NO-RELOCATION AGREEMENT

THIS NON-RELOCATION AGREEMENT (this “Agreement”) is entered into as of July 2, 2015, (the “Effective Date”) by and between the DISTRICT OF COLUMBIA, a municipal corporation acting by and through the Department of General Services (the “District”), and DC SOCCER LLC, a Delaware limited liability company (“Team”). Capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to them in the Lease.

RECITALS:

A. Team is the holder of a right to operate the DC United professional soccer team (“DC United”) pursuant to the MLS Operating Agreement and is an affiliate of DC STADIUM LLC, a Delaware limited liability company (“Lessee”).

B. Lessee and District are parties to that certain Ground Lease dated as of ____________, 201__, (as amended from time to time, the “Lease”), pursuant to which, among other things, Lessee is leasing from the District certain real property described in Exhibit A hereto (the “Stadium Land”), and is constructing a new, state-of-the-art, LEED certified stadium, on the Stadium Land (the “Stadium”), in accordance with that certain Development Agreement between the District and Lessee dated as of ____________, 201__ (the “Development Agreement”), for the use and benefit of the Team.

C. As a condition to District entering into and performing its obligations under the Lease and the Development Agreement, Lessee agreed to cause the Team to enter into this Agreement, pursuant to which the Team will (i) commit DC United to play substantially all of its Games (as hereinafter defined) at the Stadium, (ii) commit DC United to maintain its principal offices within the District of Columbia, and (iii) use reasonable efforts to locate DC United’s practice field and any related facilities in the District of Columbia, in each case, for a term concurrent with the term of the Lease, on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the District and Team agree as follows:

ARTICLE I

DEFINITIONS

The following terms as used herein shall have the following meanings:

“Agreement” means this Non-Relocation Agreement, as amended from time to time.

“Casualty” means any material damage or destruction of the Stadium or of any material part thereof caused by fire or other occurrence.
“Casualty Repair Work” means all work to restore, repair, replace and rebuild the Stadium or the applicable portion of the Stadium affected by a Casualty, as nearly as reasonably practicable to its condition immediately prior to such damage or destruction.

“Casualty Untenantability Period” means the period, if any, commencing on the date that an Untenantable Condition exists due to a Casualty and ending ninety (90) days after the date that such Casualty Untenantable condition ceases to exist following completion of the Casualty Repair Work.

“Commencement Date” means the first day of the first MLS season, the first day of which follows the date upon which the Stadium is Substantially Completed and can be used for Games.

“District” is defined in the initial paragraph of this Agreement.

“Effective Date” means the date of this Non-Relocation Agreement.

“Force Majeure” means an occurrence, including any of the following, for the period of time, if any, that the Team’s performance of the Non-Relocation Covenants is actually, materially and reasonably delayed, hindered or prevented thereby: acts of God; acts of the public enemy; the condemnation (permanent or temporary), confiscation or seizure by any Governmental Authority; insurrections; wars or war-like action (whether actual and pending or expected); arrests or other restraints of government (civil or military); blockades; embargoes; labor interruptions, strikes, labor unrest, labor disputes or unavailability of labor or materials; strikes, lock-outs or other work stoppages; epidemics; unusually severe weather; lightning; earthquakes; fires; hurricanes; storms; floods; wash-outs; epidemic; explosions; any delays occasioned by arbitration actions and proceedings; civil disturbance or disobedience; riot; sabotage; terrorism, threats of sabotage or terrorism; withdrawal or suspension of permits or licenses or other legal entitlement; closure of the District or federal government, any failure of the District to comply with any of its obligations under the Lease or Development Agreement (including failure by reason of non-appropriation) if such failure by the District materially adversely affects the long-term economic benefit of the bargain expressed in the Lease or any other cause, whether of the kind herein enumerated or otherwise, that is not within the reasonable control of the Party claiming the right to excuse performance on account of such occurrence and which, in any event, is not a result of the negligence or willful misconduct of the Party claiming the right to excuse performance on account of such occurrence; provided, however, that the Team may not claim Force Majeure as a result of actions on the part of MLS, or any of its affiliates or subsidiaries.

“Games” has the meaning given that term in the Lease.

“Governmental Authority” means any federal, state, District of Columbia, local or foreign governmental entity, authority or agency, court, tribunal, regulatory commission or other body, whether legislative, judicial or executive (or a combination or permutation thereof).

“Landlord Failure” means the District’s failure to perform any obligation required to be performed by the District under any Project Agreement that materially adversely impacts Team’s ability to play Games at the Stadium.
“Lease” is defined in Recital B of this Agreement.

“Non-Relocation Covenants” means the collective covenants made by Team under Article 2 of this Agreement.

“Non-Relocation Default” means Team’s breach of any of the terms, covenants or agreements of Article 2 of this Agreement.

“Non-Relocation Term” means the period beginning on the Commencement Date and continuing until the termination of this Agreement pursuant to Section 4.2 of this Agreement.

“Operating Right” means the right granted by the MLS (as such term is defined in the Lease) to Team allowing Team to operate the DC United professional soccer team under the MLS Operating Agreement (as such term is defined in the Lease)

“Other Default” means (i) any failure of the Team to observe or perform in any respect any of the terms, covenants or agreements of this Agreement, other than the terms, covenants or agreements of Article 2 of this Agreement or (ii) any representation or warranty made by the Team in this Agreement shall have been false or inaccurate in any material respect when made, which failure or misrepresentation shall continue for a period of thirty (30) days after notice thereof to the Team in writing of its purported failure or misrepresentation, or, if the failure or misrepresentation is not reasonably susceptible of cure within such thirty (30)-day period, the Team fails to commence the cure within such period and thereafter to prosecute the cure diligently to completion.

“Parties” or “Party” means the District and Team, as the context in this Agreement may require.

“Practice Facilities” is defined in Section 3.2 of this Agreement.

“Project Agreements” means, collectively, (i) the Lease, and (ii) the Development Agreement.

“Public Parking Spaces” means the parking spaces located on the Stadium Land.

“RFK Stadium” means the outdoor multipurpose stadium improvements (including parking lots) known as Robert F. Kennedy Memorial Stadium located at 2400 East Capitol St SE Washington, DC 20003.

“Stadium” is defined in Recital A.

“Team” has the meaning given in the initial paragraph of this Agreement.

“Untenantable Condition” means the existence of any one of the following conditions as a result of Condemnation, Casualty, Force Majeure or Landlord Failure, but only to the extent the same is not the result of the willful misconduct of Team or Lessee:
(a) The condition of the applicable facility (the Stadium or the RFK Stadium) is such that the playing of Games (or as to practice fields, practices) is not permitted under the Rules and Regulations that are generally applicable to other similar MLS facilities;

(b) The condition of the applicable facility (the Stadium or the RFK Stadium) does not reasonably permit it to be used, occupied or exploited by the Team in connection with Games (or practices);

(c) The use or occupancy of the applicable facility (the Stadium or the RFK Stadium) for a Game (or practice) is not permitted under applicable laws or regulations or is restricted in any material respect under applicable laws or otherwise, including, but not limited to, denial of access;

(d) The use or occupancy of twenty (20%) or more of the total manifested seats within the Stadium, is restricted or such seats are unusable or are subject to a material restriction on access; or

(e) The use or occupancy of more than twenty percent (20%) or more of the Public Parking Spaces is restricted or such Public Parking Spaces are unusable or are subject to a material restriction on access and this materially adversely impacts the sale of tickets to the Games.

ARTICLE 2
NON-RELOCATION

2.1 Obligation to Maintain Franchise.

So long as this Agreement is in effect, Team covenants to the District that it shall continue to own the Operating Right.

2.2 Covenant to Play.

(a) From the Effective Date until the Commencement Date, subject only to the exceptions described in this Section 2.2, Team covenants to the District to play substantially all of Team’s Games at RFK Stadium during each Season. During the Non-Relocation Term, subject only to the exceptions described in this Section 2.2, Team covenants to the District to play substantially all of Team’s Games at the Stadium during each Season.

(b) Notwithstanding subsection (a) of this Section 2.2 above, Team shall be permitted to play, and to enter into arrangements to permit it to play, Games at a location other than RFK Stadium or the Stadium, as applicable, (i) if an Untenantable Condition exists or is reasonably expected to exist at the time of any scheduled Game, (ii) due to Force Majeure, or (iii) during any Casualty Untenantability Period and, if such Casualty Untenantability Period ends, or is reasonably expected to end, during a Season or within ninety (90) days prior to the beginning of a Season, during the entirety of such Season. Team shall give written notice to the District promptly following any determination by Team that it intends to play or enter into arrangements...
to play one or more Game(s) at a location other than the Stadium (or the RFK Stadium, as applicable) pursuant to this paragraph.

2.3 Non-Relocation.

As of the Effective Date, there is no contract or agreement in effect with respect to or which would result in the move or relocation of Games to a location other than the Stadium or RFK Stadium, other than as permitted under Section 2.2. For so long as this Agreement is in effect, the Team shall not enter into any contract or agreement with respect to or which would result in the move or relocation of, or make application to the MLS with respect to or which would result in the move or relocation of, and shall not move or otherwise relocate or attempt to move or otherwise relocate, Games to a location other than the Stadium, other than as permitted under Section 2.2, except that the prohibitions set forth in this Article 2 shall not apply to prospective applications or agreements if any such proposed move or relocation would not take effect during the Non-Relocation Term.

ARTICLE 3

OTHER COVENANTS

3.1 Office Location.

So long as this Agreement is in effect, Team will (subject to Force Majeure) maintain its principal offices within the District of Columbia.

3.2 Practice Fields.

So long as this Agreement is in effect, Team shall use reasonable efforts to locate DC United’s primary practice fields and any related facilities (collectively, the “Practice Facilities”) in the District of Columbia. Team will apprise District of its efforts to identify and secure a location in the District of Columbia for such Practice Facilities. District will use reasonable efforts to assist the Team in identifying a location in the District of Columbia for the Practice Facilities.

ARTICLE 4

TERM

4.1 Effective Date and Non-Relocation Term.

The terms and provisions of this Agreement shall be effective as of the Effective Date and shall continue until the termination of this Agreement under Section 4.2.

4.2 Termination.

This Agreement shall terminate upon the occurrence of any of the following events: (i) written agreement of the Parties to terminate this Agreement; (ii) expiration of the Lease in accordance with its terms; (iii) termination of the Lease in accordance with its terms other than
as a result of a Lessee Default except that in the event of a Lessee Default, if the Performance Assurance has been realized upon pursuant to Section 8.1(a) of the Development Agreement, then this Agreement shall terminate; (iv) the Stadium Land is no longer subject to the Lease, or (v) at the election of the Team, if the Commencement Date does not occur on or before March 31, 2021 as a proximate result of any failure (including a failure by reason of non-appropriation) of the District to perform any of its obligations under the Development Agreement or the Lease if such failure materially adversely affects the long-term economic benefit of the bargain expressed in the Development Agreement or in the Lease.

ARTICLE 5

DEFAULTS AND REMEDIES

5.1 Agreements and Acknowledgments

Team acknowledges (i) that Lessee is an Affiliate, (ii) that the Team will benefit from the lease by the District of the Stadium Land to Lessee, (iii) that its obligations under the Non-Relocation Covenants are unique, are the essence of the bargain, and are essential consideration for this Agreement and for the Project Agreements being entered into by the District with Lessee. Team also recognizes, agrees, and stipulates that the financial, civic, and social benefits to the District from the presence of Team and the playing of its Games at the Stadium in accordance with this Agreement are great, but that the precise value of those benefits is difficult to quantify. Accordingly, the magnitude of the damages that would result from a Non-Relocation Default would be difficult to quantify, including, without limitation, damages to reputation and finances of the District and such damages would not be compensable by money. Based on the foregoing, Team hereby agrees as follows:

(a) That any Non-Relocation Default by Team shall constitute irreparable harm to the District for which monetary damages or other remedies at law will not be an adequate remedy, and that Team shall not assert or argue otherwise in any action or proceeding.

(b) That the specific performance of the Non-Relocation Covenants is a bargained-for expectation of the District and Team and that in the event of a Non-Relocation Default, the District shall be entitled to a judicial order and judgment directing Team to specifically perform its obligations under the Non-Relocation Covenants and enjoining it from failing to perform its obligations under the Non-Relocation Covenants or acting in a manner that would constitute a Non-Relocation Default.

(c) That, in the event of a Non-Relocation Default, the District shall be entitled to seek and obtain, and Team hereby consents to the entry of, temporary, preliminary and permanent injunctive and other similar equitable relief restraining, enjoining and prohibiting any such Non-Relocation Default, and directing the specific performance of the terms of the Non-Relocation Covenants.

(d) That it will not assert that (i) the rights of the District to injunctive relief as a result of a Non-Relocation Default shall not constitute a claim pursuant to Section 101(5) of the United States Bankruptcy Code, (ii) such rights are subject to discharge or restraint of any nature
in any bankruptcy proceeding involving Team, nor (iii) that this Agreement is an “executory contract” as contemplated by Section 365 of the United States Bankruptcy Code.

(e) That in any proceeding seeking relief for a Non-Relocation Default, any requirement for the District to post any bond or other security or collateral as a condition of any relief sought or granted is hereby waived, and the Team shall not assert or argue otherwise in any action, suit or proceeding.

(f) That Team waives any right it may have to object to or to raise any defense to any actual or requested award of the remedy of specific performance in any action brought by or on behalf of the District in respect of a Non-Relocation Default except:

(i) alleged unclean hands of the plaintiff in the commencement of the proceedings, and

(ii) the defense that there has in fact not been a Non-Relocation Default in accordance with the terms of this Agreement.

(g) That the obligations of Team under the Non-Relocation Covenants are absolute, irrevocable and unconditional, except as expressly provided herein, and shall not be released, discharged, limited or affected by any right of setoff or counterclaim that Team may have to the performance thereof.

(h) That the failure of any party to seek redress for violation of, or to insist upon the strict performance of, any provision of the Non-Relocation Covenants shall not prevent a subsequent act, which would have originally constituted a violation, from having effect of an original violation. No delay in the exercise of any remedy shall constitute a waiver of that remedy.

5.2 District Remedies for Non-Relocation Default

Upon the occurrence of a Non-Relocation Default or the threat of an imminent breach of any of the Non-Relocation Covenants, in addition to any other remedies the District may pursue, the District shall be entitled to seek declaratory relief or similar equitable remedy, including but not limited, to an injunction or specific performance, without the following: posting a bond or other security; demonstrating inadequacy of money damages as a remedy; or showing irreparable harm.

5.3 Other Defaults

In the event of any Other Default, the District shall have the right to institute any and all proceedings or claims permitted by law or equity to recover any and all amounts necessary to compensate the District for all damages proximately caused by the Team’s breach under this Agreement.
ARTICLE 6

REPRESENTATIONS

6.1 Representations and Warranties

Team hereby represents and warrants to the District the following, which representations and warranties speak solely as of the Effective Date:

(a) Team is a limited liability company, duly formed and validly existing under the laws of the State of Delaware, qualified to do business in the District, with all necessary limited liability power and authority to carry on its present business, to enter into and perform this Agreement and to consummate the transactions herein contemplated.

(b) All proceedings required to be taken by or on behalf of Team to authorize Team to execute and deliver this Agreement and to perform its covenants, obligations and agreements hereunder have been duly taken. This Agreement has been duly authorized and executed by Team.

(c) This Agreement constitutes the valid and legally binding obligation of Team, enforceable in accordance with its terms and conditions, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws presently or hereafter in effect, and by general principles of equity whether applied in a proceeding at law or in equity.

(d) No consent to the execution and delivery of this Agreement by Team is required from MLS or from any member, manager, creditor, judicial, legislative or administrative body, Governmental Authority or any other person, other than any such consent which already has been given in writing or has otherwise been obtained, without any unfulfilled conditions to the effectiveness thereof and which consent remains in effect on the Effective Date.

(e) Neither the execution and delivery of this Agreement by Team nor the performance by Team of its obligations hereunder (a) violates any statute, regulation, rule, judgment, order, decree, stipulation, injunction, charge, or other restriction of any Governmental Authority, or court to which Team is subject or any provision of the operating agreement of Team or any provisions of the Rules and Regulations, or (b) conflicts with, results in a breach of, constitutes a default under, results in the acceleration of or creates in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any contract, lease, sublease, license, sublicense, franchise, permit, indenture, agreement or mortgage for borrowed money, instrument of indebtedness, security interest, or other agreement to which Team is a party or by which Team or its assets (including, Team) are bound (including the Rules and Regulations), except in each case for violations, conflicts, breaches, defaults, accelerations or terminations that in good faith would not be reasonably likely to materially impair Team’s ability to perform under this Agreement.

(f) Team has the Operating Right pursuant to the MLS Operating Agreement.
6.2 Notice of Inaccuracy

If Team becomes aware that any representation or warranty made in this Article 6 shall have been false or inaccurate in any material respect when made, Team will give prompt notice thereof to the District.

ARTICLE 7

MISCELLANEOUS

7.1 Entire Agreement

This Agreement represents the entire agreement among the Parties with respect to the matters set forth herein and supersedes all prior negotiations, representations or agreements, written or oral, pertaining to the subject matter of this Agreement. The provisions of this Agreement are for the exclusive benefit of the Parties and the Lessee and not for the benefit of any third person (other than the Lessee); nor shall this Agreement be deemed to have conferred any rights, express or implied, upon any third person other than the Lessee, which is acknowledged to be an intended third-party beneficiary of the provisions of Section 5.3(b).

7.2 Amendments

No modification or amendment of this Agreement or of any of its conditions or provisions shall be binding upon the District or Team unless in writing signed by the District and Team.

7.3 Choice of Law

This Agreement shall be governed by and interpreted in accordance with the internal laws of the District of Columbia, without giving effect to conflict of laws provisions.

7.4 Interpretation

Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law. The conditions to the Team’s obligations under this Agreement set forth herein represent essential elements of the bargain and shall not be deemed severable from the rights of the District hereunder. This Agreement is not intended to give rise to a private right of action on the part of any citizen of or business doing business in the District. This Agreement is not intended to, and does not create a relationship of principal and agent, partnership, joint venture or association between the District and Team.

7.5 No Implied Waivers

No waiver by a Party of any term, obligation, condition or provision of this Agreement shall be deemed to have been made, whether due to any course of conduct, continuance or repetition of non-compliance, or otherwise, unless such waiver is expressed in writing and signed and delivered by the Party granting the waiver, nor shall any forbearance by either Party to seek a remedy for any breech by the other Party be a waiver by such party of any rights or remedies.
with respect to such or any subsequent breach. No express waiver shall affect any term, obligation, condition or provision other than the one specified in such waiver and that one only for the time and in the manner specifically stated.

7.6 Interpretations

All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders; and the singular shall include the plural and vice versa. Any accounting term used in this Agreement shall have, unless otherwise specifically provided herein, the meaning customarily given in accordance with generally accepted accounting principles, and all financial computations hereunder shall be computed, unless otherwise specifically provided herein, in accordance with generally accepted accounting principles. The captions and headings in this Agreement are only for convenience and do not define, limit or describe the scope or intent of any of the provisions of this Agreement. The use herein of the word “including,” when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not nonlimiting language (such words as “without limitation,” or “but not limited to,” or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter. The Parties agree that they have been represented by counsel during the negotiation, drafting, preparation and execution of this Agreement and, therefore, waive the application of any law or rule of construction providing that ambiguities in a contract or other document will be construed against the party drafting such contract or document.

7.7 Notices

All notices, demands, certificates or other communications under this Agreement shall be given in writing at the address set forth below or at such other address as such party shall designate by written notice to the other party and may be (a) sent by registered or certified U.S. Mail with return receipt requested, (b) delivered personally (including delivery by private courier services), or (c) sent by nationally recognized overnight courier service. Such notices shall be deemed to be duly given or made (i) five (5) Business Days after posting if mailed as provided, (ii) when delivered by hand unless such day is not a Business Day, in which case such delivery shall be deemed to be made as of the next succeeding Business Day, or (iii) the next Business Day when delivered by overnight courier. Addresses for delivery of notices are as follows:

For District: The District of Columbia
1350 Pennsylvania Avenue, N.W.
Suite 521
Washington, D.C. 20004
Attn: City Administrator

With a copy to: Office of the Deputy Mayor for Planning and Economic Development
1350 Pennsylvania Avenue, N.W.
Suite 317
Washington, D.C. 20004  
Attn: General Counsel

For Team:  
DC Soccer LLC  
c/o DC United  
2400 East Capitol Street, S.E.  
Washington, DC 20003  
Attention: Jason Levien

and to:  
DC United  
2400 East Capitol Street, S.E.  
Washington, D.C. 20003  
Attention: Tom Hunt

With a copy to:  
Arent Fox LLP  
1717 K Street, N.W.  
Washington, D.C. 20006  
Attention: Richard A. Newman, Esq.

Any party may from time to time by written notice given to the other parties pursuant to the terms hereof change the address to which notices shall be sent.

7.8 Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same fully executed agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

7.9 MLS Supremacy

Anything to the contrary notwithstanding herein contained, this Agreement and the obligations of the Team hereunder and under any agreement referred to herein shall be and are in all respects subordinate to the Rules and Regulations, as amended from time to time; provided, however, that nothing in this Section 7.9 shall be construed to limit or impair the District’s rights and remedies against the Team in the event of a breach of the obligations in Section 2.3 regarding non-relocation, except that if such breach arises from MLS terminating, suspending or cancelling the right of the Team Operator to operate the Team, the District shall have no right to assert damages against the Team except to the extent of any termination payment made by or at the direction of MLS to the Team.

[Remainder of page intentionally blank - Signature page follows]
IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

DISTRICT OF COLUMBIA, a municipal corporation

By: 
Name: JONATHAN KAYNE 
Title: INTERIM DIRECTOR

DC SOCCER LLC, a Delaware limited liability company

By: 
Name: Jason Levien 
Title: President + Managing Partner