provided by Kinetica to USTA Texas. She spoke to the need for an accurate count and assessment of courts to inform where gaps and opportunities exist, and the use of USTA Connect partners to capture data on court bookings.

Discussion ensued on use of alternative spaces for play and the need to develop services that position USTA as an advisor to help facilities grow and defend tennis-related investments. Discussion turned to tools and plans for infrastructure advocacy. McSorley spoke to the importance of identifying advocacy opportunities and “hot spots” and how tools, such as Kinetica, can be used to arm advocates to protect against Pickleball. Discussion continued as to the “how” to mobilize CTAs and others as advocates, as well as the need for a systematic plan for recruiting advocates. The deployment of national committees and the volunteer structure to assist with advocacy was discussed.

McSorley presented the need for a suite of products and services to embed tennis within Parks & Recs, schools, and commercial facilities as a means to increase participation, operations and profitability. Morris reviewed incentive programs offered by other NGBs that could be considered in a suite of services, such as a facilities insurance program. Sherr offered his understanding that the Sections are aligned with the approach that National create the tools and efficiencies for Sections to deploy.

c. Reorganization. Tracy presented an overview of the new Community Tennis structure, designed specifically to deliver on the strategy, with the budget aligned to the Strategic Plan priorities. She explained the team tactics intended to drive results, describing the approach as customer-focused and member-led.

d. \$30 Million Dollar Fund. Tracy presented the proposal for deploying the \$30 million dollars previously set aside by the Board, with recommended allocations for research, play programming, coaching recruitment and training, and facility partnerships and innovation, to be implemented in collaboration with the Sections. Morris fielded questions as to Section involvement with the plan to date. Sherr noted that every Section is seeking solutions for facilities and coaching, and that the Community Strategy identifies priorities at a National level that will serve to support the Sections in their distinct markets. Loehrke concurred, reporting broad Section alignment around the goals. Comparisons to other tennis nations was discussed, as was the achievability of certain targets, with a suggestion made that target numbers not be set until more research is complete.

Discussion ensued concerning the allocation for each area. Nepl clarified that the \$30 million is in addition to similar, existing budget lines. The Board expressed the need for greater detail to understand what projects could be included in each allocation, and who would be eligible to receive the funds.

Loehrke spoke to being a resource for the Sections to assist them in making applications, reporting metrics, meeting targets, and scaling successful programs. Discussion ensued on how much detail to request in grant applications and reporting. Loehrke advised that he will develop the Section grants applications, which will include strategy alignment, definable and measureable goals, project scalability, and sustainability.

The Board reached consensus to allocate the \$30 million, both at the National and Section level, according to the priorities for Players, Coaches and Facilities, subject to further review and modifications of allocations and targets. It was further agreed that the suggested next steps relating to data initiatives and a review of the national priorities with each Section's Leadership team should begin immediately.

ACTION: Develop criteria for Section grant applications to receive funds pursuant to the Players, Coaches and Facilities priorities. Loehrke. Review and provide greater detail to the scope of activities permitted under each allocation, and recommend modifications to the allotted sums and targets. Morris.

The Board commended Morris and his team for its thought leadership and work on the Community Tennis Strategy.

(The meeting adjourned at 5:00 p.m. on Friday, June 23 and reconvened at 8:00 a.m. on Saturday, June 24.)

8. Meet & Greet with Sarah Hirshland. Hainline introduced Sarah Hirshland, the CEO of USOPC. He framed the conversation with Hirshland as a means to highlight the interconnectedness of the USOPC, IOC, IPC, NGBs, and the NCAA.

Hirshland spoke to the complexity of the ecosystem in which the USOPC operates, providing an overview of responsibilities of the USOPC under each of the IOC and IPC charters and the Ted Stevens Act. She explained the USOPC's oversight of and compliance requirements for NGBs, and the disparity in size and sophistication amongst NGBs, noting the uniqueness of the USTA. She then provided an overview on sport selection for the Olympic Games, and the enormous efforts underway for both Paris 2024 and Los Angeles 2028.

Robust discussion ensued about the value of sport in society, the USOPC's flexibility to treat NGBs differently based on size and sophistication, sports outside of the Olympic movement, how a sport can be certified as an NGB, and new sports being considered for the LA games. She offered that Pickleball is not under consideration for LA28 because there is no recognized international federation.

Discussion turned to the NCAA and collegiate landscape and the proposed California statute to treat collegiate athletes as employees. Hirshland concluded by stating she hoped the USOPC to be a good resource and partner to the USTA.

(Hirshland departed the meeting.)

9. **LuLu's Place Update.** Hainline reviewed the events that have transpired since USTA Foundation Board member, Doug Kimmelman, presented his initial plans to construct and operate a facility in Southern California to honor the memory of his wife. He referred the Board to the materials previously provided regarding the history of the project and current status.

(Dan Faber, Former Executive Director of the USTA Foundation, Doug Kimmelman, and Danny Zausner, Chief Operating Officer, NTC, joined the meeting.)

Hainline introduced Kimmelman. Kimmelman provided a progress report in executing the vision for LuLu's Place and the importance of this project to the community. He spoke to the "pillars" of LuLu's Place as athletics and physical fitness, academic enrichment, mental health and wellness, and college and career readiness. Faber reviewed the mission of LuLu's Place, noting 93% of the local youth are socioeconomically disadvantaged and have a need for academic assistance. Kimmelman presented additional statistics on the physical and mental health of California youth. Kimmelman reviewed the other entities that are partnering with LuLu's Place. Faber spoke to the use of LuLu's Place as a NJTL Center of Excellence.

Zausner reviewed current designs for the facility and the estimated project costs of \$135 million, noting Los Angeles is expensive, the magnitude of the project is large, and local regulations must be followed. Kimmelman responded to questions concerning annual operating expenses, revenue sources, donations, naming rights, Pickleball courts, and the evolving footprint for tennis activities. Kimmelman opined as to the feasibility of purchasing adjacent land to expand tennis activities. Kimmelman described his personal and financial commitment to the success of LuLu's Place and thanked the Board for their time.

(Faber, Kimmelman, and Zausner departed the meeting.)

Sherr opened the discussion for Kimmelman's requested to increase the USTA's \$7 million commitment to \$10 million, and noted a separate, unknown ask to seek funding from the Foundation. Discussion ensued with respect to the evolving position of SoCal from their original commitment and the possibility for continued, limited involvement. The Board weighed the mission and purpose of LuLu's Place against the USTA's purpose and values. Concerns were raised regarding the footprint for tennis. The Board expressed admiration for Kimmelman's commitment and perseverance in executing his vision. The Board noted that increasing the number of courts in an under-resources area aligns with the USTA mission and values. Discussion continued as to whether a restricted gift earmarked for programming and NJTL support was preferable to a gift used for capital costs.

(The meeting recessed at 10:10 a.m. and reconvened at 10:20 a.m.)

(Zausner, rejoined the meeting; Stacey Allaster, Chief Executive, Pro Tennis, and Kirsten Corio, Chief Commercial Officer, joined the meeting.)

10. **US Open Long-Term Strategy.** Hainline offered an overview of the US Open strategic growth strategy previously presented during the March Board Meeting. He explained that since March, substantial work has been done to refine the estimated project costs and associated potential revenue. Sherr spoke to the need to ensure the financial health of the USTA and to accelerate growth in a way to protect profitability. Allaster advised on the need to be prepared for financial disruption and increased prize money.

Corio noted that renovations are necessary to meet excess demand, to improve the fan experience, and to increase stakeholder/player expectations. She presented forecasts for ticket and hospitality growth potential. Zausner spoke to research conducted on the fan experience and to existing egress and circulation challenges in the food village and the Ashe Promenade. He compared the National Tennis Center footprint and amenities to those of the other Grand Slam tournaments, all of which have improved the player experience. Zausner noted that every major venue built around the same time as Arthur Ashe Stadium has been either upgraded or demolished.

Corio described USTA's collaboration with industry experts to develop ideas and evaluate the feasibility for renovations. She presented projections for capacity and revenue growth, forecasting the potential for a 30-45% net revenue increase following renovations.

Zausner presented an initial proposal, including relocation of player functions, enhancements to the Promenade, new stages, refreshed restaurants, bathrooms, escalators, elevators and Ashe exterior enhancements. Discussion ensued regarding City approval requirements. Neppi provided rough cost projections, as well as sources of revenue available to fund strategic vision projects. He advised as to why staff believe USTA can afford to fund the strategic vision projects, presenting both conservative and aggressive financial modeling.

Discussion ensued with respect to sponsor expectations, force majeure risks, comparisons to the roof project, project timelines, and debt associated with the previous strategic transformation.

Sherr noted that if the Board is aligned directionally with plans for the renovations, it will be necessary to engage architects to do additional work in 2023, which was not included in the budget, and that in accordance with the Capital Construction Policy, the Board will need to approve the incremental spend prior to work commencing. Hirsch explained that staff is seeking consensus to move forward, and that a Unanimous Written Consent, together with detailed memorandum supporting the request, will be circulated shortly.

Upon motion duly made by Canfield, and seconded, the Board approved the recommended next steps to move the US Open strategy forward.

ACTION: Circulate Capital Construction Memo and Unanimous Written Consent. Hirsch.

(Moulton-Levy, Zausner, Allaster, Corio, departed the meeting.)

11. Related Party Transactions.

a. 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 and King to serve as commentators for the world feed and 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 their compensation is comparable to their level of experience, and their status as former pros qualify them to provide insight and knowledge.

Upon motion duly made by Baill, and seconded, the Board approved Moulton-Levy and King for seasonal employment as commentators for the world feed and US Open radio at the 2023 US Open.

b. Hirsch advised that the Board also is being asked to consider whether the USTA may engage Moulton-Levy to work in the player services area of the US Open, noting that serving in that function predates her time on the Board. She referred the Board to materials previously provided which contained the details of the proposed engagement and advised that Moulton-Levy would be compensated consistent with similar positions and based on her prior experience.

Upon motion duly made by Francis, and seconded, the Board approved Moulton-Levy for seasonal employment in player services at the 2023 US Open.

(Moulton-Levy rejoined the meeting.)

12. LuLu's Place Update Continued. Sherr reminded the Board that there will be a strong USTA National presence at LuLu's Place, as it will serve as the West Coast home for the Foundation and Player Development. Discussion ensued and staff responded to questions concerning the operating costs of the facility, the entity that will run the facility, potential expenses, the impact on and precedent for future funding requests, and whether conditions should be placed on any additional funding.

Discussion continued as to the feasibility of putting conditions on the financial commitment.

Upon motion duly made by Schaefer, and seconded, the Board agreed to provide an additional \$2.5million in funds for LuLu's Place subject to: i) maintenance of a minimum of 24 courts, ii) the implementation of a data analytics integration plan among the Lulu's Place partner entities, iii) a prohibition on branding short courts as "Pickleball Courts," and iv) including some form of USTA branding on the campus.

(The meeting recessed at 12:12 p.m. and reconvened at 1:00 p.m.)

(Beth Brennan, Section President, Taryn Archer, Section Delegate, and Rob Scott, Section Executive Director, USTA Intermountain Section, joined the meeting.)

(Morris and Loehrke rejoined the meeting.)

13. USTA Intermountain Section Presentation. Hainline introduced the Intermountain Section Leadership. Brennan spoke to the value the Intermountain Section places on relationships and appreciated the opportunity to speak with the Board.

Scott spoke to the need for coaches at all levels and the need for more courts and infrastructure, particularly indoor courts. He suggested that no-interest loans from National might be a way to assist. Discussion ensued as to the impact of Pickleball on Intermountain. Scott noted that certain sanctioned tournaments cannot be held on courts that contain blended lines, which has served to save courts. Archer advised that in Utah, Pickleball is being set up in vacant big-box stores, which keeps tennis courts free. Scott noted the need to recruit more officials.

Archer described the success of Intermountain District DEI events, which she characterized as impactful, welcoming, and fun. Discussion ensued as to sharing the Intermountain model for events

with other Sections. Scott discussed the importance of Sections working together for the greater good, i.e. larger Sections reallocating funds to smaller Sections. Brennan and Scott described Intermountain's process for funding its' districts.

The Board thanked Intermountain for their time and insights.

(Brennan, Archer, and Scott, departed the meeting.)

(Tracy, Davies, and McSorley rejoined the meeting.)

14. Community Tennis Update Continued.

a. Section Partnerships. Loehrke provided insights into Section partnerships, his philosophy for the newly created department, and his first impressions. He reviewed his plans to operationalize relationships by fostering a culture of collaboration, building trust, creating value propositions to induce Sections to collaborate, and by recognizing Section success as USTA success. Loehrke spoke to the uniqueness of each Section, which can create for greater innovation and noted the optimism and enthusiasm expressed by the Sections to collaborate with National.

b. Pickleball Strategy. McSorley provided an overview of the market assessment performed by the Keystone Group (an external consulting firm engaged to assist with an analysis) on Pickleball, summarizing their conclusions as: i) Pickleball has reached critical mass and its impact cannot be ignored, ii) major tennis stakeholders have invested in Pickleball and are committed to growing it, and iii) Pickleball poses two key risks to tennis growth, by reducing the supply of courts and impacting the demand for tennis by players. McSorley reviewed Pickleball growth statistics. She presented the impact on tennis stakeholders, noting broadcasters, tennis retailers, coaches and facilities have embraced Pickleball to drive engagement and to diversify revenue streams. She reflected that notwithstanding the sobering statistics presented, it is unknown if the momentum of Pickleball has staying power.

McSorley presented a risk assessment of Pickleball's potential impact on the USTA goal of 35 million players by 2035, providing detail assumptions and forecasts based on age demographics. She spoke to the effects of Pickleball advocacy on public parks and private clubs, and the risks associated with not taking action. Morris advised that research performed by Michigan State and Keystone indicated that Pickleball is not a gateway to tennis nor is it easy to transition from Pickleball to Tennis, and therefore it is imperative to have youth start in tennis.

Morris then recommended an overarching position on Pickleball as "The USTA is committed to serving tennis stakeholders and providing the right support to help them succeed in the evolving racquet sports ecosystem." He explained that the recommendation presumes a neutral position that reinforces USTA's commitment to the growth of tennis, to offer support for coaches and facilities, to be a leader for infrastructure advocacy, to amplify tennis 'news' and public relations, and to continue efforts to gather court and player data for both Tennis and Pickleball in order to support our stakeholders. Morris further opined that there is no business case for USTA to acquire or invest in Pickleball.

Discussion ensued as to the varying levels of Section support for Pickleball, the downside of Pickleball governance, its lack of commercial viability, the marketability of Red Ball Tennis, and the presence of Pickleball and Padel at the National Campus. The Board discussed what actions to take, if any, based

on Pickleball's current and potential impact on the sport of tennis. Morris recommended that the stance of USTA National should be to stay focused on driving the growth of Tennis.

The Board discussed the need to intensify advocacy efforts and to continue data collection on Pickleball metrics and revenue. The Board reached consensus that National should facilitate advice and guidance to the industry while adopting a neutral approach to Pickleball. The Board directed staff to develop a strategy to take advantage of opportunities to use short courts and multi-use courts to grow the sport of tennis.

Morris provided a short update on the work performed to build the brand of tennis. He explained that, working with the PR agency, Sunshine Sachs, a strategy and campaign to tell the "Tennis Story" is underway. He noted that the campaign is not about combatting Pickleball, rather the focus is to promote tennis. McSorley presented a summary of methods by which to tell the Tennis story including by leveraging influencers, publishing stories at the local and national level of Tennis "heroes," and by creating stories around key calendar moments, while simultaneously leveraging our key messages of inclusion and health benefits. She spoke to the need for market research and tailoring campaigns to different demographics. The Board discussed the importance of integrating the purpose-driven mission and value principles within the PR campaign, of engaging and including the Sections, and of creating a PR calendar.

ACTION: Intensify advocacy efforts, continue data collection on Pickleball metrics, and develop a strategy for short court tennis. Morris/McSorley.

The meeting concluded at 3:20 p.m. (MST) on Saturday, June 24, 2023.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'J. C. Lewis', with a stylized flourish at the end.

J. Christopher Lewis
Secretary-Treasurer

EXHIBIT A

Resolutions of the Board of Directors of United States Tennis Association Incorporated

Resolutions adopted at the June 23, 2023 meeting of the Board of Directors (the “Board”) of United States Tennis Association Incorporated (“USTA”):

WHEREAS, the Board wishes to appoint the following duly appointed, qualified and acting officers as authorized signatories of USTA (each an “Authorized Signatory”), and to confer upon them the powers to execute and deliver, and to approve the final form of, on behalf of USTA, all agreements, checks, drafts, orders, indentures, notes, mortgages, deeds, conveyances, transfers, endorsements, assignments, certificates, declarations, receipts, discharges, releases, satisfactions, settlements, petitions, schedules, accounts, affidavits, bonds, undertakings, guarantees, proxies and other instruments or documents (the “Documents”), and to do such other things as the Authorized Signatory finds necessary or desirable in connection with or for the purpose of the transactions contemplated thereby:

NAME	TITLE
Lew Sherr	Chief Executive Officer & Executive Director
Ed Neppi	Chief Financial Officer
Andrea Hirsch	Chief Operating Officer and General Counsel
Joseph Healy	Managing Director and Corporate Controller
Vincent Lowndes	Treasury Director
Shengli Liu	Assistant Controller

NOW, THEREFORE, BE IT:

Authorized Signatories

RESOLVED, that the Authorized Signatories above are hereby appointed as such, in each case to serve until their respective successors are duly elected and qualified, or until their earlier resignation, removal from office, or death; and be it further

RESOLVED, that all Documents may be signed, countersigned, executed, acknowledged, endorsed, verified, delivered or accepted on behalf of USTA, whether in a fiduciary capacity or otherwise, by any Authorized Signatory, or such employee or agent as may be designated from time to time by the Board by resolution.

General Authorizations

RESOLVED, that USTA hereby authorizes and approves each of the Chief Executive Officer and Executive Director, Chief Operating Officer and General Counsel, and Chief Financial Officer of USTA (each a “USTA Authorized Representative”) to execute and deliver all agreements, certificates, instruments and documents (in such form and with such content as

shall be approved by the USTA Authorized Representative or Representatives executing or delivering the same, the execution or delivery thereof by any such USTA Authorized Representative to be conclusive evidence of such approval and of such USTA Authorized Representative's authority to do so), and to make such filings and take such other action by and on behalf of USTA as may be required or deemed necessary or advisable by any of the USTA Authorized Representatives to carry out the transactions contemplated by and the intent and purposes of the foregoing resolutions;

RESOLVED FURTHER, that any action as may have been taken or caused to be taken by any USTA Authorized Representative prior to the date of these resolutions, which action was in connection with the matters contemplated by the preceding resolutions, be and hereby is, ratified, approved and confirmed as the act and deed of USTA; and

RESOLVED FURTHER, that the omission from these resolutions of any agreement or other arrangement contemplated by any of the agreements or instruments described in the foregoing resolutions or any action to be taken in accordance with any requirement of any of the agreements or instruments described in the foregoing resolutions shall in no manner derogate from the authority of the USTA Authorized Representatives to take all actions necessary, desirable, advisable or appropriate to consummate, effectuate, carry out or further the transactions contemplated by and the intent and purposes of the foregoing resolutions.

The foregoing resolutions shall take effect immediately.

Number of Directors: 15

Number of Directors present at meeting: 14

Number of Directors voting: For: 14


Against: 0

Number of Directors abstaining: 0

Attached hereto is a true and correct copy of resolutions of the Board of Directors of United States Tennis Association Incorporated duly adopted at a meeting of the Board of Directors on June 23, 2023, which meeting was duly called and held, and at which meeting a quorum was present and acting throughout. Such resolutions are in full force and effect and have not been amended, modified, supplemented or repealed.

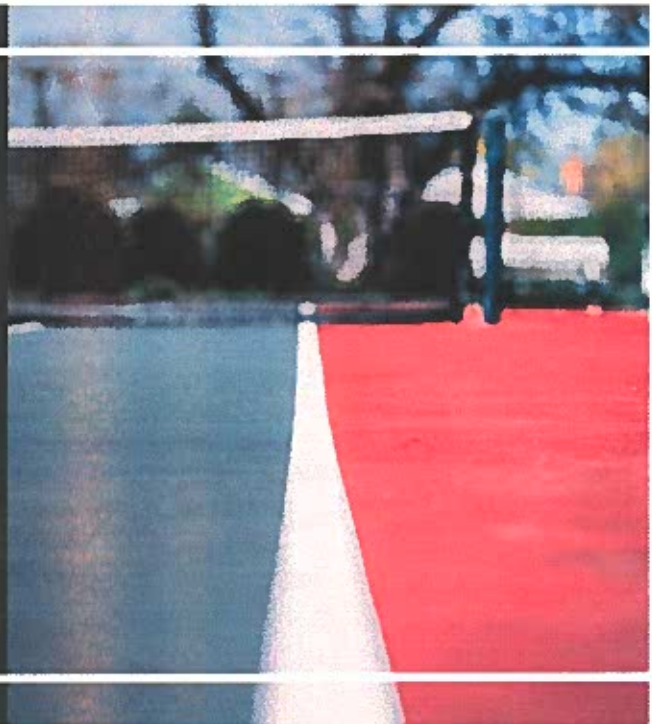
[Signature Page Follows]

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of June, 2023.

By: 
Name: J. Christopher Lewis
Title: Secretary-Treasurer

Strategic Investment Committee

- Bill McGugin - Chair
- Kathy Francis - Member
- Chris Lewis - Member
- Maggie Chan Jones - Member
- Bobby Sharma - Member
- Liezel Huber - Member
- Mark Ein - Advisor
- Perren Wong - Advisor
- Ed Neppi - Staff Liaison



**UNITED STATES TENNIS ASSOCIATION
STRATEGIC INVESTMENT POLICY STATEMENT**

April 11, 2023

Introduction

The purpose of this policy statement is to summarize the objectives, investment practices, limitations and special considerations for managing USTA investments in new business ventures. The statement is intended to assist the Strategic Investment Committee (the "Committee") in effective formulation of identifying, evaluating investment opportunities. Given the USTA's unique position (well-capitalized, not-for-profit, sport/tennis/wellness focus) we could be in a position where our investment and support of new ventures isn't limited to only cash investments, but also bringing the USTA's ability for expanded outreach and knowledge of the industry can be a very valuable asset. It is anticipated that this statement will be effective until the modified and approved by the Board of Director as conditions warrant by the Committee.

Governance/Structure

The Board of Directors of the USTA has delegated to the Strategic Investment Committee the responsibility for supervising the process for evaluating and approving potential early stage investment opportunities. The Strategic Investment Committee shall consist of the Secretary/Treasurer, and such other USTA Board Members, volunteers, and staff as determined by the USTA President. The Committee will consult with outside investment advisors as deemed necessary and will report to the Board of Directors at regular intervals on investment performance and investment policy issues.

Investment Objective

The investment objective of the Portfolio is to identify, analyze, and recommend investment that may lead to a financial return, but may also result in an incremental long-term ownership interest which yield increment upside through the use of warrants. The investment not only will be

measured not only on financial return potential, but also an ability to further the mission of the USTA or enhance the US Open.

USTA Commitment

The USTA is comfortable investing up to \$5M/year on early state investments that are considered viable and feasible per specific criteria to be developed by the Committee. This is subject to annual reviews as part of the budgeting process to ensure there is no negative impact to the association given changes in business environment around the US Open and other financial needs of the association.

Other Considerations

Liquidity/Risks

The Committee understands that these investments will be illiquid and in many cases will result in financial losses.

Time Horizon and Tolerance for Volatility

The Strategic Investment Portfolio has a long-term time horizon (perpetual) for investment purposes. The importance of this is that it allows the USTA to take a more patient view towards asset allocation and investing since shorter term objectives are achieved through long-term capital appreciation. Interim fluctuations should be viewed with appropriate perspective.