

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION**

In re:

USA GYMNASTICS,¹

Debtor.

Chapter 11

Case No. 18-09108-RLM-11

**DEBTOR'S MOTION TO APPROVE
SETTLEMENT WITH NATIONAL TRAVEL SYSTEMS LP**

USA Gymnastics, as debtor and debtor in possession in the above-captioned chapter 11 case (“**USAG**” or the “**Debtor**”), hereby moves (the “**Motion**”) for the entry of an order, substantially in the form attached hereto as Exhibit 1, pursuant to sections 105(a) and 363(b) of title 11 of the United States Code, 11 U.S.C. §§ 105-1532 (the “**Bankruptcy Code**”), Rule 9019(a) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rule 9019-1(a) of the Local Rules of the United States Bankruptcy Court for the Southern District of Indiana (the “**Local Rules**”), approving a settlement agreement between the Debtor and National Travel Systems LP (“**NTS**”), a copy of which is attached hereto as Exhibit 2 (the “**NTS Settlement Agreement**”). In support of the Motion, the Debtor respectfully states as follows:

JURISDICTION

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334(b). This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and (M), and the Court may enter a final order consistent with Article III of the United States Constitution. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory and legal predicates for the relief sought herein are

¹ The last four digits of the Debtor’s federal tax identification number are 7871. The location of the Debtor’s principal office is 130 E. Washington Street, Suite 700, Indianapolis, Indiana 46204.

sections 105(a) and 363(b) of the Bankruptcy Code, Bankruptcy Rule 9019(a), and Local Rule 9019-1(a).

BACKGROUND

A. Case History.

2. On December 5, 2018, the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

3. The Debtor remains in possession of its property and continues to operate and maintain its organization as debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request has been made for the appointment of a trustee or examiner in this chapter 11 case.

4. On December 19, 2018, the United States Trustee appointed the Additional Tort Claimants Committee of Sexual Abuse Survivors.

B. The NTS Settlement.

5. For several years, the Debtor has received travel management services from NTS pursuant to an oral contract. NTS has served as the agent of record in connection with the Debtor's reservation of blocks of hotel rooms for the Debtor's many events across the country, including national competitions, other gymnastics meets, training camps, and regional congresses. NTS currently is the agent of record for several hotel reservations for the Debtor's events scheduled for 2021 through 2024.

6. Recently, the Debtor and NTS mutually and amicably agreed to discontinue their working relationship and terminate all of their contractual agreements. The Debtor has been handling its travel needs (which have been minimal due to COVID-19) in-house and is exploring partnership opportunities with other travel services providers.

7. As part of amicably ending their business relationship, the parties negotiated a global resolution of any and all claims they hold against one another. These claims include the Debtor’s entitlement to approximately \$340,000 in hotel rebates, which claim is potentially setoff in part by approximately \$84,000 plus additional expenses that NTS contends the debtor owes to NTS in connection with its services. The Debtor’s claim may also be subject to additional defenses alleged by NTS. Moreover, NTS has not held any of the Debtor’s funds in escrow and NTS has suffered financially from the decrease in demand for travel services caused by COVID-19. As a result, there is a risk that the Debtor would not be able to collect fully on its claim if it pursued litigation against NTS rather than settlement.

8. After extensive, arms’ length, and good faith negotiations, the Debtor and NTS agreed to the settlement memorialized in the NTS Settlement Agreement, attached hereto as Exhibit 2. The material terms of the NTS Settlement Agreement follow.

SUMMARY OF MATERIAL TERMS OF NTS SETTLEMENT AGREEMENT²		
Term	Summary	Reference
Settlement Amount	NTS shall pay the Debtor \$185,000 in full settlement of all claims between NTS and the Debtor (the “ Settlement Amount ”). NTS shall pay 75% of the Settlement Amount upon (1) the parties’ execution of the NTS Settlement Agreement and (2) the Court’s entry of a final and non-appealable order approving the same. NTS shall pay the remaining 25% upon the earlier of (1) October 30, 2020 or (2) the date the Debtor fulfills its hotel notification obligations, as detailed immediately below.	¶¶1-2.

² To the extent there is any conflict between the terms of the settlement as summarized in this Motion and as set forth in full in the NTS Settlement Agreement, the terms of the NTS Settlement Agreement shall control (as approved by the Court in a final, non-appealable order).

SUMMARY OF MATERIAL TERMS OF NTS SETTLEMENT AGREEMENT²		
Term	Summary	Reference
Notifications to Hotels	For each hotel listed on Exhibit A to the NTS Settlement Agreement where NTS is the Debtor's agent of record, the Debtor shall send a letter instructing the hotel to remove NTS from the booking contract and acknowledging that the Debtor is releasing NTS of any responsibility for that contract. The Debtor shall provide copies of the letters to NTS. By October 30, 2020, if neither the Debtor nor NTS has received a response from a hotel, the Debtor shall state in writing to NTS that (i) the Debtor transmitted the required letter to the hotel and (ii) the Debtor made reasonable, good-faith attempts to contact the hotel regarding the letter.	¶3.
NTS's Cooperation	NTS shall cooperate with the Debtor to transfer the agency of record on hotel booking contracts to the Debtor or any third party of the Debtor's choosing.	¶3.
Mutual Release	In exchange for the Settlement Amount and related obligations detailed in the NTS Settlement Agreement, the Debtor and NTS shall release one another of any and all claims relating to their dealings that could have been asserted before the effective date of the NTS Settlement Agreement.	¶¶4-5.
Mutual Indemnity	<p>The Debtor and NTS agree to a mutual indemnity whereby each will indemnify and hold the other harmless against any claims arising out of their own performance under the NTS Settlement Agreement or the hotel contracts listed on Exhibit A to the NTS Settlement Agreement, unless such claims arise from negligent or more culpable conduct.</p> <p><i>Provided, however,</i> that if NTS believes it is entitled to any indemnification from the Debtor, including without limitation the advancement of defense costs, prior to the earlier of (i) the entry of an order confirming a chapter 11 plan in this case (that order having become a final order no longer subject to appeal), and (ii) the entry of an order closing this chapter 11 case, NTS must file an application therefor in this Court, and the Debtor may not pay any such amounts to NTS before the entry of an order by this Court approving the payment.</p>	¶6.
Effective Date	The NTS Settlement Agreement shall become effective once the Court enters an order pursuant to Bankruptcy Rule 9019 authorizing the Debtor to enter into and execute the NTS Settlement Agreement.	¶11.

RELIEF REQUESTED

9. By this Motion, the Debtor seeks the entry of an order, pursuant to sections 105(a) and 363 of the Bankruptcy Code, Bankruptcy Rule 9019, and Local Rule 9019-1(a), approving the NTS Settlement Agreement attached hereto as Exhibit 2, authorizing the Debtor to settle its claims involving NTS in accordance with the terms of the NTS Settlement Agreement, and authorizing the Debtor to take all steps necessary to carry out and otherwise effectuate the provisions of the NTS Settlement Agreement.

BASIS FOR RELIEF REQUESTED

10. Bankruptcy Rule 9019(a) provides that, “[o]n motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement.” Fed R. Bankr. P. 9019(a). “Settlements are encouraged and favored by the courts,” especially in bankruptcy cases where estate assets are limited and disputes increase administrative expenses. *In re Goudy*, No. 87-11132, 1988 WL 236044, at *3 (Bankr. N.D. Ind. Dec. 22, 1988) (“[t]here is a strong policy in favor of encouraging parties to amicably resolve their differences, without resort to litigation”); *see also In re Oakfabco, Inc.*, 571 B.R. 771, 776 (Bankr. N.D. Ill. 2017) (“As a policy matter, settlements are generally favored due to their expediency, finality, and cost-effective results”) (citing *Fogel v. Zell*, 221 F.3d 955, 960 (7th Cir. 2000)).

11. Under Bankruptcy Rule 9019, a settlement should be approved if it is “in the best interests of the estate.” *In re Doctors Hosp. of Hyde Park, Inc.*, 474 F.3d 421, 426 (7th Cir. 2007); *accord In re Holly Marine Towing, Inc.*, 669 F.3d 796, 801-02 (7th Cir. 2012). The “linchpin” of this test “is a comparison of the value of the settlement with the probable costs and benefits of litigating.” *Doctors Hosp.*, 474 F.3d at 426. To conduct this cost-benefit analysis, courts consider a number of factors, including “the litigation’s probability of success, the litigation’s complexity, the litigation’s attendant expense, inconvenience, and delay, including the possibility that disapproving

the settlement will cause wasting of assets.” *In re Davidson*, 402 B.R. 877, 880 (Bankr. S.D. Ind. 2009).

12. However, the Court need not conduct a full evidentiary hearing regarding the propriety of the settlement and it may give weight to the debtor’s and counsel’s informed judgment supporting the settlement. *Depoister v. Mary M. Holloway Found.*, 36 F.3d 582, 586 (7th Cir. 1994) (“Rule 9019(a) itself does not expressly obligate the court to hold an evidentiary hearing prior to approving a compromise”); *Matter of Rimsat, Ltd.*, 224 B.R. 685, 688 (Bankr. N.D. Ind. 1997). Ultimately, so long as the Court determines that the settlement does not fall outside the “low end in the reasonable range of litigation possibilities,” the settlement is in the best interests of the estate and should be approved. *In re Witt*, 473 B.R. 284, 288 (Bankr. N.D. Ind. 2012); *accord Matter of Energy Co-Op.*, 886 F.2d 921, 927 (7th Cir. 1989).

13. In addition, to the extent a settlement implicates the use or sale of claims that are estate property, section 363(b) authorizes the Court to approve the settlement if it is a sound exercise of the debtor’s business judgment. *In re UAL Corp.*, 443 F.3d. 565, 571-72 (7th Cir. 2006); *In re Schipper*, 933 F.2d 513, 515 (7th Cir. 1991). When applying the business judgment standard, courts show “great judicial deference” to a debtor’s business judgment. *In re Efoora, Inc.*, 472 B.R. 481, 488 (Bankr. N.D. Ill. 2012); *accord G & N Aircraft, Inc. v. Boehm*, 743 N.E.2d 227, 238 (Ind. 2001) (describing Indiana’s business judgment rule as “strongly pro-management”).

14. Here, the Debtor has determined, in its sound business judgment and after arms’ length and good faith negotiations, that the NTS Settlement Agreement is fair, equitable, in the best interests of the Debtor’s estate, and well within the range of reasonableness. The NTS Settlement Agreement will result in the infusion of \$185,000 into the Debtor’s estate. By contrast, if the Debtor is required to litigate its claims against NTS to finality, there is no certainty that the

Debtor will ultimately recover the Settlement Amount. NTS disputes USAG's claims both in liability and amount and may raise defenses to the Debtor's claims. If NTS prevails on any of its alleged setoffs or defenses, the Debtor's recovery would be reduced significantly or eliminated. In addition, NTS has not held any of the Debtor's funds in escrow and has suffered financially from the COVID-19 pandemic, potentially jeopardizing the Debtor's ability to collect on its claims. Thus, while the NTS Settlement Agreement proposes a payment into the estate *now*, any recovery through litigation, appeals, and collection would likely take years. And the attorneys' fees and costs that the Debtor would inevitably incur in connection with complex litigation and collection efforts would further diminish its recovery. Finally, because the existing agreements with NTS are executory in nature, a negotiated termination of the agreements avoids rejection damages.

15. While the NTS Settlement Agreement will therefore provide a substantial benefit to the Debtor's estate, the settlement's costs to the Debtor are minimal, if any. The Debtor first is obligated to coordinate with NTS to remove NTS as the Debtor's agent on hotel booking contracts that are currently in place. But, given the parties' mutual decision to terminate their business relationship, the Debtor would need to complete this task even if the NTS Settlement Agreement did not exist. Simply leaving NTS on those contracts even though it has stopped providing services to the Debtor would lead to confusion and administrative difficulties with the Debtor's future events. Further, while the NTS Settlement Agreement contains a standard indemnification provision, the Court has the ultimate authority to monitor and approve or disallow NTS' indemnity requests while this chapter 11 case remains pending. For that reason, the indemnification provision here is similar to those included in other agreements that the Court has approved in this case. (*See, e.g.*, Dkt. 785 ¶5; Dkt. 865 ¶3.) Lastly, the Debtor is releasing the claims it holds against NTS as of the settlement's effective date. But the Debtor has agreed to enter into the NTS Settlement

Agreement because the value of those claims is appropriately discounted to the Settlement Amount in light of the substantial litigation risks described above.

16. For all of the foregoing reasons, the benefits that the NTS Settlement Agreement provides to the Debtor and its estate clearly outweigh the settlement's costs. The Court should approve the NTS Settlement Agreement as fair and equitable and as a reasonable exercise of the Debtor's business judgment.

NOTICE

17. The Debtor will provide notice of this Motion in accordance with the *Order Granting Debtor's Motion For Order Establishing Certain Notice, Case Management, And Administrative Procedures* [Dkt. 213] and Local Rule 9019-1(a). In light of the nature of the relief requested herein, the Debtor submits that no other or further notice is necessary.

WHEREFORE, the Debtor respectfully requests that the Court enter an Order substantially in the form attached as Exhibit 1, granting the relief requested herein and granting all other just and proper relief.

Dated: October 19, 2020

Respectfully submitted,

JENNER & BLOCK LLP

By: /s/ Catherine Steege

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EXHIBIT 1

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION**

In re:

USA GYMNASTICS,¹

Debtor.

Chapter 11

Case No. 18-09108-RLM-11

**ORDER APPROVING SETTLEMENT
BETWEEN DEBTOR AND NATIONAL TRAVEL SYSTEMS LP**

This matter came before the Court on the Debtor's *Motion To Approve Settlement With National Travel Systems LP* (the "**Motion**")² filed by USA Gymnastics (the "**Debtor**"), for an order pursuant to sections 105(a) and 363(b) of title 11 of the United States Code, 11 U.S.C. §§ 105-1532, Rule 9019(a) of the Federal Rules of Bankruptcy Procedure, and Rule 9019-1 of the Local Rules of the United States Bankruptcy Court for the Southern District of Indiana, requesting

¹ The last four digits of the Debtor's federal tax identification number are 7871. The location of the Debtor's principal office is 130 E. Washington Street, Suite 700, Indianapolis, Indiana 46204.

² Capitalized terms used herein but not defined shall have the meaning given to them in the Motion.

the approval of a settlement agreement between the Debtor and National Travel Systems LP (“NTS”); and the Court finds that (i) it has jurisdiction over this matter pursuant to 28 U.S.C. § 1334; (ii) this matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2)(A) and (M); (iii) the relief requested in the Motion is in the best interests of the Debtor, its estate, its creditors, and all parties in interest; and after due deliberation, and good and sufficient cause appearing therefore, the Court hereby determines the Motion should be GRANTED:

1. The Motion is granted as set forth herein.
2. The NTS Settlement Agreement attached to the Motion as Exhibit 2, and the settlement described therein, is approved. The Debtor is authorized to take all actions necessary to implement and effectuate the NTS Settlement Agreement.
3. If, before the earlier of (i) the entry of an order confirming a chapter 11 plan in this case (that order having become a final order no longer subject to appeal), and (ii) the entry of an order closing this chapter 11 case, NTS believes that it is entitled to the payment of any amounts by the Debtor on account of the Debtor's indemnification obligations under the NTS Settlement Agreement, including without limitation the advancement of defense costs, NTS must file an application therefor in this Court, and the Debtor may not pay any such amounts to NTS before the entry of an order by this Court approving the payment. This paragraph is intended only to specify the period of time during which this Court shall have jurisdiction over any request by NTS for indemnification and is not a provision limiting the duration of the Debtor's obligation to indemnify pursuant to the NTS Settlement Agreement.
4. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

5. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

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Exhibit 2

NTS Settlement Agreement

COMPROMISE, SETTLEMENT AND RELEASE AGREEMENT

This Compromise, Settlement and Release Agreement (the “Agreement”) is entered into this ____ day of October, 2020 (the “Effective Date”), by USA Gymnastics, Inc., a Texas non-profit corporation (“USAG”), and National Travel Systems, LP, a Texas Limited Partnership (“NTS”).

WHEREAS, USAG is the national governing body for the sport of gymnastics in the United States of America;

WHEREAS, USAG hosts events throughout the United States and in countries worldwide;

WHEREAS, NTS is a travel management company in the business of arranging for transportation, lodging, and other travel management services;

WHEREAS, for a number of years NTS has had an oral contractual relationship with USAG to provide travel services for USAG and the participants in its various activities and events;

WHEREAS, on December 5, 2018, USAG commenced a Chapter 11 bankruptcy proceeding under Case No. 18-09108-RLM-11; styled In re: USA GYMNASTICS in the U.S. Bankruptcy Court for the Southern District of Indiana, Indianapolis Division (“Bankruptcy Case”);

WHEREAS, NTS and USAG have mutually agreed to discontinue their relationship and terminate all contractual agreements between them in an amicable manner and to compromise and settle any and all claims that each may have against the other, as more specifically described and set forth in the terms and provisions of this Agreement below;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **NTS payment to USAG.** NTS will pay USAG the total sum of \$185,000 (“Settlement Amount”) in full settlement of the claims between the parties as set forth in this Agreement.

2. **Agreement to Make Payments.** NTS will pay the Settlement Amount to USAG in two installments. The first payment in the amount of seventy-five percent (75%) of the Settlement Amount (\$138,750) is to be paid by NTS to USAG upon the execution of this Agreement by authorized representatives of USAG and NTS and following the entry of an Order in the Bankruptcy Case becoming final and non-appealable formally approving and authorizing USAG to enter into this Agreement pursuant to the provisions of Federal Rule of Bankruptcy Procedure 9019. The second payment consisting of the remaining twenty-five percent (25%) of the Settlement Amount (\$46,250) shall be paid upon the earlier of October 30, 2020 or completion of the actions specified in paragraph 3 set forth below.

3. **Request Letters to Hotels.** NTS and USAG agree that the listing attached hereto as Exhibit “A” is a complete listing of all known hotel contracts for future events in which NTS is the agent of record, and each warrants to the other that, to the best of their knowledge and belief after conducting a diligent search of their records, the listing contains all known contracts wherein NTS is

the agent of record for USAG. USAG and NTS agree that USAG shall send to each hotel listed on Exhibit "A" a letter in the form attached hereto as Exhibit "B" requesting that NTS be removed from the contracts altogether and acknowledging that NTS is being released of any responsibility associated with them. These communications shall be sent via e-mail and physically via certified mail with a return receipt requested. USAG will provide to NTS copies of the letters as sent to the Hotels listed on Exhibit "A". NTS will cooperate with USAG to authorize the transfer of the agency of record to USAG or another third party of USAG's choosing. USAG and NTS will share with each other any written acknowledgements received from the hotels in response to the letters described in this section. If by October 30, 2020 neither USAG nor NTS receives a response from a particular hotel listed on Exhibit "A," then USAG will state in writing to NTS that (i) USAG transmitted to the hotel a letter in the form of Exhibit "B" and (ii) USAG made reasonable, good-faith attempts to contact the hotel regarding the letter.

4. **Full Satisfaction of All Outstanding Indebtedness.** In consideration of the agreement of NTS to pay the sum of \$185,000, as more specifically described and set forth herein, USAG hereby stipulates that the payments from NTS to USAG shall constitute a full and complete extinguishment and satisfaction of all outstanding indebtedness which NTS owes to USAG as of the Effective Date.

5. **Mutual Release of All Claims.** Save and except for the obligation of NTS to pay the agreed-upon sum of \$185,000 as set forth in this Agreement, and the other consideration described herein, NTS and USAG do hereby mutually agree to the release of all claims they may own or hold against each other, and do hereby fully and finally ACQUIT, RELEASE, WAIVE AND DISCHARGE each other from any and all claims, demands, cross-actions, choses or causes of action, at law or in equity, whether statutory, contractual or in tort, as well as any other kind or character of action, whether known or unknown, claimed or possessed by each against the other for or on account of or arising or growing out of, relating to or concerning, whether directly or indirectly, proximately or remotely, including without limitation, any and all matters and dealings relating to the dealings between them which could be asserted by them prior to the Effective Date.

6. **Mutual Indemnification and Hold Harmless:** USAG shall indemnify and hold harmless NTS against and from any claims arising out of USAG's performance of this Agreement or out of the hotel contracts listed on Exhibit "A," whether known or unknown, from the Effective Date forward, except to the extent that such claims arise out of the negligence or more culpable conduct of NTS (each such claim an "Indemnified Claim"). Such indemnification shall include any reasonable costs incurred by NTS in the defense of any Indemnified Claim brought by third parties, including any causes of action based upon contract, tort, products liability, workers compensation or any other theories of liability, including any tax liabilities, whether inside or outside the boundaries of the United States, disclosed or not disclosed.

NTS shall indemnify and hold harmless USAG against and from any claims arising out of NTS's performance of this Agreement or out of the hotel contracts listed on Exhibit "A," whether known or unknown, from the Effective Date forward, except to the extent that such claims arise out of the negligence or more culpable conduct of USAG (each such claim an "Indemnified Claim"). Such indemnification shall include any reasonable costs incurred by USAG in the defense of any Indemnified Claim brought by third parties, including any causes of action based upon contract, tort,

products liability, workers compensation or any other theories of liability, including any tax liabilities, whether inside or outside the boundaries of the United States, disclosed or not disclosed.

7. **Non Disparagement Agreement.** The parties specifically and mutually agree not to disparage or defame the other parties to the Agreement in any manner or by any means. Specifically the parties agree that, other than required by law, they will not make any oral or written statements that are or could reasonably be interpreted to be negative, of a critical nature or disparaging towards the other parties and, if asked, only respond that the matter has been settled and resolved.

8. **Entire Agreement.** This Agreement contains the complete agreement between the Parties with respect to the matters contemplated hereby and supersedes all prior agreements and understandings among the parties with respect to such matters. Section and other headings are for reference only and shall not affect the interpretation or construction of this Agreement. The Parties have not made any representations or warranties except as expressly set forth in this Agreement.

9. **Successors and Assigns.** This Agreement and the rights, interests and obligations hereunder shall be binding upon and shall inure to the benefits of the parties and their respective heirs, personal representatives, successors and assigns.

10. **Amendment.** This Agreement may be amended, modified or supplemented only by a written instrument executed by all parties.

11. **Condition Precedent to Effectiveness of Agreement.** Each of the parties agrees that all negotiations pertaining to this Agreement, and all terms and provisions of this Agreement, including the amount of consideration to be paid or received, were the subject of settlement negotiations and cannot be used in any currently-filed litigation in the Bankruptcy Case or any other forum, and each of the parties understands and agrees that this Agreement and its exhibits will not be effective or of any force unless and until all its terms are approved under the provisions of Federal Rule of Bankruptcy Procedure 9019 after appropriate notice and opportunity for hearing, as well as the entry of an order by the Bankruptcy Court authorizing the Debtor to enter into and execute the Agreement.

12. **Each Party to Pay Their Own Costs and Attorneys' Fees.** All costs and expenses of the parties' negotiation, execution, and delivery hereof and the performance of their respective obligations hereunder and the consummation of the transactions contemplated herein shall be borne by the party incurring such cost or expense. Notwithstanding the foregoing, if it shall be necessary for any party herein to employ an attorney to enforce their rights pursuant to this Agreement, the prevailing party shall be entitled to reimbursement of its reasonable attorneys' fees and costs associated with the enforcement action.

13. **Notice.** For purposes of any notice required or suggested herein, such notice shall be considered received two working days after its deposit into the U.S. Mail in Certified form addressed to the address listed below for each respective party:

NOTICE TO USAG:

Mr. Christopher J. Schneider
Chief Legal Officer for USAG
Miller Johnson Attorneys
45 Ottawa Avenue, SW, Suite 1100
P. O. Box 306
Grand Rapids, Michigan 49501-0306

NOTICE TO NTS:

Mr. Richard Cooper
National Travel Systems, L.P.
4314 S. Loop 289, Suite 300
Lubbock, Texas 79413

14. **Confidentiality.** The parties will, and will cause their respective affiliates to, treat any Confidential Information in confidence and will not use for any purpose or disclose any such Confidential Information to any person. “**Confidential Information**” means any and all technical, business, personal and other information of or relating to a party or its activities, business or members that is not generally known to the public and includes any information of a third party that either party is obligated to or keeps or treats as confidential. USAG Confidential Information includes, without limitation, its Athlete Registration Information, Team Registration Information and Team Roster Information. If a party is required to disclose Confidential Information pursuant to any applicable legal requirement, such party will, to the extent permitted by law, first notify the other party of such notice or demand for disclosure of such Confidential Information on receipt of such notice or demand, along with any written correspondence, pleading or other communication relating to such demand and will cooperate with such party so that the disclosing party can seek an appropriate protective order.

15. **Governing Law.** This agreement shall be governed and construed pursuant to the internal laws of the State of Indiana without regard to its principles on conflicts of laws. The forum for any mediation or litigation shall be the appropriate state court in Marion County, Indiana.

16. **Voluntary and Informed Execution of Agreement.** The parties are freely and voluntarily entering into this Agreement after full consultation with legal, financial and other counsel of their choosing. Each of the parties has read this Agreement and discussed it with such legal, financial and other counsel. Each of the parties understands this Agreement. Each of the parties hereby waives, releases and forever discharges each other from any claims that this Agreement was procured by fraud or signed under duress or coercion so as to make this Agreement not binding. This Agreement shall be construed as if jointly drafted by the parties and no presumption or burden of

proof shall arise favoring or disfavoring either party by virtue of the authorship of any provision of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the ____ day of October, 2020.

USA GYMNASTICS

By: _____
Its: _____

NATIONAL TRAVEL SYSTEMS, L.P.

By: _____
Its: _____

Exhibit A

Hotel Contracts

EXHIBIT A
2021 HOTELS

EVENT	DATE	HOTEL	CONTACT	EMAIL	PHONE #
2021 USA Gymnastics National Jr. Olympic Compulsory Master Workshops	6/2/21-6/6/21	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2021 USA Gymnastics National Jr. Olympic Compulsory Master Workshops	6/9/21-6/14/21	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
GK Classic	5/19/21-5/24/21	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
USA Gymnastics Championships 2021	5/30/21/6/7/21	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Region 1 Congress	8/18/21-8/22/21	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Region 4 Congress	6/17/21-6/24/21	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Region 5 Congress	7/21/21-7/26/21	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Region 6 Congress	8/4/21-8/7/21	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Region 7 congress	7/14/21-7/19/21	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

2021 Stars & Stripes	07/05/21-07/11/21	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2021 Stars & Stripes	07/05/21-07/11/21	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2021 Stars & Stripes	07/05/21-07/11/21	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2021 Stars & Stripes	07/05/21-07/11/21	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2021 Stars & Stripes	07/05/21-07/11/21	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2021 Stars & Stripes	07/05/21-07/11/21	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2021 Stars & Stripes	07/05/21-07/11/21	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

2021 Stars & Stripes (our copy signed by NTS, not countersigned by hotel)	07/05/21-07/10/21	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
2021 Stars & Stripes (our copy signed by NTS, not countersigned by hotel)	07/05/21-07/11/21	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Region 8 Congress, 2021 (Addendum)	07/14/21-07/19/21	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
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EXHIBIT A
2021 HOTELS

NTS Comments	Notes
Confirmed, added email, phone poc	NTS=record of agent; countersigned
Confirmed	NTS=record of agent; countersigned
Confirmed, added email	NTS=agent of record; countersigned contract, has the following in the contract: USA Gymnastics reserves the right to change third party housing vendors and will provide written notice to the hotel.
Confirmed	NTS=agent of record; countersigned contract, has the following in the contract: USA Gymnastics reserves the right to change third party housing vendors and will provide written notice to the hotel.
Confirmed	NTS=agent of record; countersigned
Confirmed	NTS=agent of record; countersigned
Confirmed, added email, phone poc	NTS=Agent of record; countersigned
Confirmed	NTS=Agent of record; countersigned
Confirmed	NTS=Agent of record; countersigned
NTS Added	NTS=agent of record; countersigned contract, has the following in the contract: USA Gymnastics reserves the right to change third party housing vendors and will provide written notice to the hotel.
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NTS Added	NTS=agent of record; NTS only signed contract, has the following in the contract: USA Gymnastics reserves the right to change third party housing vendors and will provide written notice to the hotel.
NTS Added	NTS=agent of record; NTS only signed contract, has the following in the contract: USA Gymnastics reserves the right to change third party housing vendors and will provide written notice to the hotel.

EXHIBIT A
2022 HOTELS

EVENT	DATE	HOTEL	CONTACT	EMAIL	PHONE #	NTS Comments
Region 1 Congress	8/24/22-8/26/22	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Confirmed NTS=Agent of record; countersigned
Region 7 Congress	6/22/22-6/27/22	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Confirmed NTS=Agent of record; countersigned

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EXHIBIT A
2023 HOTELS

EVENT	DATE	HOTEL	CONTACT	EMAIL	PHONE #	NTS Comments
Region 7 Congress	6/21/23-6/26/23	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Confirmed, added email poc

**EXHIBIT A
2024 HOTELS**

EVENT	DATE	HOTEL	CONTACT	EMAIL	PHONE #	Co	NTS Comments	Column2
Region 7 Congress	7/10/24-7/15/24	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]		Confirmed	Countersigned

Exhibit B

Hotel Notification Letter

[USAG Letterhead]

[Hotel]
[Address]
[Email]
Attn: [Name]

[Date]

Re: Notice of Change of Agent of Record for USA
Gymnastics' Event – [Event Name]

Dear Sir/Madam:

We write in connection with the contract that USA Gymnastics has with your hotel for an upcoming event. This letter is to let you know that National Travel Systems (“NTS”), is no longer the agent of record for USA Gymnastics, and is being released from all responsibilities and obligations in connection with the above-described USA Gymnastics contract with your hotel. Please remove NTS as the agent of record. Both USA Gymnastics and NTS consent to this removal. USA Gymnastics will notify you separately of any replacement agent of record.

As confirmation of this change in the agent of record, and the release of NTS from any responsibilities or obligations associated with the contract, please sign and return this letter to C.J. Schneider, Chief Legal Officer for USA Gymnastics, at schneiderc@millerjohnson.com

If you require additional information to effectuate this change or if you have any questions, please contact us. Thank you for your prompt attention to this matter.

Sincerely,

C.J. Schneider
Chief Legal Officer, USA Gymnastics
USA Gymnastics

Richard Cooper
National Travel Systems

Acknowledged and agreed:

Signature: _____
Hotel: _____
By: _____
Title: _____