

**THE DISTRICT OF COLUMBIA
ALCOHOLIC BEVERAGE CONTROL BOARD**

In the Matter of:

CS Bond St. AB-C Holdings, LLC
t/a Carlyle Hotel

Applicant for Substantial Change
(Change of Hours)
to a Retailer's Class CH License

at premises
1731 New Hampshire Avenue, N.W.
Washington, D.C. 20009

Case No. 16-PRO-00006

License No. ABRA-090805

Order No. 2016-273

CS Bond St. AB-C Holdings, LLC, t/a Carlyle Hotel (Applicant)

Nicole Mann, Chairperson, on behalf of Advisory Neighborhood Commission (ANC) 2B

Bruce Cohen, on behalf of A Group of Five or More Individuals (Approximately 45 Individuals)

Bruce Cohen and Charles Ellis, III, on behalf of ten (10) Abutting Property Owners

BEFORE: Donovan Anderson, Chairperson
Nick Alberti, Member
Mike Silverstein, Member
Ruthanne Miller, Member
James Short, Member

**ORDER ON SETTLEMENT AGREEMENT AND
WITHDRAWAL OF PROTESTS**

The official records of the Alcoholic Beverage Control Board (Board) reflect that CS Bond St. AB-C Holdings, LLC, t/a Carlyle Hotel, Applicant for a Substantial Change to change its hours of operation and sales, to its Retailer's Class CH License, having been protested, came before the Alcoholic Beverage Control Board (Board) for a Roll Call Hearing on February 8, 2016, and a Protest Status Hearing on March 9, 2016, in accordance with D.C. Official Code § 25-601 (2001).

The official records of the Board reflect that the Applicant; Chairperson Nicole Mann, on behalf of ANC 2B; Bruce Cohen, on behalf of the Group of Five or More Individuals; Katherine Gresham, Stephanie Lieberman, Stephen Lieberman, Bruce Cohen, Charles Ellis, III, Ralston Cox, Richard Stirba, Leila Ellis, and LeAnn Marr, Abutting Property Owners; entered into a Settlement Agreement (Agreement), dated April 26, 2016, that governs the operation of the Applicant's establishment.

This Agreement constitutes a withdrawal of the Protests filed by ANC 2B, the Group of Five or More Individuals, and the Abutting Property Owners.

Accordingly, it is this 4th day of May, 2016, **ORDERED** that:

1. The Application filed by CS Bond St. AB-C Holdings, LLC, t/a Carlyle Hotel, for a Substantial Change to change its hours of operation and sales, to its Retailer's Class CH License located at 1731 New Hampshire Avenue, N.W., Washington D.C., is **GRANTED**;
2. The Protests of ANC 2B, the Group of Five or More Individuals, and the Abutting Property Owners in this matter are hereby **DISMISSED**;
3. The above-referenced Settlement Agreement submitted by the parties to govern the operations of the Applicant's establishment is **APPROVED** and **INCORPORATED** as part of this Order, except for the following modifications:

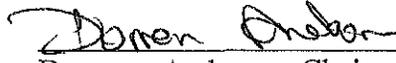
Section 4 (Entertainment) – The following language shall be removed: “Licensee would provide two-weeks’ notice to ANC2B and the presidents of the following condominium boards: Portsmouth Condominium, Hampshire Plaza Condominium, 1751 NH Avenue Condominium, the Normanstone Condominium, and the Whyland Condominium.”

Section 12 (Notice and Opportunity to Cure) – The following language shall be modified to read as follows: “If the Licensee or the licensee fails to cure within the 21-day period (or, with respect to a breach which reasonably requires more than 21 days to cure, fails to commence cure of such breach and diligently pursues such cure) failure shall constitute a cause for filing a complaint with the ABC Board pursuant to D.C. Official Code § 25-447.”

The parties have agreed to these modifications.

4. Copies of this Order shall be sent to the Applicant; ANC 2B; Bruce Cohen, on behalf of the Group of Five or More Individuals; and Bruce Cohen and Charles Ellis, III, on behalf of ten Abutting Property Owners.

District of Columbia
Alcoholic Beverage Control Board



Donovan Anderson, Chairperson

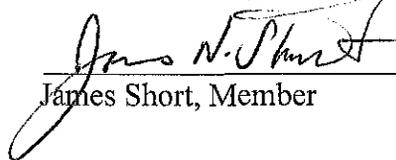
Nick Alberti, Member



Mike Silverstein, Member



Ruthanne Miller, Member



James Short, Member

Pursuant to D.C. Official Code § 25-433(d)(1), any party adversely affected may file a Motion for Reconsideration of this decision within ten (10) days of service of this Order with the Alcoholic Beverage Regulation Administration, 2000 14th Street, N.W., Suite 400S, Washington, DC 20009.

Also, pursuant to section 11 of the District of Columbia Administrative Procedure Act, Pub. L. 90-614, 82 Stat. 1209, D.C. Official Code §2-510 (2001), and Rule 15 of the District of Columbia Court of Appeals, any party adversely affected has the right to appeal this Order by filing a petition for review, within thirty (30) days of the date of service of this Order, with the District of Columbia Court of Appeals, 430 E Street, N.W., Washington, D.C. 20001; (202/879-1010). However, the timely filing of a Motion for Reconsideration pursuant to 23 DCMR §1719.1 (2008) stays the time for filing a petition for review in the District of Columbia Court of Appeals until the Board rules on the motion. See D.C. App. Rule 15(b) (2004).

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT ("Agreement") is made on this 26th day of April, 2016 by and between CS Bond ST. AB-C Holdings, LLC t/a The Carlyle Hotel, License # ABRA-090805 ("Licensee"), and ANC 2B (collectively, the "Parties").

WITNESSETH

WHEREAS, Licensee has applied for a substantial change to its License, Class CH, License Number ABRA-090805, for a business establishment ("Establishment") located at 1731 New Hampshire Ave. N.W., Washington, D.C. ("Premises");

WHEREAS, Protestants include (a) a group of 45 residents, represented by Bruce Cohen, (b) several Abutting Property Owners¹, (c) Charles Ellis, III (who is himself an abutting property owner, as well as the Designated Representative for Leila Ellis, who is also an abutting property owner); (d) Ralston Cox, (who is himself an abutting property owner as well as the Designated Representative of Richard Stirba and LeAnna Marr who are also abutting property owners), and (e) Advisory Neighborhood Commission 2B, who have filed timely protests (the "Protests") against the Licensee's request for a substantial change to pursuant to D.C. Official Code § 25-601(1) and 601(4), respectively;

WHEREAS, the Parties have agreed to enter into this Agreement and request that the Alcoholic Beverage Control Board ("ABC Board") approve the Licensee's substantial change application conditioned upon the Licensee's compliance with the terms of this written Agreement; and

WHEREAS, the Parties are desirous of entering into a Settlement Agreement pursuant to D.C. Official Code § 25-446 for the operation and maintenance of the Establishment in such a manner as to minimize the effect on (i) adverse impact on the peace, order, and quiet of the neighborhood, (ii) adverse impact on the residential parking and vehicular and pedestrian safety in the neighborhood, (iii) adverse impact on real property values, and to eliminate the need for a Protest Hearing regarding the substantial change application.

NOW, THEREFORE, in consideration of the recitals set forth above and the mutual covenants and conditions set forth below, the Parties agree as follows:

1. Recitals Incorporated. The recitals set forth above are incorporated herein by reference.
2. Nature of the Business. The Licensee will manage and operate a hotel with restaurant and bar. Any change from this model shall be considered by both Parties to be a substantial change in operation of great concern to residents in the surrounding residential neighborhood and requires prior approval by the ABC Board.

¹ Katherine Gresham, Stephanie Lieberman, Stephen Lieberman, Bruce Cohen, Ralston Cox, Richard Stirba, Leann Marr, Charles Ellis, and Leila Ellis.

3. Hours of Operation and Sales. The Licensee's hours of operation shall be as follows:

Sunday to Saturday: 24 hours

The Licensee's hours for selling and serving alcohol in public areas shall be as follows:

Sunday through Thursday 8:00am to 1:00am
Friday and Saturday 8:00am to 2:00am

The Licensee's hours (after 6:00pm) for live entertainment shall be as follows:

Sunday through Thursday 6:00pm to 12:30am
Friday and Saturday 6:00pm to 1:30am

4. Entertainment. The Licensee agrees that entertainment at the hotel shall only occur within the restaurant or indoor function and meeting spaces or areas of similar character, and that the volume of said entertainment is not disruptive to abutting property owners and nearby residents. Non-amplified entertainment may occur in the hotel lobby. In addition, the parties agree that for a maximum of ten (10) nights per year, that the Licensee may extend its hours of entertainment to the hours of alcohol sales. Licensee would provide two-weeks' notice to ANC2B and the presidents of the following condominium boards: Portsmouth Condominium, Hampshire Plaza Condominium, 1751 NH Avenue Condominium, the Normanstone Condominium, and the Whyland Condominium.

5. Continuing Cooperation. The Licensee agrees that the Hotel's licensed ABC Manager shall be the point of contact for any individual concerns of the neighbors or ANC.

- a. If abutting property owners or residents contact the ABC Manager on duty, who is responsible for the compliance with the provisions of this Agreement, the ABC Manager on duty will promptly determine whether sound levels exceed those established in 20 DCMR §2701, and, if so, will promptly lower sound levels or undertake such measures as may be needed to comply with this Agreement, including removal of disorderly patrons.

1. The Licensee agrees that an employee or contractor of a Licensee management affiliate with understanding of the terms of this Agreement and applicable law will be physically present in the property during all hours of alcohol service and will monitor sound levels in consideration of the residential character of the neighborhood. In the event there is a disorderly patron, the employee or contractor will take commercially reasonable efforts to ensure that the situation is timely handled without disruption to neighbors.

- b. In order to discourage disruptive loitering and improper disposal of cigarettes or other trash, the Licensee will install signs at the Hotel exit reminding guests: "You

are in a residential neighborhood. Please be considerate of the surrounding neighbors.”

- c. To reduce the necessity for vehicular parking, Licensee’s website and front desk will encourage guests to use public transportation and/or taxi cabs or their equivalent.
 - d. The Licensee’s website and front desk will inform Hotel guests that street parking is by permit only and that on-site parking is available only through the valet.
6. Parking/Valet Arrangements. It is one of the principal concerns of the Protestants that the Licensee’s operation of the Establishment does not create or exacerbate parking problems within the ANC boundaries. The Licensee shall use commercially reasonable efforts that all valet service, whether associated with the hotel or restaurant businesses, does not have negative impacts such as traffic congestion, sounding of horns, illegal turning maneuvers, or unsafe driving practices by valet drivers on neighborhood streets. The Licensee will use commercially reasonable efforts to make sufficient valet staff available to efficiently respond to guests requesting valet parking

The Licensee will arrange overflow parking space at nearby garages, if the capacity of its lot will be exceeded. When events other than the standard operations of the hotel and restaurant are scheduled on the premises, Licensee agrees to use commercially reasonable efforts to provide adequate (and if necessary, additional) valet staff to handle the increased volume of cars that may need to be parked at the off-site garages.

Valet staff shall comply with all District of Columbia parking and staging regulations and shall not utilize, nor allow utilization of, any portion of the Portsmouth or Hampshire Plaza properties at any time.²

Valet staff shall identify and use commercially reasonable efforts to eliminate inappropriate behavior such as blocking of sidewalks, or unauthorized use of the Portsmouth’s off-street parking space. To the extent valet staff is unable to eliminate said inappropriate behavior, they shall request the assistance of hotel management through the ABC Manager on duty.

7. Noise and Privacy. Licensee will strictly comply with D.C. Official Code § 25-725 and to that end shall make architectural improvements to the property and take all necessary actions to ensure that music, noise and vibration from the Establishment are not audible within the adjacent residential properties. Licensee agrees to keep its doors and windows closed when live music is being played at the establishment.
8. Public Space and Trash. Licensee shall keep the sidewalk (up to and including the curb), tree box(es), curb, and driveway clean and free of litter, bottles, cigarette butts, and other debris in compliance with D.C. Code and Municipal Regulations. Licensee shall police

² Licensee will apply for a DDOT Valet Parking Permit within 4 months and in the meantime shall continue to comply with all regulations regarding parking, staging, and bicycle lanes.

these areas sufficiently to assure that refuse and other materials are promptly removed. The Licensee agrees to adhere to the trash and recycling management program detailed in the attached Exhibit A.

10. Rats and Vermin Control. The Licensee shall provide rat and vermin control for its property. Licensee shall provide proof of its rat and vermin control contract to a single designated representative of the Protestants, upon request. Licensee shall have the Establishment and the area around the Premises properly cleaned at the end of each night to ensure that there are not garbage and/or odors present the following morning.
11. License Ownership and Compliance with ABRA Regulations. Licensee promises to Protestants that it shall abide by all Alcoholic Beverage Regulations Administration (ABRA) regulations regarding the ownership of the license and all other provisions applicable to liquor licensees. Licensee acknowledges that it is the sole owner of the ABC license.
12. Notice and Opportunity to Cure. In the event that any of the parties is in breach of this Agreement, it shall be entitled to reasonable notice and opportunity to cure, as a condition precedent to seeking enforcement of the Agreement. Any Notice under this Agreement on the part of the Protestants must come from ANC2B or the presidents of the following condominium boards: Portsmouth Condominium, Hampshire Plaza Condominium, 1751 NH Avenue Condominium, the Normanstone Condominium, and the Whyland Condominium.. Unless the breach is of an emergency nature or is a repetition of a prior breach, reasonable notice and opportunity shall provide for a cure within 21 days of the date of such notice. If Licensee or the licensee fails to cure within the 21-day period (or, with respect to a breach which reasonably requires more than 21 days to cure, fails to commence cure of such breach and diligently pursues such cure) failure shall constitute a cause for seeking a Show Cause Order from the ABC Board pursuant to D.C. Official Code § 25-447. Unless otherwise noted above, any notices required to be made under this Agreement shall be in writing and mailed via certified mail, return receipt requested, postage prepaid, or hand-delivered, to the other parties to this Agreement at the following addresses. Notice shall be deemed given as of the time of receipt or refusal of receipt:

If to Licensee: CS Bond ST. AB-C Holdings, LLC
c/o Matt Wexler
2120 L Street NW, Suite 215
Washington, DC 20037
Phone: (202) 391-0700

With copy to: Roderic Woodson
Jessica Farmer
Holland & Knight LLP
800 17th Street, NW
Washington, DC 20006
Phone: (202) 955-3000

If to Protestants: ANC 2B
9 Dupont Circle, NW
Washington, DC 20036

Failure to give notice shall not constitute waiver or acquiescence to the violation, but notice shall be a prerequisite to the filing of a complaint with the ABC Board or any other enforcement action.

13. Withdrawal of Protest. Upon execution of this Agreement by the Parties and its acceptance by the ABC Board, ANC 2B and abutting neighbors shall withdraw their Protests.
14. No Additional Protest. Upon full execution of this Agreement, ANC 2B and abutting neighbors agree that they will not protest the 2016 renewal application for the Licensee provided that the 2016 renewal application does not expand upon the current license, or expand upon any agreed terms within this Settlement Agreement.

PROTESTANTS:

ANC2B:

Nicole Mann *Stephanie Lieberman*
By: Printed Name
[Signature]
Signature

Group of 45:

Bruce Cohen
By: Printed Name
[Signature]
Signature

Abutting Property Owners:

Katherine Gresham
By: Katherine Gresham
[Signature]
By: Stephanie Lieberman

[Signature]
By: Stephen Lieberman

[Signature]
By: Bruce Cohen

[Signature]
By: Ralston Cox

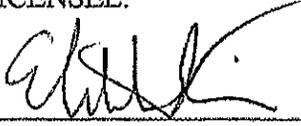
[Signature]
By: Richard Stirba

[Signature]
By: Charles Ellis, III

[Signature]
By: Leila Ellis

[Signature]
By: LeAnn Marr

LICENSEE:



CS Bond ST. AB-C Holdings, LLC

Matthew Wexler / President

By: Printed Name/ Title

For Settlement Purposes Only

EXHIBIT A

The Carlyle trash and recycling management program

In order to maintain an orderly trash and recycling area, the follow practices will be established:

- At no time will trash or recycling be allowed to overflow their respective containers. The addition of the compactor on the trash dumpster, plus these overall management steps will ensure overflowing does not occur.
- Before the trash dumpster or recycling dumpster container reaches capacity or items protrude from the dumpster lids, smaller totes near the dumpsters will be utilized to store the trash or recycling until the dumpsters are next emptied, and then the items in the totes will be transferred into the dumpsters.
- On an ongoing basis, clean cardboard will be broken down and placed in the recycling dumpster, while always leaving enough room for other priority recycling items such as glass and aluminum. If the recycling dumpster nears capacity, overflow green totes near the dumpster will be used for cardboard until the next recycling pick-up. These totes do not have snap tight lids but the focus will be on not filling them beyond capacity.
- The restaurant will not dump glass bottles into the recycling dumpster between the hours of 7:00 p.m. and 10:00 a.m. At the end of each restaurant shift, glass bottles will be transferred into small totes which will be located inside the hotel's basement. The contents of the totes will then be transferred into the recycling dumpster at 10:00 a.m. on Monday, Wednesday, and Friday. On all other days, an assessment will be made by Housekeeping or Engineering management based on the recycling dumpster's and tote's remaining capacity, as to whether totes should be emptied into recycling dumpster, or continue to be held inside the hotel's basement.
- Trash from the hotel and restaurant will be placed in the trash dumpster throughout the day, and one final clean out at the conclusion of the restaurant shift. As noisy recycling will be held until the next morning, the late trash that is being placed in the trash dumpster will not be generating noise. In order to limit disturbances and for the efficiency of operations, staff will bring out trash and recycling in a few larger waves vs. bringing items out one at a time.
- The grease collection container for restaurant is located near the hotel dumpsters. The restaurant staff will periodically transport grease from the restaurant in a sealed container to the grease collection container, which will be professionally emptied around once a month, during normal daytime operations.
- This policy will be distributed and posted in multiple languages to all Housekeeping Housemen, Engineers, and Restaurant kitchen employees. The mindset will be fostered that the trash area needs to be treated like the Front Of House and kept perfectly clean at all times.
- The Director of Housekeeping is ultimately responsible for policing the trash area and will walk the area multiple times a day, in addition to the Chief Engineer and General Manager. Immediate follow up will be taken on trash or recycling build up outside the dumpsters. More specifically inspections of the trash area will be conducted as follows:
 - early AM – by DOH, Chief Engineer and GM upon arrival to hotel

- pre- 9am Ops Meeting by DOH
 - 10am – DOH to ensure Housekeeping and Restaurant teams are placing stored trash and recycling items in the appropriate dumpsters
 - noon – Chief Engineer to check if waste pick-up has occurred
 - 2pm – DOH to check for pick-up and cleanliness of the area
 - 4pm – Chief Engineer
 - 6pm – GM
- Within 30 days of the full execution of this Agreement, a trash compactor for the trash dumpster only will be purchased. This will triple the capacity of the dumpster and lessen the frequency of the pick-ups. We anticipate trash pick-ups to be reduced to 3 times a week from 6, but will continue to monitor, update all parties concerned and adjust as necessary.
 - If concerns arise regarding the dumpster area, Yong Cho, Director of Housekeeping, should be contacted at yong.cho@carlylehoteldc.com , or at 703-474-6805 (cell)

FOR SETTLEMENT PURPOSES ONLY