



GOLDEN GATE YACHT CLUB

#1 Yacht Road, San Francisco, California USA 94123

4 December 2007

Mr. Brad Butterworth
Vice President and Skipper
Team Alinghi
Base 11 – Port America's Cup
Valencia, SPAIN

Dear Brad,

Re: Mutual Consent Proposal

It has now been a week since the court ruling and since we first wrote to you urgently seeking a meeting. In an effort to resolve all issues speedily I have set out below a proposal that aims to enable the event to go forward on schedule. You will see this proposal largely reflects the conditions and terms of our previous proposals, as discussed and supported by the challengers.

We propose the 33rd Protocol and Competition Regulations be amended as follows:

1. Class Rule can only be amended by unanimous consent of Competitors after Jan 1 2008 (Class rule and Protocol conflict on this). Add the following to the end of Protocol 5.4 (c):

"however, it is expressly provided that clause 1.2 of the new America's Cup 90 Class Rule ("AC90") prevails in the case of any conflict with a provision of this Protocol;"

2. All Challenger of Record decisions will be made by representatives, appointed by all Challengers, on a majority basis. Material amendments to the Protocol or Competition Regulations must be by unanimous vote of all Competitors.

3. Remove current Arbitration Panel and amend Protocol 24.1 and 24.2 as follows:

24.1 Composition: The Sailing Jury shall be comprised of three (3) members and the Arbitration Panel of five (5) members.

24.2 *Appointment: SNG and the Challenger of Record, shall each appoint two members of the Arbitration Panel. One additional Arbitration Panel member shall be selected by the four appointees.*

4. Delete Protocol Article 12. Defender shall sail with Challengers through the Trials (three Round Robins with top six teams), but then Challengers will go on to a 4 team repechage to determine the ultimate Challenger (see attached graphic).

Amend Schedule 2 of Competition Regulations, clause 3 to read:

3. *Competitors in the semi final series shall race each other, once, in three Round Robins (“SF1”, “SF2”, and “SF3”) scoring one point for each win except races involving the Defender will score no points. Each race won by either Challenger for the Match or Defender, in any race that includes the Defender, will count for one additional sail card in the Match for each race won.*

Four-boat Challenger Repechage - Amend Competition Regulations to create two, best-of-five Challenger Repechages for the top four teams from the ACM Round Robin “Semi Final of the Trials” (see attached graphic).

Challenger Final - Amend Competition Regulations to change the Challenger Selection Series finals to a best-of-five series.

5. Amend Protocol 2.3 to read:

2.3 *Fair Competition: A Competitor shall compete, the Officials, the Sailing Jury and the Arbitration Panel shall officiate, and the Event Authority and ACM shall organize the Regatta, in accordance with recognized principles of sportsmanship and fair play. No applications may be made to the Arbitration Panel under this clause except those related to sporting issues.*

6. Amend Protocol so that the Defender and the Challenger of Record shall appoint, and shall be entitled to remove and re-appoint, a Regatta Director who shall be responsible for ensuring fair races are conducted at the Venue in the format and at the times specified by the Event Authority and in accordance with the terms of this Protocol. Regatta Director shall have the same powers as for the last America’s Cup (he appoints/manages race committee, appoints measurement committee, umpires, and other officials as needed, prepares and publishes Notice of Race and Sailing Instructions).

7. Add the following language to the end of clause 4.4 of the 33rd Protocol:

Entries from 32nd America’s Cup challenging competitors shall not be rejected provided they comply with 4.4 (a) and (d).

Add Entry Deadline of March 15, 2008 to Event Regulations.

8. Hold the 33rd America’s Cup in 2009 in Valencia.

9. All Challengers and Defender to be able to make use of their own boats freely for the two month period of March 1 – April 30, 2009, with the limitation that only 13 crew members may sail on each boat when two boats are sailing against each other, unless during an ACM regatta. This would have little or no impact on costs but allow teams the freedom to prepare for the final racing according to their own requirements.

Amend Competition Regulations, clause 9.3 to read:

No Two Boat Testing: Prior to March 1 and after April 30, 2009, no Competitor shall:

Add Competition Regulations 9.3 (d) to read:

9.3 (d) Between March 1 to April 30, 2009, any two boat sailing, other than racing organized by ACM, shall have a limitation of 13 crew per boat.

Competition Regulation changes:

10. Common declaration date (5 days prior to the match) for which boat will be sailed in the match. Prior to that, boats can be substituted in between round robins.

11. Amend Competition Regulations, clause 3.6 (e) to read:

*The general format and schedule of Practice Races shall be determined by ACM, after consultation with Competitor's Commission, and will be published by **January 15, 2008**. ACM may alter the general format and schedule at any time for any Practice Race **with consent of affected Competitors**;*

12. Additional 5 sail cards (for total of 15) for both Match Challenger and Defender for the America's Cup Match.

Time is running out and a key requirement for all competitors is certainty. If there are any points in this proposal that are unacceptable to you we would ask that you negotiate these with us as soon as possible. We are now approaching a point where we have to know what sort of race we will be competing in. It is simply not feasible to carry on trying to be prepared for both a conventional regatta and a Deed of Gift race. Accordingly, we request that you indicate if you accept the proposals set out above, as soon as possible.

Sincerely,

A handwritten signature in blue ink, appearing to read "PP Julie Schmidt", with a period at the end.

Russell Coutts