

NEIGHBORHOOD COOPERATION AGREEMENT

This AGREEMENT, is made and entered into as of this 17 day of September, 2014 ("Effective Date"), by and between THE SHAKESPEARE THEATRE COMPANY, a District of Columbia nonprofit corporation ("STC") and THE SOUTHWEST NEIGHBORHOOD ASSEMBLY, INC., a District of Columbia nonprofit corporation ("SWNA")(collectively, with STC, the "Parties").

RECITALS:

R1. STC is the contract purchaser of that certain property located in the District of Columbia known as 501 Eye Street SW (the "Property"), which is presently improved by a two-story concrete building (the "Existing Building") formerly occupied by Southeastern University, Inc. ("SEU"). STC has contracted to purchase the Property from SEU in order to consolidate back-of-house operations and create a mixed-use development consisting of actor housing, administrative offices for the theatre, costume fabrication, small prop fabrication, arts education, rehearsal and/or small performance spaces, and market-rate housing (the "Development").

R2. SWNA is a nonprofit citizens' organization representing the community surrounding the Property, whose mission is, in part, to "improve the quality of life for all Southwest residents" and to "promote development of the economic and aesthetic potential of Southwest."

R3. Prior to its occupancy by SEU, the Existing Building was developed for The Hawthorne School, a progressive independent school, by noted architect Charles Goodman. Based on the history of the Hawthorne School and the prominence of Goodman, and in an effort to promote sound redevelopment of the Property in a manner that is compatible with the Southwest neighborhood (the "Southwest Community"), in July 2014, SWNA filed an application to designate the Property as an Individual Historic Landmark in the District of Columbia (the "Nomination") with the District of Columbia Historic Preservation Office.

R4. STC and its expert consultants have studied whether the Existing Building can be repurposed, rather than demolished, and have concluded that the Existing Building cannot meet the programmatic needs of STC, and has limited structural capacity to support building expansion. If the Existing Building is designated an Individual Historic Landmark, STC cannot acquire the Property and proceed with the Development.

R5. STC recognizes the importance of living in harmony with the surrounding community, and further seeks to contribute toward the improvement of the neighborhood. STC is committed to engaging with the Southwest Community as STC develops its plans for the Property, to minimizing the impact of the Development on the Southwest Community, and to addressing, to the greatest extent possible, the concerns that a redevelopment of the Property poses for SWNA and surrounding residents.

R6. SWNA also seeks to develop a project that will have the greatest public benefit to the Southwest Community, and recognizes that the Nomination will prevent STC from acquiring the Property. In consideration for STC's commitment to engage the Southwest Community in a

collaborative process as STC develops its plans, STC's commitment to assist SWNA in funding projects consistent with SWNA's nonprofit mission in SW DC, and a limitation on the maximum density STC will seek to develop on the Property, SWNA is willing to withdraw the Nomination.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, as further described herein, the mutual receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Withdrawal of Nomination. SWNA shall, within three (3) business days of the Effective Date, notify the District of Columbia Historic Preservation Office of its voluntary withdrawal of the Nomination (the "Withdrawal"). SWNA shall forward all correspondence relating to the Withdrawal to STC promptly upon receipt of same.

2. Raze Permit. SWNA hereby acknowledges that there is currently a raze permit application pending with the District of Columbia Department of Consumer and Regulatory Affairs ("DCRA") and that, upon Withdrawal of the Nomination, DCRA will be authorized, assuming all other required conditions are met by the permit applicant, to issue a permit authorizing the demolition of the Existing Building (the "Raze Permit"). Neither SWNA nor any of its Board Members shall object to the pending application, nor shall SWNA or any Board Member thereof file an appeal of the Raze Permit.

3. Demolition. Upon issuance of the Raze Permit, SEU (the permit applicant) and/or STC shall coordinate with Amidon-Bowen Elementary School and immediate neighbors to minimize impacts of demolition on students and residents. STC expects that it will begin interior demolition immediately upon issuance of the Raze Permit, but shall use best efforts to coordinate the demolition of the Existing Building with Amidon-Bowen Elementary School so that the majority of such work will be done when school is not in session. Interior and Exterior demolition ("Demolition") is expected to take three (3) months.

4. Security of Site, Cleanliness. Upon acquisition of the Property, and notwithstanding the demolition of the Existing Building, STC shall immediately secure the Property, remove all trash and debris, clean out landscaped beds, and maintain the site free of all trash and debris. STC shall monitor the Property and conduct trash removal and/or repairs necessary to keep the Property secure and free of trash and debris on a bi-weekly basis throughout pre-development and construction of the Development.

5. Development. STC agrees that the Development shall be limited to the following:

a. Maximum Density. Maximum density of development on the Property shall not exceed a floor area ratio, as that term is defined in the Zoning Regulations for the District of Columbia, of 4.5 FAR, which is the equivalent of 164,142 square feet of enclosed space above grade.

b. Off-Street Parking. A minimum of 70 off-street parking spaces shall be provided on the Property for use by STC and residents of the Development. Residents of the Development shall not be entitled to participate in any existing or future Residential Permit Parking program available to Advisory Neighborhood Commission 6D ("ANC6D") residents.

c. Uses. The Development shall be limited to the following uses: (i) administrative offices for STC, (ii) rehearsal spaces, (iii) one black-box theatre, (iv) costume fabrication shop, (v) small properties fabrication shop, (vi) actor housing, (vii) STC Intern housing, (viii) ancillary support spaces related to STC's on-site activities, and/or (ix) market-rate residential housing (to include affordable housing set-asides required by District Law or Regulation).

6. Community Engagement. STC intends to develop and file an application for Planned Unit Development and Related Map Amendment (the "PUD") seeking re-zoning of the Property to SP-2 on a conditional basis, tied to the Development as it is approved by the Zoning Commission for the District of Columbia (the "Zoning Commission"). Prior to its anticipated PUD application, STC shall be obligated to participate in the following community engagement process:

a. STC will be responsive to and communicate regularly with Townhouse Mangement III, Inc. and Townhouse Management I, Inc., and a recognized group of residents thereof who live in houses surrounding the Property ("Townhouse Residents"), via the points of contact identified below, regarding all aspects of the development process that will impact the Townhouse Residents, including but not limited to the demolition and construction schedule. STC will also fulfill its promise to make available to the Townhouse Residents all studies commissioned by STC related to the Existing Building, Property, and surrounding infrastructure, including, but not limited to, geotechnical, shading, utility, and transportation studies. As of the Effective Date, STC will send all such studies currently in its possession via e-mail to the Townhouse Residents' point of contact identified below. As STC's development plan progresses, STC will continue to provide the Townhouse Residents with further studies as they are completed.

Points of Contact:

Townhouse Management III, Inc: Andrea Pawley
andrea.pawley@gmail.com

Townhouse Management I, Inc.: Kathryn Tripp
tripp.kathryn@gmail.com

b. Within thirty (30) days of Effective Date, STC agrees to organize a charrette with SWNA and the Townhouse Residents at which three-dimensional models of the proposed massing concepts for the Property will be presented and discussed with meeting participants (the "Charrette").

c. Prior to filing a PUD application, STC shall hold at least two community meetings open to the general public at which STC will share its plans for the Development and process/and timeline for construction. These meetings shall be advertised through *The Southwester* newspaper and by direct e-mail notification to neighbors and community groups, including SWNA.

d. Prior to filing a PUD application and after the Charrette, STC shall hold at least one meeting with the Townhouse Residents to present its Development plans and discuss impacts and concerns of neighbors in the respective adjoining and confronting townhouse communities. SWNA and STC hereby acknowledge that although one such meeting has already taken place, STC shall be obligated to hold at least one additional meeting in accordance with this Section 6(d).

e. STC shall provide Townhouse Management III, Inc. and Townhouse Management I, Inc., or a recognized group of residents thereof, as well as SWNA and ANC 6D with twenty (20) days advance notice of its PUD application, and shall appear at SWNA and ANC 6D meetings (or committee meetings, if appropriate) prior to any Setdown Hearing on the PUD held by the Zoning Commission to present and discuss the proposed PUD and Development.

f. At the request of SWNA and/or ANC 6D, STC and its development team will present its application at subsequent SWNA or ANC 6D public meetings prior to the hearing on the merits for the PUD application.

7. Public Benefits. Provided that the Existing Building can be demolished, STC shall be obligated to deliver the following community and public benefits as specified below:

a. Arts Education. Upon approval of the PUD for the Development by the Zoning Commission ("PUD Approval"), STC shall:

i. Provide Jefferson Academy Middle School with "District Shakespeare" events and activities;

ii. Provide invitations to Jefferson Academy and Amidon-Bowen Elementary School to STC performances of "A Mini-Midsummer Night's Dream" and "The Tiny Tempest;"

iii. Invite classes from Amidon-Bowen Elementary School and Jefferson Academy Middle School, as well as community associations, for annual tours of the Lansburgh Theatre, Sidney Harman Hall, and the Development, once operational.

b. Shared Spaces. Upon completion of the Development, when such spaces are not in use by STC, STC shall make assembly spaces and/or conference rooms available to the Southwest Community during reasonable weekday evening and weekend daytime hours for community meetings with no room rental charges, provided STC staff is available to open and close the space during the requested meeting time.

c. Support for Southwest Community.

i. Beginning on the Effective Date, STC shall:

A. Participate in and support the Annual SW ArtsFest;

B. Reserve tickets and gift certificates for adult Master Acting Classes and Camp Shakespeare for Southwest Community special events and raffles, which will be provided upon appropriate request made by organizers of such events to STC and subject to availability;

C. Coordinate with SWNA and/or ANC 6D to distribute free tickets to Ward 6 Night Free For All performances at Sidney Harman Hall; and

D. For a period of one year, STC shall advertise in *The Southwester* Newspaper with four (4) one-half page advertisements per year (or equivalent thereof);

ii. Upon PUD Approval, STC shall:

A. Provide Southwest Community educators priority invitation to Teacher Appreciation Night at Sidney Harman Hall;

B. Reserve a number of discounted tuition spots for Adult Master Acting Classes and Camp Shakespeare for members of the Southwest Community who apply for such discounted tuition by the advertised deadline for same;

C. Reserve free tickets to the Academy of Classical Acting showcase performances for the Southwest Community;

D. Coordinate with the Friends of the Southwest Duck Pond for programming of arts events at the Duck Pond, including participating in the Friends of the Southwest Duck Pond Community Day;

E. Advertise in *The Southwester* newspaper with at least four (4) one-half page advertisements per year (or the equivalent thereof) for a total of four (4) years following PUD Approval; and

E. For a period of five (5) years following PUD Approval, STC shall provide an annual monetary contribution to SW ArtsFest equal to the lesser of: (1) Twenty Percent (20%) of the annual budget of SW ArtsFest, or (2) Two Thousand Five Hundred Dollars (\$2,500.00).

iii. Upon completion of the Development, STC shall host an Open House at the Property (to include evening tours of costume fabrication shop and rehearsal facilities with activities for families), and shall host such Open House in coordination with SW ArtsFest.

8. Contributions by STC to SWNA. In accordance with the schedule below, STC shall provide certain payments ("Funds") to SWNA to support SWNA's historic preservation efforts in the Southwest Community, including the funding of the creation of a Historic District within Southwest DC. Such payments shall be delivered by hand or by overnight courier to an address to be provided by SWNA no later than the date and times specified in this Section 7.

a. Within two (2) business days of confirmation to SWNA from the District of Columbia Historic Preservation Office, which confirmation shall be promptly provided by SWNA to STC, STC shall deliver to SWNA Thirty Thousand Dollars (\$30,000.00).

b. Within ten (10) business days of issuance of the Raze Permit, which issuance shall be promptly communicated by STC to SWNA, STC shall deliver to SWNA Thirty Thousand Dollars (\$30,000).

c. Upon receipt of the Funds, SWNA shall be entitled to use the Funds in an unrestricted manner, however, SWNA agrees that the purpose of these Funds is to cover the cost of projects consistent with SWNA's nonprofit mission in the Southwest Community, and that SWNA shall, if requested by STC and/or the Zoning Commission, provide written documentation to STC and/or the Zoning Commission of its intended use of the Funds for a tangible and quantifiable project and confirmation of its expected timeline for use of the Funds.

8. Documentation of Existing Building. Prior to Demolition, STC shall provide SWNA with copies of the report prepared for STC by EHT Tracerics' outlining the history of the Existing Building. STC shall provide SWNA access to the Existing Building, at SWNA's own risk and sole expense, at a mutually agreeable time, and upon reasonable notice and approval of SEU, if required, for the purpose of documenting and photographing the interior and exterior of the Existing Building. SWNA hereby acknowledges that as of the Effective Date, the Existing Building is currently unsafe for occupancy, and STC shall not be responsible for any injury to person or property resulting from SWNA's or its designated representatives' access to the Existing Building.

10. Authorization. Each of the Parties represents and warrants that each has the full and lawful authority to execute and deliver this Agreement. STC further warrants that it has obtained the approval of Erkiletian Development Company, its partner in the Development, to enter into this Agreement.

11. Modifications; Waivers. Any modification or amendment of this Agreement shall be binding only if in writing and signed by each Party. The failure of one party to enforce all or any obligation of this Agreement shall not be deemed a waiver of future obligations.

12. Costs. If either Party brings suit or any other action to enforce this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees and costs, and costs of enforcement.

13. Notices. All notices and other communications hereunder shall be in writing and either personally delivered (which will be deemed given upon delivery or upon the first refusal to accept delivery); delivered by a nationally recognized overnight courier service (such as UPS or Federal Express); or delivered by electronic mail as follows:

If to STC: Shakespeare Theatre Company
516 8th Street SE
Washington, D.C. 20003
Attention: Chris Jennings, Managing Director
cjennings@shakespearetheatre.org

with a copy to: Arent Fox LLP
1717 K Street NW
Washington DC 20006-5344
Attention: Kinley R. Bray, Esq.
kinley.bray@arentfox.com

If to SWNA: Southwest Neighborhood Assembly, Inc.
PO Box 70131
Washington DC 20024
Attention: Kael Anderson or Cecille Chen
andkael@gmail.com
cecillehchen@gmail.com

The Parties to this Agreement shall be responsible for notifying each other of any change of address or change in the persons to be notified.

13. No Personal Liability.

a. Nothing contained in this Agreement shall impose upon any of STC's direct or indirect partners, members, managers, officers, shareholders, directors, employees, mortgagees, ground lessors, principals, trustees, beneficiaries, agents, or representatives or any of their successors and assigns, any duty of care and/or personal liability to SWNA for the performance of or failure to perform any term or condition of this Agreement.

b. Except where specifically noted, nothing contained in this Agreement shall impose upon any of SWNA's direct or indirect partners, members, managers, officers, shareholders, directors, employees, mortgagees, ground lessors, principals, trustees, beneficiaries, agents, or representatives or any of their successors and assigns, any duty of care and/or personal liability to STC and/or to STC's agents, employees, contractors or subcontractors for the performance of or failure to perform any term or condition of this Agreement.

14. Captions. The captions in this Agreement are inserted only as a matter of convenience and reference and in no way define, limit, or describe the scope of this Agreement or the intent of any provision hereof.

15. Severability. The provisions of this Agreement are severable and the invalidity of one or more of the provisions shall not affect the validity or enforceability of any other provisions.

16. Entire Agreement. This Agreement constitutes the entire agreement between Parties with respect to the Neighborhood Cooperation Agreement and no party is liable to the other or bound in any manner by express or implied warranties, guarantees, promises, statements or representations pertaining to the subject matter hereof unless such warranties, guarantees, promises, statements, or representations are expressly and specifically set forth herein.

17. Counterparts. This Agreement may be executed simultaneously in any number of counterparts by original or facsimile signature, each of which shall be deemed an original, but all of which shall constitute one and the same Agreement.

18. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of STC and SWNA, and their respective successors and assigns.

19. Governing Law. This Agreement shall be governed by, construed and enforced according to the laws of the District of Columbia.

20. Jurisdiction. All disputes arising, directly or indirectly, out of or relating to this Agreement, and all actions to enforce this Agreement, shall be adjudicated in the state courts or the federal courts sitting in the District of Columbia, and STC and SWNA each expressly and irrevocably submits to the jurisdiction of such courts in any suit, action, or proceeding arising, directly or indirectly, out of or relating to this Agreement. Service of Process in any such suit, action, or proceeding may be affected in accordance with the notice provision of this Agreement in addition to any other method permitted by law.

21. Jury Waiver. It is mutually agreed by and among the parties hereto that all parties shall waive trial by jury in any action, proceeding, or counterclaim brought by any of the parties hereto against another party on any matters arising out of, or in any way connected to, this Agreement.

22. Costs and Expenses. Should either party hereto institute any action or proceeding in court to enforce any provision hereof or for damages by reason of any alleged breach of any provision of this Agreement or for any other judicial remedy, the prevailing party shall be entitled to receive from the losing party all reasonable attorneys' fees and all court costs in connection with said proceeding and any costs incurred in the enforcement of such party's rights hereunder.

23. Mutual drafting. This Agreement has been carefully reviewed and negotiated by both parties and it shall be given fair and reasonable interpretation in accordance with the words contained in it without weight being given as to whether a provision was drafted by one party or its counsel.

24. No Recordation. Neither party shall submit this Agreement for recordation among the Land Records of the District of Columbia.

[Signatures follow on next page.]

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the date first written above.

SHAKESPEARE THEATRE COMPANY

BY: Chris Jennings
NAME: Chris Jennings
TITLE: Managing Director
DATE: 9/17/14

SOUTHWEST NEIGHBORHOOD ASSEMBLY, INC.

BY: Kael W Anderson
NAME: Kael W Anderson
TITLE: President
DATE: 9/17/14