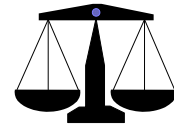




AMERICA'S CUP 32

AMERICA'S CUP JURY JURY NOTICE JN007 El Reto Application ACJ003

3rd April 2005



To: Challengers and Defender
Copies: ACM, Chief Measurer, Jury.

Applicant: Real Federación Española de Vela represented by “El Reto”

This is an ongoing matter in respect to an Application from El Reto filed on 25 January 2005

The Jury received on 29 March a request from El Reto to present new evidence, to file a new reply to a response from Mascalzone and for directions on procedure. El Reto also advised in such request that they did not oppose a hearing if the Jury considered it necessary.

There has been a significant number of submissions and witness statements filed with the Jury by El Reto and Mascalzone in particular. The Jury is concerned at the amount of time resolution of this Application is taking.

The two questions submitted by El Reto have a wider significance and could affect a number of parties. The Jury has therefore determined that it will immediately answer question 1 and will require a oral hearing in order to answer question 2.

The Questions submitted by El Reto were:

(i) Is a Competitor permitted to employ a designer who has previously been engaged by a potential challenger, without restriction on what the designer has done for the potential challenger?

Answer:

No. The Competitor is prohibited by Protocol 13.5 from engaging a Designer as defined by 1.1 (l) of the Protocol, provided that the potential challenger becomes a Competitor. If the potential challenger does not become a Competitor, there is no restriction.

The Application continues...

Only in the event that the answer to (i) is no:

(ii) Is El Reto able to continue its engagement with Mr Kaiko as designer?

Answer:

Having considered the responses and submissions received from a number of parties including in particular a considerable number of affidavits presented by El Reto, and Mascalzone Latino, the Jury has decided under Rules of Procedure 6.3 that a hearing is necessary to resolve this issue.

The cost of the hearing could exceed €50,000 which may be awarded at the conclusion of the hearing as the Jury considers just and equitable pursuant to article 21.3 of the Protocol.

Alternatively El Reto may elect to withdraw Question (ii) in which case no hearing would be necessary. El Reto is required to advise the Jury by 5 April of any such withdrawal of question (ii).

The hearing will be in London on May 2nd and 3rd. El Reto and Mascalzone are requested to immediately inform the Jury chairman by email if these dates are not suitable. They are the first available dates that all members of the Jury are available. Particulars of the time and premises where the hearing will be held will be separately advised.

Affidavit authors will be required to appear in person at the hearing and be available for cross-examination.

No later than 10 days before the hearing the Jury will require receipt of any applications for confidentiality in respect of the hearing of witness's evidence.

Witnesses shall be limited to those persons who have already submitted affidavits. El Reto if it elects to do so may with reference to its request of 29 March obtain itself and present an affidavit from Professor Arnone. Any such affidavit must be filed and copied to all parties on the service address list by no later than 15 days before the hearing date.

Further procedural directions may be given by the Jury under Rules of Procedure 12 as appropriate to facilitate the hearing.

In the event the application does not proceed to an oral hearing a full written decision will be delivered.

A handwritten signature in black ink that reads "Bryan Willis". The signature is written in a cursive style with a large, sweeping initial "B".

Bryan Willis

America's Cup Jury:
Gabrielle Kaufmann-Kohler, Graham McKenzie, Henry Menin, David Tillett, Bryan Willis (chairman)