



Valencia, 01 September 2007

RUSSELL COUTTS  
CEO - BMW Oracle Racing  
Port America's Cup  
Muelle de la Aduana S/N  
46024 Valencia  
Spain

Dear Russell

In our letter of the 16<sup>th</sup> August 2007, we indicated SNG was unable to begin meaningful discussions while GGYC does not recognise the validity of the challenge of CNEV and the corresponding Protocol. In your reply of 17<sup>th</sup> August 2007, you restate GGYC's opposition to the validity of the CNEV Challenge and the Protocol agreed by mutual consent between SNG and CNEV. In addition, a few days after, you commenced ex-parte injunction proceedings in the Supreme Court of New York before the deadline you set for an agreement or we had an opportunity to reply. This raises a serious doubt whether GGYC and its representative BMW Oracle have any intention of endeavouring to resolve the issues you have raised through discussions, rather than through legal proceedings.

Despite your provocative actions, SNG remains willing to meet with you to discuss the issues on the basis set out in its letter of 16<sup>th</sup> August. If your actions are truly intended to benefit all challengers and the America's Cup event as you claim, and not simply to secure a private earlier match for the Cup for yourselves in using a unique and radical craft, we do not see why you did not and cannot at some stage, as other challengers have done, sit down and discuss your concerns directly with the Trustee of the America's Cup in a meaningful and constructive manner, rather than through the Court.

We do not agree that your claims are widely supported, indeed no other past or present challenger has joined your action. By contrast several competitors from around the world have accepted the Protocol and entered the competition under the conditions established by agreement between SNG and CNEV. The media coverage on which you refer in your letter has been self generated, is self serving, and is no basis on which the Trustee should administer the America's Cup competition.

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We again confirm to you that the new class rule for the new 90' yachts has not been written or set. Alinghi is to shortly meet with the entered competitors to begin the process of writing the rule.

Yours sincerely

A handwritten signature in black ink, appearing to be "M. A. S.", is displayed on a light blue rectangular background.

Brad

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