

November 30, 2017

Bradley I. Ruskin
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via electronic mail:
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RE: Major League Soccer Expansion and Relocation Efforts

Dear Mr. Ruskin:

We represent Bexar County Judge Nelson Wolff, and I write today in response to your letter dated November 17, 2017. Your letter on behalf of Major League Soccer ("MLS"), and the statements contained therein, certainly came as a surprise. Thank you for bringing to our attention two (2) previously unknown facts.

First, you revealed that MLS was not sincere with the public about its expansion plans. MLS announced in 2016 that it will expand by four franchises. Your letter casts doubt on this expansion process: "MLS expects to select two new expansion clubs in the next few months and *may* select two additional expansion clubs at some future date thereafter." This is news to all applicants, as expansion franchise applications were prepared under the assumption that MLS meant what it said.

Second, you stated in the letter, "Based on discussions between MLS and the Spurs, consideration of the Spurs is being deferred until the second phase of the expansion process with the agreement of the Spurs."

This came as a complete surprise to Judge Wolff. If this assertion is true, our community is in the position of losing what could be the only opportunity to get an MLS franchise.

Significantly, your letter does not, because MLS cannot, directly deny or refute any facts or events previously disclosed by Judge Wolff. Judge Wolff's prior statements regarding MLS's actions and representations during the expansion and/or relocation investigative process are both truthful and accurate. Judge Wolff and Bexar County have both acted ethically, professionally, and appropriately throughout this entire process, despite a lack of transparency from others involved in this process.

Examples of facts not refuted include, but are not limited to, the following:

1. In 2013, MLS granted a contractual right to Columbus Crew SC's owner, Anthony Precourt, that allows that team to relocate to Austin, Texas.
2. On November 2, 2015, Judge Wolff and County Manager David Smith met with MLS President Mark Abbott to discuss MLS's expansion plans and the County's on-going discussions with SS&E regarding the potential purchase of the San Antonio Scorpions from the then-owner Gordan Hartman, as well as the possible purchase of Toyota Field for the explicit purpose of pursuing an MLS franchise for San Antonio.
3. MLS President Mark Abbott said at that meeting that MLS franchises would not be located in both Austin and San Antonio.
4. However, MLS did not disclose to Judge Wolff and County Manager David Smith that Mr. Precourt had a previously granted contractual right from MLS to move the Columbus Crew franchise to Austin. A right that if exercised by Mr. Precourt would, by MLS's own admission, effectively preclude any possibility of San Antonio having an MLS franchise.
5. SS&E applied for an expansion franchise in January 2017. Austin did **NOT** apply. In a now obvious conflict of interest, Mr. Precourt was appointed by MLS to the MLS expansion committee. As a member of this committee, he was in a position to review all applications, corporate support plans, stadium plans (including potential public financing), and other supposedly confidential information from every applicant group.
6. Even while our application was pending, Commissioner Garber and Mr. Precourt took active steps to establish a MLS presence in Austin, including hiring a lobbyist and registering trademarks. All this while MLS had still never disclosed to Judge Wolff Mr. Precourt's right to move to Austin.
7. On October 16, 2017, Commissioner Garber announced that he supported the possible relocation of the Columbus Crew to Austin.

Further, your assertion, contrary to the statement of MLS President Mark Abbott, that a franchise could be located in both Austin and San Antonio simply defies common sense. Austin and San Antonio are small markets, San Antonio is 31st and Austin is 39th. Toyota Field is located on the Austin-San Antonio corridor, merely 54 miles from the Austin city limits.

Your letter also misrepresents the meaning of Judge Wolff's statement that San Antonio would have a clear path to an MLS franchise. Clear path means that no obstacles would be put in place (or already be in place), such as the contractual right to move to Austin possessed by Columbus Crew. Judge Wolff never made an assertion that there was any promise by MLS to give San Antonio a franchise. Rather, based on MLS representations, Judge Wolff reasonably believed San Antonio had a fair chance at obtaining a franchise. Relying on these representations, SS&E made necessary steps to submit a competitive application for an expansion team.

Judge Wolff stands by his statements in the October 27, 2017 letter to Commissioner Garber. San Antonio sincerely believes it is a strong, competitive candidate for an MLS expansion team. However, based on recent reports concerning the unknown facts surrounding the Columbus Crew, Judge Wolff is concerned that San Antonio never had a viable chance to obtain an expansion team. Judge Wolff is also concerned that SS&E's agreement to defer until the second round of the expansion bids will also preclude San Antonio from receiving an MLS team since your letter indicates the second phase may or may not occur. Presumably, SS&E agreed to such deferment based on representations that there would be a second round. At this point, Judge Wolff hopes for transparency in this process as San Antonio is now left with many unanswered questions – most notably the viability of its bid for an MLS expansion team given the likelihood that the Columbus Crew will make Austin its new home. If San Antonio truly is a viable option for an MLS expansion team, Judge Wolff looks forward to transparency and fair dealing amongst all parties in this process.

Sincerely,



Mikal C. Watts

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