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Marcus Young
Commodore
Golden Gate Yacht Club
1 Yacht Road
San Francisco, California 94123

May 27, 2009

Dear Mr. Young,

Thank you for your letter of May 26.

We have duly noted its content and the reasons which, in your opinion, do not allow a multiple challenger event to take place, namely, the purported lack of the Defender's interest and your worries about further delays.

For the sake of clarity let us first state that we never claimed that you have "*an obligation*" to consider other challengers under the Deed of Gift.

Actually we only stated that, in your capacity as the Challenger of Record, it is within the fiduciary duties of your role to address the issue of how to organize the Challengers' selection and that we would therefore expect you to protect our interests by doing so.

As to the merits, it would be improper for us to discuss the grounds of your litigation with SNG which has not involved our Yacht Club.

We are however very pleased to acknowledge that the issue of the Defender's interest and consent to a multiple challenger Cup in multi-hulls, which you have qualified in your letter, as being a "*prerequisite for having multiple challengers*" has, beyond any doubt, now been successfully overcome.

In fact in its letter of May 26 addressed to the Golden Gate Yacht Club, SNG actually indicates that:

"SNG continues to urge you to allow other interested challengers to compete in a challenger selection series prior to the Match which at this stage will be held under the terms of the Deed.

... if for your own competitive reasons, you wish to maintain the present match schedule, the challenger series can be held beforehand. SNG remains happy to continue with the present scheduled date of the Match.

SNG has been advised by several interested challengers they will be ready to compete in a challenger series with the Match as presently scheduled.”

Moreover, in its letter of May 26 addressed to our Yacht Club, SNG plainly represents that

“SNG is continuing to encourage GGYC to accept SNG’s offer to give you and any other interested challenger, the opportunity to compete in the 33rd America’s Cup”

The above is quite self explanatory, and we believe it fully satisfies the prerequisite argument which you have correctly raised

As to the second issue you raised, it is quite clear from our previous correspondence that we were and still are perfectly happy to meet the February deadline so as to keep the present match schedule you have set for the challenge with the Defender. It would actually be improper for us to seek to delay this match which, according to your own words *“should have taken place in July 2008”*.

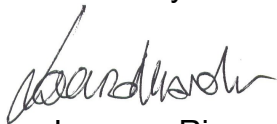
Challengers series can indeed be held beforehand at your convenience.

We assume and trust that all of the above removes the conditions, the prerequisite, the objections and the worries you raised in your letter and that, consistently with your previous attitude, you would now be prepared to discuss the organization of the multiple challenger event without further delay.

On this regard we are prepared to meet at your earliest convenience.

We look forward to hearing from you

Sincerely



Lorenzo Rizzardi

cc: Ernesto Bertarelli
Brad Butterworth
Russel Coutts
Tom Ehman
Larry Ellison