

October 24, 2003

Mr. Rich McVeigh  
Chairman  
North American Hobie Class Association  
14813 Fireside Drive  
Silver Spring, MD 20905-5502

Re: Open Class Racing

Dear Rich,

For ten years I have followed with interest the decision to allow open class boats at Hobie regattas and the effect of that decision on the North American Hobie Class Association. When the decision was made, I was—like others at the time—reluctant to allow other multihulls to attend Hobie events for fear that it would negatively affect the Hobie Class Association over time. The argument then was that one-design racing, which made the Hobie racing class so successful, was not attracting enough sailors in many areas to be financially viable. One answer was to allow a single “open class” start at Hobie regattas. This single start was meant to allow not only open class boats, but Hobie boats that did not have adequate numbers for a single start. The goal was to allow more sailors to participate and to create the income required to run a regatta.

Unfortunately, looking back at how this decision has affected the Hobie Class, my feeling is that we made the wrong decision ten years ago—especially considering some recent developments associated with open class boats.

When this topic first arose, it was a difficult decision for many people to make; it was also difficult to manage. I have witnessed the effects of this decision on various regions of North America. There are regions that have been relatively unaffected and they remain nearly 100% Hobie participation. There are regions that are mildly affected that have only a few open class boats participating in regattas. Then there are regions where Hobie regattas are no longer *Hobie* regattas, as the majority of boats are other brands. In some cases, the Fleet Officers and/or Division Officers are not even Hobie owners. As the manufacturer of Hobie Catamarans and a major supporting partner of NAHCA, we have reached a point where we must re-evaluate our current support of the Class in light of these recent developments.

I am sure you understand that Hobie Cat Company has its foundation in the manufacturing and sale of Hobie Cats. To remain in business, we must base our decisions on those premises.

It seems obvious to me that for the continued health of the Hobie Class in North America, there is a far greater chance of this happening if NAHCA, Hobie Cat Company and our Hobie dealers are all successful and thriving. When Hobie Cat Company is financially healthy, we are better equipped to support NAHCA, and you have witnessed this over the past several years. Our support and willingness to help have certainly increased, and I trust that this has been beneficial to the organization. However, there have also been indications in the past few months that make us question our continued support of NAHCA and regattas; i.e., the decision to allow open class boats and the effect that decision has had on the Hobie Class.

As you know, we provide financial assistance to NAHCA for both day-to-day expenses and for special purposes as they arise. In addition, we donate items to Hobie regattas when the organizers request giveaways or raffle items. We do this because we believe that promoting regattas and the Hobie Class helps to maintain active Hobie sailors. Many of our Hobie dealerships also provide another level of support to NAHCA events. In some cases our dealers actually run events themselves; in others, they provide financial assistance or manpower.

On several occasions this year we were informed that at some regattas that had open class boats sailing, the organizers were promoting the purchase of boats other than Hobie Cats. We have to look at this very seriously, as we are not in business to promote our competitors and we do not want to support regattas or organizations that do not support us in return.

When the majority of boats at a Hobie Cat regatta are not Hobie Cats or when other brands of boats are promoted, we need to reconsider our support of these events. In the past, we were assured that if we supported a Hobie regatta with giveaways or raffle items, they would end up in the hands of Hobie sailors. This is no longer the case. As I mentioned, it is our intention to support Hobie sailors and Hobie events.

I understand that you have received a directive from the International Hobie Class Association to discontinue allowing open class boats at Hobie events. I am certain that this is a difficult decision for you, and it will likely have far-reaching ramifications. However, I want to express that Hobie Cat Company is in full agreement with this change in policy for NAHCA, and we are prepared to help where needed. We look forward to rebuilding the Hobie Class Association and the challenges that will present. In the long run, we believe that this course is appropriate for the long-term health of the North American Hobie Class Association and Hobie racing.

Yours respectfully,

Doug Skidmore  
President  
Hobie Cat Company