

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

**ROYAL SONESTA NEW ORLEANS  
NEW ORLEANS, LOUISIANA**

**DECEMBER 12, 2021**

**PRESENT:** Michael J. McNulty, Chairman of the Board, Brian Hainline, First Vice President, Laura F. Canfield, Vice President, Violet Clark, Vice President, Brian Vahaly, Secretary-Treasurer, Jeffrey M. Baill, Kathleen Francis, J. Christopher Lewis, Alan Ostfield, Emily S. Schaefer, Kurt Zumwalt, Liezel H. Huber, Vania King, and Megan Moulton-Levy, Directors at Large, and Patrick J. Galbraith, Immediate Past President.

**ALSO PRESENT:** Michael C. Dowse, Chief Executive Officer and Executive Director, Andrea S. Hirsch, Chief Administrative Officer and General Counsel, Ed Neppel, Chief Financial Officer, Craig Morris, Chief Executive, Community Tennis and Staciellen Mischel, Deputy General Counsel, Rachel Booth, USTA Senior Counsel, Nellie Nevarez, Director, Office of the President, and Patty Reber, Senior Executive Assistant to the Chief Executive Officer and Executive Director.

1. **Welcome & Opening Remarks.** McNulty called the meeting to order at 10:36 a.m. (CST) on Sunday, December 12, 2021.

2. **Approval of Minutes.**

**Upon motion duly made by Canfield, and seconded, the Board unanimously approved the July 22, 2021 Minutes of the Board of Directors Meeting.**

**Upon motion duly made by Canfield, and seconded, the Board unanimously approved the September 1 & 9, 2021 Minutes of the Board of Directors Meeting.**

**Upon motion duly made by Canfield, and seconded, the Board unanimously approved the October 29, 2021 Minutes of the Board of Directors Teleconference.**

**Upon motion duly made by Canfield, and seconded, the Board unanimously approved the November 16, 2021 Minutes of the Board of Directors Teleconference.**

(Marisa Grimes, Chief Diversity and Inclusion Officer, joined the meeting via teleconference.)

3. **D&I Strategic Update.** Grimes referred to a report previously distributed to the Board and reflected on the work undertaken in 2021, which she characterized as year of assessment. Grimes advised that in 2021, the Diversity & Inclusion team developed strategic pillars and a framework to follow in 2022. She reviewed the elements of the recently conducted D & I audit, which included assessments, data analysis, stakeholder interviews, and focus groups. She noted that work will begin on a communications strategy in January 2022, and the results of the D & I audit will be available prior to the USTA 2022 Annual Meeting. Grimes also advised that she has created a video in which staff and volunteers tell the story of the USTA's D & I journey.

The Board thanked Grimes for her participation at the Missouri Valley Section Board meeting. Dowse shared that the D & I score on the USTA staff survey dramatically improved this year, and further explained how staff performance bonuses are tied to D & I goals.

Grimes fielded questions from the Board. The Board also made suggestions as to how trends and data could be best tracked and presented.

(Grimes departed the meeting.)

4. **USTA Reference Policy-SafeSport.** Hirsch advised that the USOPC requires all National Governing Bodies to adopt a policy prohibiting the provision of job references to any individual who violates the policies or procedures of the U.S. Center for SafeSport related to sexual misconduct and/or is convicted of a crime involving sexual misconduct with a minor in violation of applicable law or the policies and procedures of the U.S. Center for SafeSport.

**Upon motion duly made by Hainline, and seconded, the Board unanimously approved the USTA Reference Policy attached as Exhibit A hereto.**

5. **Request for Waiver of USTA Junior Tournament Ranking and Sanctioning Regulations.** Morris referred to materials previously distributed and reviewed a request on behalf of the USTA Junior Competition Committee to a grant of waiver from USTA Junior Tournament Ranking and Sanctioning Regulations II.D., III.B., and III.C., for tournament year 2022, noting there is broad support for the requested waivers. He then explained the rationale for each waiver. Morris fielded questions from the Board and discussion ensued.

**Upon motion duly made by Canfield, and seconded, the Board unanimously approved the request for waiver of USTA Junior Tournament Ranking and Sanctioning Regulations.**

6. **Treasurer's Report.**

a. **Portfolio Review.** Neppi provided a cash flow summary and discussed strategies around cash flow management to pay down the debt, which is approximately \$75 million. He noted the Investment Committee will meet to determine the strategy for redeploying cash in the portfolio.

b. Approval of 2022 Budgets. Neppi referred to the budget materials previously distributed and highlighted the enhanced budget review process for 2022. Neppi then reviewed the proposed 2022 Operating and Capital Budgets for USTA, USTA-NTC, and USTA-PD.

Questions and discussion ensued with respect to US Open budget planning, US Open earnings, and a return to business as usual. Neppi noted the potential risk of players demanding greater prize money. Neppi conveyed the Budget Committee recommendation that the Board approve the proposed budgets.

Discussion ensued as to Sectional Association input in the budget process, which was participatory and educational. Neppi explained Sections are aligned with the budget and further noted that more work is underway with respect to both Player Development and Digital spends and that the budget may need to be amended once that work is complete. He further noted the Budget Committee will reconvene in March to continue the discussion.

**Upon motion duly made by Vahaly, and seconded, the USTA Board unanimously approved the USTA 2022 Operating Budget of \$34,088,000 as submitted.**

**Upon motion duly made by Vahaly, and seconded, the USTA Board unanimously approved the USTA 2022 Capital Budget of \$11,414,000 as submitted.**

7. Audit Update. Baill provided a brief update of the work of the Audit Committee, noting that USTA has extended the agreement with BDO Seidman and has signed a new 3-year agreement.

(Dan Faber, Executive Director USTA Foundation, joined the meeting via teleconference.)

8. USTA Foundation Shared Services Agreement. Mischel advised that the USTA provides shared services to the Foundation at no cost, an arrangement that has not previously been memorialized. Upon advice of BDO Seidman, the USTA and the Foundation are now seeking to codify the arrangement as set forth in the agreement and resolutions attached hereto as Exhibit B. Mischel noted that a typographical error in the draft agreement will be corrected.

**Upon motion duly made by Moulton-Levy, and seconded, the USTA Board approved the Resolutions and Shared Services agreement between USTA and the USTA Foundation attached as Exhibit B hereto. Francis abstained.**

(Faber departed the meeting.)

9. Pickleball Task Force Update. Canfield provided an overview of the work of the Pickleball Task Force, which was charged with exploring whether integrated programming with Pickleball can complement tennis skill progression and interest. She also provided a brief history of Red Orange Green Yellow ("ROGY") ball progression in Tennis. Canfield referred to a report previously distributed which contains data, recommendations, and pilot opportunities for

incorporating Pickleball at tennis facilities. She cited Skiing and Snowboarding as a potential model of what could be done with Tennis and Pickleball. It was raised that Pickleball can fit into the American Development Model.

Discussion ensued regarding the desire of Parks and Rec and other facilities for multi-purpose courts. It was noted that Pickleball is considered easier to learn, physically less demanding, and more social than Tennis. Discussion continued as to whether ROGY (using Pickleball lines) for adults and children is a better alternative than Pickleball. Discussion turned to blended lines. Morris and Canfield explained that certain Sections will not permit sanctioned play on courts with blended lines, whereas other Sections are more lenient, and permit sanctioned play on blended lines courts except for championships.

The question of whether USTA should be more involved with or represent other racquet sports was discussed. Hirsch explained that if USTA absorbed other racquet sports, they would need to be integrated at a governance and Board level.

Canfield concluded the conversation by advising that USTA staff will work with the Sections on the pilot programs outlined in the task force report, and that the report had been circulated. She noted there had been little feedback on the report from the Sections.

**Upon motion duly made by Clark, and seconded, the USTA Board unanimously approved the continuance of the action items set forth in the Pickleball Task Force Report.**

(Tracy Davies, Managing Director, Recreational Tennis, joined the meeting via teleconference.)

#### **10. Digital & Ratings Update (Serve Tennis, NTRP, WTN).**

a. Serve Tennis. Maya provided an update on the retrospective action items for Serve Tennis. Maya explained the Serve Tennis team has modified how they work together with Section Executive Directors and Tournament Directors. Maya then presented certain action items and a timeline for completion. He also provided an overview of on usage data for tournaments and non-tournament events and fielded questions on the inclusion of NJTLs in the process and whether USTA is collecting participant feedback. Discussion ensued as to the how the Serve products are being received and improvements in communication. The Board suggested the Sections be encouraged to share feedback with their own Boards.

b. World Tennis Number. Davies presented the status of the ITF World Tennis Number (WTN) project, advising it encompasses 78 million players on 6 continents and in 135 nations. She explained 67 nations have been designated for priority launch next year, with six nations being fast tracked. Davies advised the LTA launched its WTN program in October, and USTA has been able to utilize some of the resources the LTA developed. She noted the LTA rollout focuses on participation and membership, not high-level competition. She presented a timeline for the US rollout of the WTN including pilot programs, trainings and a communication strategy for Q1 and Q2 in 2022. Davies specified that approximately 850 thousand players and 10 million match

results have been uploaded into the WTN system and that USTA is working to collect and onboard collegiate data. Davies noted that if the pilots and trainings scheduled for January and February are successful then USTA will launch for players and consumers in March. She then fielded questions about the LTA program, ratings and rankings, the status of WTN in Australia, and how the WTN can grow the game. Discussion ensued with respect to the importance of data and the standard of care ITF provides through its safeguarding program. The Board discussed the differences between the WTN and UTR. Discussion turned to communication strategies and whether a position statement on UTR is needed.

c. NTRP. Morris advised that on December 1, there were 250,000 players who received their rating. He explained rating distribution has been consistent, no manual adjustments were needed, and that the NTRP advisory group and USTA staff worked well together. Morris described the importance of the USTA communication strategy, which included keeping the Sections up to date with a weekly call. Morris characterized the NTPR rollout as a success, noting he had received no complaints from the Sections and that appeals were minimal.

The meeting concluded at 12:17 p.m. (CST) on Sunday, December 12, 2021.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'B. Vahaly', with a long horizontal flourish extending to the right.

Brian Vahaly  
Secretary-Treasurer

## EXHIBIT A

### USTA REFERENCE POLICY

*No individual who is an employee, contractor, or agent of The United States Tennis Association Incorporated ("USTA") may assist a member or former member of USTA in obtaining a new job (excluding the routine transmission of administrative or personnel files) if the individual knows that the member or former member a) violated the policies or procedures of the U.S. Center for SafeSport related to sexual misconduct; and/or b) was convicted of a crime involving sexual misconduct with a minor in violation of applicable law or the policies and procedures of the U.S. Center for SafeSport.*

**EXHIBIT B**

**RESOLUTIONS OF THE BOARD OF DIRECTORS OF  
UNITED STATES TENNIS ASSOCIATION INCORPORATED**

THE UNDERSIGNED, the Secretary of United States Tennis Association Incorporated (the “**Corporation**”), does hereby affirm that the Board of Directors of the Corporation (the “**Board**”) voted upon and approved the following resolutions at a meeting of the Board duly convened on December 12, 2021 at which a quorum was present:

**WHEREAS**, USTA Foundation Incorporated (“**Foundation**”) is one of the Corporation’s wholly controlled subsidiaries; and

**WHEREAS**, the Board has determined that it is advisable and in the best interests of the Corporation to share staffing and resources with Foundation, pursuant to a shared services agreement (the “**Agreement**”), which it believes will minimize its administrative expenses and maximize the opportunities available to both the Corporation and Foundation.

**NOW, THEREFORE, BE IT:**

**RESOLVED:** That the Board believes it is in the best interests of the Corporation to enter into the Agreement in substantially the form attached hereto as Exhibit A.

**RESOLVED:** That the Corporation is authorized to enter into the Agreement.

**RESOLVED:** That proper officers and agents of the Corporation (each, an “**Authorized Signatory**”) are, and each of them singly is, hereby authorized, directed, and empowered to execute and deliver the Shared Services Agreement with any changes that any Authorized Signatory may determine is necessary or appropriate to the Shared Services Agreement, and to take any and all other necessary and proper actions in order to carry out the foregoing resolutions.

**RESOLVED:** That all previous actions of officers, representatives, and agents of the Corporation taken on behalf of the Corporation in connection with and in furtherance of any of the foregoing resolutions, are approved, ratified, and confirmed.

\* \* \* \* \*

Brian Vahaly, Secretary

**Exhibit A**  
**Shared Services Agreement**



## **SHARED SERVICES AGREEMENT**

This Shared Services Agreement (the “**Agreement**”) is made and effective as of this 15<sup>th</sup> day of December, 2021 (the “**Effective Date**”), by and between United States Tennis Association Incorporated (“**USTA**”) and USTA Foundation Incorporated (“**Foundation**”).

WHEREAS, USTA’s mission is to promote and develop the growth of tennis;

WHEREAS, Foundation’s mission is to bring tennis and education together to change lives, with particular emphasis on under-resourced youth;

WHEREAS, given the similarities in their missions and their mutual desire to maximize the opportunities available to them and to minimize their administrative expenses, the parties desire to enter into this Agreement, under which USTA may provide, and Foundation may accept, certain staffing, office space, office equipment, office furniture, office supplies, office services, and other administrative support.

NOW THEREFORE, in consideration of the premises set forth above and the promises set forth below, the sufficiency and receipt of which are hereby acknowledged, the parties hereby agree as follows:

### **I. Term and Termination.**

This Agreement shall be effective as of the Effective Date and shall remain in full force and effect for a period of one year from the Effective Date (the “**Initial Term**”). Thereafter, this Agreement shall automatically renew for successive one-year terms on each anniversary of the Effective Date without any further action by either party (each a “**Renewal Term**” and collectively with the Initial Term, the “**Term**”).

Notwithstanding the foregoing, this Agreement may be terminated by either party with or without cause upon thirty days’ notice. In the event of a material breach of this Agreement, this Agreement may be terminated by the non-breaching party immediately upon written notice to the other party, such termination which shall be contingent upon the breaching party failing to cure such breach within 30 days of its receipt of such written notice from the non-breaching party.

### **II. Staffing, Office Space, Office Services, and Other Administrative Support.**

During the Term of this Agreement, USTA agrees to make available and provide to Foundation certain staffing, office space, office equipment, office furniture, office supplies, office services, and other administrative support, as may be required by Foundation and as agreed to by

USTA, subject to the following terms and conditions:

A. Professional Services and Staffing.

USTA shall provide Foundation with the services of some or all of its employees as may be required by Foundation from time to time and as mutually agreed to by the parties. For time spent by USTA employees on Foundation programs, activities and administration the proportionate share of the relevant USTA employees' compensation, benefits, and employment taxes shall be provided and shall be deemed shared services ("**Shared Services**"). In addition, the USTA shall provide any materials, equipment, or other resources necessary for USTA to perform its obligations under this Agreement. These Shared Services and other necessary resources shall be provided at no cost to the Foundation.

B. Office Space, Equipment, Furniture, Supplies, and Services.

USTA shall provide Foundation with the use of office space within USTA's offices (the "**USTA Offices**") as may be required by Foundation from time to time and as mutually agreed to by the parties. USTA also shall provide Foundation with the use of such office equipment, office furniture, office supplies, office services, and other administrative support as may be required by Foundation from time to time and as agreed to by the parties.

III. Coordinated Activities.

In the event that USTA and Foundation mutually determine to coordinate certain activities, the parties shall ensure that the separateness and independence of the parties is respected at all times with respect to finances, marketing, assets, and in all other respects. The parties also shall ensure that there is full accountability for the use by one party of the services and assets of the other party.

IV. Confidential Information.

The parties shall maintain the confidentiality of all of the confidential and proprietary information and data ("**Confidential Information**") of the other party. The parties also shall take all reasonable steps to ensure that no use, by themselves or by any third parties, shall be made of the disclosing party's Confidential Information without the disclosing party's consent. Each party's Confidential Information shall remain the property of that party and shall be considered to be furnished in confidence to the other party when necessary under the terms of this Agreement. Upon the termination or expiration of this Agreement, each party shall: (i) deliver immediately to the other party all Confidential Information of the other party, including but not limited to all

written and electronic documentation of all Confidential Information, and all copies thereof; (ii) make no further use of it; and (iii) make reasonable efforts to ensure that no further use of it is made by either that party or its officers, directors, employees, agents, contractors, or any other person or third party. Each party's confidentiality obligations under this Section shall survive any termination or expiration of this Agreement.

V. Separate Entities.

The parties further agree that they are, and shall remain, separate entities and that no partnership, joint venture, or agency relationship shall be actually or constructively created under this Agreement.

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VI. Warranties.

Each party covenants, warrants and represents that it shall comply with all laws and regulations applicable to this Agreement, and that it shall exercise due care and act in good faith at all times in performance of its obligations under this Agreement. The provisions of this Section shall survive any termination or expiration of this Agreement.

VII. Waiver.

Either party's waiver of, or failure to exercise, any right provided for in this Agreement shall not be deemed a waiver of that or any further or future right under this Agreement.

VIII. Governing Law.

This Agreement shall be governed by the laws of the State of New York, without regard to its conflict of laws rules.

IX. Headings.

The headings of the various paragraphs herein are intended solely for the convenience of reference and are not intended for any purpose whatsoever to explain, modify or place any construction upon any of the provisions of this Agreement.

X. Assignment.

Except as otherwise provided herein, this Agreement may not be assigned, or the rights granted herein transferred, by either party without the express prior written consent of the other party. Notwithstanding the foregoing, USTA may subcontract with a third party to perform any of its responsibilities or obligations relating to this Agreement. No such subcontracting shall be considered as an assignment or relieve the subcontracting party of any liability under this Agreement.

Any attempted assignment in contravention of this Section shall be of no force or effect and shall not act to relieve either party of any responsibility or liability under this Agreement. Any attempted assignment in contravention of this Section shall not act to convey, transfer or assign any rights to any third party and no such rights shall inure to the benefit of any such third party.

XI. Heirs, Successors and Assigns.

This Agreement shall be binding upon and inure to the benefit of each party, its subsidiaries, affiliates, related entities, partners, agents, officers, directors, employees, heirs, successors, and assigns, without regard to whether it is expressly acknowledged in any instrument of succession or assignment, notwithstanding Section X herein.

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XII. Severability.

All provisions of this Agreement are severable. If any provision or portion hereof is determined to be unenforceable in arbitration or by a court of competent jurisdiction, then the remaining portion of the Agreement shall remain in full force and effect.

XIII. Entire Agreement.

This Agreement: (i) constitutes the entire agreement between the parties with respect to the subject matter hereof; (ii) supersedes and replaces all prior agreements, oral and written, between the parties relating to the subject matter hereof; and (iii) may be amended only by a written instrument clearly setting forth the amendment(s) and executed by both parties.

XIV. Force Majeure.

Neither party shall be liable for failure to perform its obligations under this Agreement due to events beyond that party's reasonable control, including, but not limited to, strikes, riots, wars, fire, acts of God, and acts in compliance with any applicable law, regulation or order (whether valid or invalid) of any governmental body.

**XV. Counterparts.**

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Services Agreement to be executed by their respective duly authorized representatives as of the date and year first above written.

**UNITED STATES TENNIS  
ASSOCIATION INCORPORATED**

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Michael C. Dowse  
CEO and Executive Director

**USTA FOUNDATION INCORPORATED**

DocuSigned by:  
  
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Daniel J. Faber  
Executive Director