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December 7, 2010

BY FEDERAL EXPRESS and E-MAIL

David P. Donovan
General Counsel
The Washington Redskins
21300 Redskin Park Drive
Ashburn, VA 20147

RE: Washington City Paper

Dear Mr. Donovan:

We have been retained as counsel to Atalaya Capital Management LP (“Atalaya”) and its affiliates in connection with the claims against the Washington City Paper that you asserted on behalf of Dan Snyder in your letter of November 24, 2010.

The Washington City Paper is a subsidiary company of Creative Loafing, Inc. Creative Loafing, Inc. is a portfolio company of funds managed by Atalaya. Atalaya has no direct involvement in the management of the Washington City Paper, let alone any of its content, and until receiving your letter Atalaya had no direct or prior knowledge of the editorials whatsoever referenced in your letter. Despite these facts, we offer the following in response to your assertions and allegations on behalf of the Washington City Paper.

Your November 24 letter is replete with baseless mischaracterizations of the Washington City Paper column to which you principally refer – “The Cranky Redskins Fan’s Guide to Dan Snyder From A to Z (for Zorn), an encyclopedia of the owner’s many failings” dated November 19, 2010 (the “Column”) – as well as demonstrably false statements of fact and law. The purpose of this letter is not to correct each of your misstatements and mischaracterizations but rather to assert the media’s First Amendment right to comment on public figures (which your client undeniably is) and matters of public interest (into which your client voluntarily injected himself through his prominent ownership of the Washington Redskins).

The Column plainly is a tongue-in-cheek opinion piece expressing fans’ frustration with your client’s ownership of the Redskins. This is quintessential First Amendment-protected speech. Indeed, the U.S. Supreme Court has made clear that “one of the prerogatives of American citizenship is the right to criticize public men and measures. Such

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criticism, inevitably, will not always be reasoned or moderate; public figures as well as public officials will be subject to vehement, caustic, and sometimes unpleasantly sharp attacks.” *Hustler Magazine v. Falwell*, 485 U.S. 46, 52 (1988) (internal citations and quotations omitted). This fundamental right to criticize public figures applies with particular force to the media: “Constitutional protection of the press ‘reaches its apogee’ where the media reports on important and controversial public issues.” *Philip Morris Cos., Inc. v. Am. Broad. Cos., Inc.*, No. LX-816-3, 1994 WL 1031488, *7 (Va. Cir. Ct. Dec. 30, 1994), quoting *Chapin v. Knight-Ridder, Inc.*, 993 F.2d 1087, 1092 (4th Cir. 1993).

In light of the broad Constitutional protection to which the Column is entitled, your claims are especially ill-advised and misguided. The apparent chief complaints of your letter are self-concocted straw men based on material misrepresentations of the actual Column. First, there plainly was no anti-Semitic caricature of your client with horns. The cover illustration depicts a photograph of your client crudely defaced with devilish features – complete with clearly-drawn moustache, beard, and unibrow *in addition to* horns – a classic satire depicted in myriad forms of media. It is curious, at best, that you inexplicably omitted mention of these other salient features of the illustration, which eviscerate any suggestion of anti-Semitism. We certainly would hope that your client is not attempting to exploit contrived claims of anti-Semitism as a pressure tactic against a media portrayal that he finds unflattering. Second, the Column nowhere says that Mrs. Snyder’s “public role as the National Football League’s national spokesperson on breast cancer awareness was . . . a mere public relations ploy to ‘sell’ the ‘transformation’ of her husband’s public image.” You have attributed a statement to the Column that simply is not there. To the contrary, the only statement in the Column about Mrs. Snyder’s activities is that “she went on local TV to tell an interviewer that he is now surrounded by ‘better people.’ And that he’s ‘grown and he’s evolved’” – nothing about her being a spokesperson on breast cancer awareness, nothing about using that role as a public relations ploy, and most certainly nothing demeaning.

Your letter goes on to cite certain “false, misleading or simply irrelevant items” from the Column, which you claim are defamatory. Suffice it to say, we dispute that any of these statements are false or defamatory. We further dispute your self-serving legal opinions regarding, among other things, “libel per se,” the actual malice standard, and the burden of proof in public figure defamation suits – all of which are squarely contrary with settled law. You seek to turn the First Amendment on its head to suppress media opinions that your client evidently finds objectionable. In rejecting a similar attempt by a public figure to censor the media, the U.S. Supreme Court made clear that “[t]he fact that society may find speech offensive is not a sufficient reason for suppressing it. Indeed, if it is the speaker's opinion that gives offense, that consequence is a reason for according it constitutional protection.” *Falwell*, 485 U.S. at 55. Moreover, your not-so-veiled threats of litigation as leverage to suppress unwanted media opinions directly implicate state laws against Strategic Lawsuits Against Public Participation, of which we certainly will avail ourselves if necessary.

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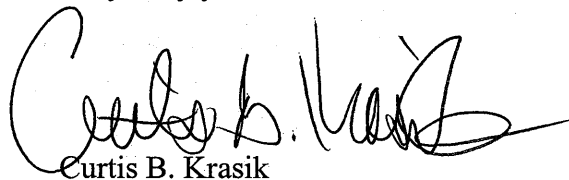
We also take particular exception to your accusation that the Column or anything written in the Washington City Paper was done "to patronize the paper's new masters, who compete with Snyder's own private equity fund for investors and investments." This is specious and outrageous. As one purportedly familiar with defamation law, be advised that Atalaya and its principals – who are not public figures like Mr. Snyder – intend to vigorously enforce their rights and remedies should these scurrilous accusations be made to any third party. Likewise, should claims be asserted against Atalaya or its principals in any lawsuit relating to these matters, we will subject any such claims to strict scrutiny under Rule 11 or analogous state law and seek sanctions against any allegations or claims that lack a good faith basis.

We encourage you to consult with First Amendment counsel in regard to your claims, and would be happy to discuss the matter with such counsel at any time. I expect that, with the advice of counsel and upon further consideration, you will agree that continued debate over relevant law serves little productive purpose.

Having placed your claims in the proper legal context, our clients nevertheless acknowledge and appreciate that your letter clearly demonstrates your client's personal outrage and offense taken at the statements in the Column, notwithstanding the fact that those statements are not actionable. We want to emphasize that our clients, in the spirit of good faith and as reasonable business persons, are ready and willing to address your client's concerns in any reasonable manner that does not impact the journalistic integrity of the Washington City Paper. For example, it is customary to afford Mr. Snyder the opportunity to respond in the newspaper. Pursuant to the invitation in your November 24 letter, we understand that Mr. Zinn has contacted Mr. Snyder in this regard and offered to come to Washington, D.C. to meet with Mr. Snyder per his initial request. However, we understand that, upon a second phone conversation, Mr. Snyder had not decided if he wanted to pursue a meeting. Our clients remain willing to meet with Mr. Snyder, as originally suggested.

Naturally, please feel free to contact me should you wish to discuss these matters further.

Very truly yours,

A handwritten signature in black ink, appearing to read "Curtis B. Krasik", written in a cursive style.

Curtis B. Krasik

CBK/m