

City and County of San Francisco



Board of Supervisors

**DAVID CHIU
PRESIDENT**

December 22, 2010

Mr. Russell Coutts
Chief Executive Officer
Oracle Racing Inc.
2269 Chestnut Street, PMB 689
San Francisco, CA 94123

Dear Mr. Coutts,

It is my pleasure and honor to offer you my commitment to bringing the 34th America's Cup to San Francisco. As President of the Board of Supervisors it has been my personal passion to ensure that our proposal set a strong foundation for the City's success in executing its obligations under the Host City Agreement. I will carry that commitment into 2011. I understand that Mayor Newsom and the City's team have been working directly with you since the Board's approval of the Host City Agreement to make necessary adjustments and clarifications to the Agreement to ensure it meets your needs. I am aware of these changes and support them.

I appreciate the fact that you need a high level of certainty that any investment made into the City's waterfront to support the Venue Leases will be tied to a means to recoup that investment through a Legacy Lease. To that end, language exists in the Host City Agreement (Section 7.6) explicitly stating that

"[T]he agreement is predicated on the concept of ensuring that the Authority will receive commercially reasonable long-term development opportunities in consideration of the Authority's Infrastructure Work and any Additional Work that is performed for the America's Cup Village facilities on San Francisco's public waterfront."

This section applies specifically to the Venue Leases for Piers 30-32 and Seawall Lot 330, as well as Piers 26 and 28, and if mutually agreeable could apply to Piers 19, 23, and 29. To obtain the community's support and agreement for future development rights to Piers on the Northern Waterfront, you will need to invest in a strong partnership with the community and accept their direct involvement in creating a vision for future neighborhood-serving facilities at these sites. I am prepared to help facilitate that relationship.

As we've done to date by building consensus and balancing the needs of all parties involved, together, I believe we can achieve our shared vision for an America's Cup on the San Francisco Bay. We eagerly await your selection of San Francisco as host of the 34th America's Cup. We have exciting work ahead of us. Let's get started.

Sincerely,

A handwritten signature in cursive script that reads "David Chiu".

David Chiu

