



17 August 2007

Mr. Brad Butterworth
Vice President and Skipper
Team Alinghi
Base 11 – Port America's Cup
Valencia, SPAIN

Dear Brad

Thanks for your letter of 16 August which we received by hand-delivery yesterday afternoon. We were pleased to read that, contrary to your assertions in the telephone discussions you and I had on Monday and Wednesday of this week, Alinghi now agrees to meet without our first withdrawing our action in the New York courts.

Your letter states that you cannot unilaterally rescind the 33rd America's Cup Protocol. However, as Trustee SNG *can* declare the CNEV challenge invalid – which would have the same effect.

As you are aware, we do not accept the validity of the CNEV Challenge nor the validity of the SNG-CNEV Protocol. As you will know from the media, including such prominent publications as *Seahorse* magazine, our concerns are widely shared.

Your 16 August letter also states that we have asked “SNG to completely withdraw the project relating to new boats.” Not true. Indeed, our 8 August letter stated that we are not opposed to a new 90-footer rule provided the new draft is immediately shared with us and all prospective challengers....”

Moreover, your 16 August letter states, “that there are no draft class rules in existence as to the new class, save for the bare details publicly announced.” Brad, this I find difficult to accept given what you told me on the phone Wednesday morning – that at least the length component of the rule had been finalized.

However, and without prejudice to our pending course of action, we welcome your willingness now to meet. As to a time a convenient time and place....

Next week I am racing in the TP 52 regatta in Portugal, but would be available to meet there any evening 21-25 August inclusive. Or, Melinda and Tom could meet your team in San Francisco on the 21 and/or 22 August, with me available in the evenings (Portugal time) by phone.

If discussions next week are fruitful, I propose that we further meet in Copenhagen on Sunday the 26 August, between the Farr 40 pre-Worlds and Worlds where we understand you and Ernesto will be competing.

Regardless, and as we said in our 8 August letter, time is of the essence. Failing agreement by 31 August, we will have no choice but to continue our present course of action.

Regards

A handwritten signature in black ink, appearing to read 'Russell Coutts', with a stylized flourish at the end.

Russell Coutts
CEO, BMW Oracle Racing