



Valencia, 10 October 2007

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

Dear Russell

On Thursday 27th September 2007 Ernesto had a telephone conversation with Larry Ellison. During that conversation Larry advised that the Protocol changes made in the amendment of 30th September 2007 were sufficient to remove any blockage to resolving the litigation, but that he remained concerned that Alinghi had designed its new AC90 yacht. Ernesto assured him, as I have assured you, that this is simply untrue.

Yesterday, at the suggestion of several challengers with whom you have been in regular communication with, SNG offered to allow the challenging competitors to select the displacement of the new AC90 class to prove that Alinghi has not had, and will not have, a design time advantage and to fully and finally resolve the litigation.

This offer resolves the final issues that have been raised as preventing resolution of the litigation, and I again repeat that if GGYC withdraws its litigation on a with prejudice basis, it will be welcomed as a challenger for the 33rd America's Cup.

You should understand that if the litigation is not resolved now there is unlikely to be any racing in 2009. I ask you for the sake of the America's Cup, and particularly the future of America's Cup community, its sailors, designer, shore crews and their families, to bring to an end to the litigation and to enter the competition and begin to work with the competitor group towards a regatta in 2009.

Yours sincerely

Brad Butterworth