

GOLDEN GATE YACHT CLUB
#1 Yacht Road, San Francisco, California USA 94123

May 20, 2009

Vice Commodore Fred Meyer
Chairman, America's Cup Committee
Société Nautique de Genève
Port Noir
CH-1223 Coligny
Switzerland

Dear Vice Commodore:

Thank you for your letter of April 23, 2009 following the meeting in Geneva between representatives of our two Clubs. This is in follow up to that meeting, and to your letters to us of April 23, 2009 and May 5, 2009.

Your letters of April 23 and May 5, 2009 contain statements that we believe are inaccurate. We will not respond substantively to each of those but state that we do not here intend to waive any rights or make any admissions by virtue of this letter, but rather we intend to reserve all rights on all matters.

Your request that we "finally declare [our] challenging vessel" is moot inasmuch as we did so when we filed on July 11, 2007 our Notice of Challenge and Challenge Certificate, which have been re-validated by the Court of Appeals ruling of April 2, 2009 and the Order and Judgment of the New York Supreme Court entered on April 7, 2009. For the avoidance of doubt, our yacht will be named *USA*. As stated to you at our meeting on April 23rd, we have no further obligation to "declare" a vessel. We reject your assertion that we have ever referred, in writing or otherwise, to our challenging yacht as a monohull.

At our April 23rd meeting SNG rejected out of hand our proposals for a conventional, multiple-challenger America's Cup event in monohulls and has refused to negotiate terms beyond "the default terms of the Deed of Gift." We view your offer of a "reasonable extension of time" so that other challengers might build yachts that meet our Challenge Certificate, and participate in a challenger selection series otherwise held under the Deed's default terms, was plainly a ploy by SNG to gain more time by postponing the February 2010 race date mandated by the Court of Appeals, and the April 7, 2009 Order and Judgment, confirmed last week by the Court.

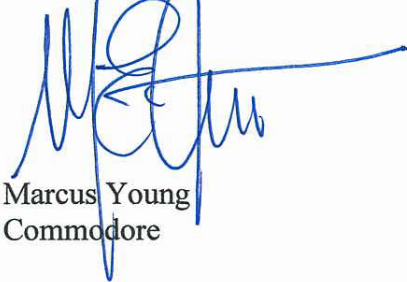
As to the “arrangements” in the absence of mutual consent enumerated in your April 23, 2009 letter at pages 2-3, we respond as follows:

1. We will rely on your expressed commitments in paragraph 1.
2. We assert that the Deed does not permit you to race a two-masted yacht, given that our Challenge Certificate describes a single-masted yacht.
3. We expect you to abide by the Order and Judgment and all directives of the New York Courts in this regard.
4. In accordance with the Deed, the April 7, 2009 Order and Judgment and confirmed by the Court last week, the regatta will be at Valencia, Spain, or any other location of SNG’s choice that is Deed-compliant, provided SNG notifies us of the location of the ocean courses on or before August 8, 2009. Notwithstanding your “Newsletter Alinghi-SNG” distributed yesterday and widely publicized by the media, “Deed-compliant” means, among other things, that the location (if other than Valencia) must be in the Southern Hemisphere. We are, however, willing to negotiate with you alternative Northern Hemisphere locations for the February 2010 Match if SNG so desires.
5. We agree provided SNG advises GGYC of the location of these ocean courses on or before August 8, 2009.
6. We reject your assertion that SNG can make up the rules as you go along. In preparing for the Match we have relied, in both our design and construction processes, on the fact that the Match shall be raced, as the Deed provides, under SNG’s “rules and sailing regulations so far as the same do not conflict with the provisions of this deed of gift.” That means the ISAF Racing Rules of Sailing (“RRS”) at the time we challenged in July 2007, without any modification to those rules except as agreed with us under the Deed’s mutual consent provision. For SNG to now unilaterally attempt to modify your 2007 rules, let alone make up new rules as you go along, makes a mockery of the Deed and the RRS. We agree that, as mandated by the Deed, there shall be no time allowances.
7. We agree that SNG need not name their representative vessel until the time agreed between SNG and GGYC for the start of the first race. We agree that the design and construction elements of your yacht shall be of your choosing, subject of course to the requirements of the Deed of Gift including, but not limited to, the requirements that the yacht be a single-masted yacht, “propelled by sails only,” and that it be constructed in Switzerland.
8. We reject your assertion that SNG may adopt special measurement regulations, for the same reasons as are set out in paragraph 6 above.

Regardless, we remain willing to negotiate other conditions governing the 33rd America’s Cup Match; however we insist that a stenographer be present at any future meeting.

Sincerely,

GOLDEN GATE YACHT CLUB

A handwritten signature in blue ink, appearing to read 'M. Young', with a long horizontal stroke extending to the right.

Marcus Young
Commodore

cc: Ernesto Bertarelli
Brad Butterworth
Russell Coutts
Larry Ellison