



SOCIÉTÉ NAUTIQUE DE GENÈVE

21 March 2008

Golden Gate Yacht Club
Mr. Russell Coutts
c/o Commodore Marcus Young
c/o Mr. Thomas Ehman, Jr.
#1 Yacht Road
San Francisco, California 94123

Dear Russell,

We are pleased that you have accepted our invitation to work together to try to resolve the current dispute without prolonged court litigation and welcome you to meet with us next Thursday, 27 March, at 11:00am, at the SNG in Geneva, Switzerland.

We are, however, extremely disappointed that GGYC at the same time persists in its habitual tactic of advancing legal argumentation rather than settling this matter on the water as SNG clearly has explained we would like to do. It is GGYC who started this legal battle in which GGYC sought to -and has succeeded in- preventing the multi-challenger regatta that had been arranged for July 2009 from going forward. It is GGYC who has thus put hundreds of people in the sailing community out of business indefinitely. It is GGYC who, having never been able to earn the right on the water to compete against the Cup holder for the America's Cup, has sought to -and succeeded in- foisting its way into a match for the Cup through litigation in New York state court, to the exclusion of a dozen other competitors.

Regretfully, GGYC is now seeking to launch a new legal front, maneuvering within the legal system to prevent the 33rd Cup from being a competitive event by depriving SNG of a reasonable opportunity to prepare its defence. The fairness of the competition requires that this race be held in 2009. As you know, it is simply impossible for us to construct a boat to defend the Cup in a seven-month time frame as GGYC currently proposes. Both SNG and GGYC have repeatedly stated in public that, should they win the 33rd America's Cup, the 34th edition will be sailed in 2011. Thus, it makes no difference to GGYC whether the race is held in October 2008 or July 2009 -unless, that is, GGYC does not believe that it can win if SNG is given adequate opportunity to prepare for the match.

The parties agreed months ago before Justice Cahn that the 10-month notice period would be tolled during the pendency of this litigation up through entry of a final order or judgment and expiration of the time for appeal. Justice Cahn's final order was entered just two days ago, so the ten-month time period does not expire until 2009. We are disappointed that GGYC is backtracking on this agreement and launching a new legal campaign seeking to undo what GGYC previously agreed to. Why not simply meet us on the water and settle this there?

Yours sincerely,

Fred Meyer
Vice-commodore
Head of America's Cup Committee
Société Nautique de Genève

