

3 December 2008

Sr. Pedro Perelló  
CEO, AYRE Challenge

Dear Pedro,

As you know, my colleagues and I at BMW ORACLE Racing are eager to join the Challengers for AC33 and we've made genuinely constructive suggestions and concessions to make that happen, including embracing ISAF's willingness to mediate this dispute.

We share your interest in having a world-class field of Challengers for our sport's pinnacle event, and appreciate your belief that BMW ORACLE's participation is essential.

We are willing to consider entering the competition by 15 December even though it is a totally arbitrary deadline. However, inasmuch as we've been excluded to date from the discussions, we need further clarity on fundamental issues (which you say have been addressed) to meet our concerns, and those of others, about fair and competitive rules.

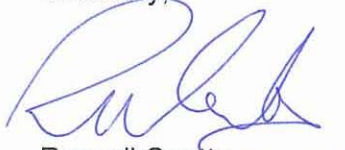
Specifically, we ask that you arrange to have the Defender send us by Monday, 8 December the current drafts of the protocol, event regulations, and competition regulations. This would give us a week to properly review them against our Ten Point Plan and determine our course of action before the 15 December deadline.

If we do not receive these documents as requested – or we do and our review of them shows there has been insufficient progress in resolving fairness issues – we will cease our 17-month effort to resolve this dispute with the Defender and other Challengers, and will rely on the New York State Court of Appeals to decide.

With respect to the lawsuit, we are moving into the home stretch with a decision on our appeal expected early next year. Given the stakes involved in preserving the integrity of this great event, we do not believe a few more months presents an unreasonable delay. As we've said before, if we prevail as we expect, we will work toward having a fully competitive, conventional multi-challenger regatta with fair rules in 2010.

Still, we are willing to give a settlement outside of court one last try. In the cordial, friendly spirit of your letter, I hope you will help move this process along by arranging to provide us the documents we request.

Sincerely,

A handwritten signature in blue ink, appearing to read "Russell Coutts".

Russell Coutts  
CEO and Skipper