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COUNTY OF LOS ANGELES

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, CA 90012
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Chief Executive Officer

Fesia A. Davenport

"To Enrich Lives Through Effective and Caring Service"

July 01, 2025

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**TEN-YEAR AMENDMENT
CHIEF EXECUTIVE OFFICE
LEGISLATIVE AFFAIRS AND INTERGOVERNMENTAL RELATIONS
660 NORTH CAPITOL STREET, WASHINGTON, D.C.
(ALL DISTRICTS) (3 VOTES)**

SUBJECT

Approval of a proposed ten-year amendment to the permitted use agreement (Amendment) to renew an existing agreement to provide the Chief Executive Office, Legislative Affairs and Intergovernmental Relations Office (CEO-LAIR) continued use of 1,216 square feet of office space.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed Amendment is not applicable for the California Environmental Quality Act (CEQA) for the reasons stated in this Board letter and in the record of the project.
2. Authorize the Chief Executive Officer, or her designee, to execute the proposed Amendment with the National Association of Counties, a Delaware not-for-profit corporation, also known as NACO, (Grantor), for approximately 1,216 square feet of office space located at 660 North Capitol Street, Suite 430, Washington, D.C. (Premises) to be occupied by CEO-LAIR. The estimated maximum first year total rental costs is \$88,000, but with an approximate 11 months of rent abatement of \$78,000 will equal \$10,000. The estimated total proposed Amendment is \$982,000 over the ten-year term. If the option to extend the term for an additional four years and five months is exercised, the cost of the option term is \$580,000, for an estimated total cost of \$1,562,000 over the 14 years and five months term. The rental costs will be funded 100 percent by net County cost (NCC) that is already included in the CEO's operating budget. The CEO will not be requesting additional NCC for this action.

3. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the proposed Amendment, and to take actions necessary and appropriate to implement the proposed Amendment, including, without limitation, exercising any early termination rights and the option to extend the term by four years and five months.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

CEO-LAIR has subleased office space from the Grantor since 1988 at different leased locations for its Washington, D.C. Advocacy Office and has been located at the Premises since 2016. The existing agreement does not expire until October 31, 2027. Due to the changes in the office market in Washington, D.C., the Grantor was able to negotiate a new lease which included a rental rate reduction however; in order to pass along the cost savings to CEO-LAIR, the County was required to extend the existing lease through June 30, 2035.

CEO-LAIR leads State and Federal legislative policy and strategy for the County. In consultation with the Board of Supervisors and County departments, CEO-LAIR develops the County's legislative priorities and policies for consideration by the Board.

The County's Washington, D.C. Advocacy Office is responsible for leading the County's advocacy efforts, including directing staff and contract representatives, and coordinating the advocacy activities of County departments and affiliates. In addition, the staff is responsible for monitoring of key legislative and regulatory issues in accordance with the County Board-approved Federal Legislative Agenda and Policies. Furthermore, the County's Chief Legislative Representative in Washington, D.C. is responsible for coordinating the advocacy of five contract lobbyists.

The Premises currently houses four staff with four workstations. Although telework is available and used during less busy periods, the Washington D.C Advocacy Office is primarily staffed in person due to confidential in-person meetings and meetings with various legislators and/or their staff. The Premises is also used by the Board, their staff, and other County department heads when travelling to Washington D.C., to advocate on the County's legislative and budget priorities; collaborate with state and federal partners; meet with the Administration, members of the delegation, and select congressional and state legislative leaders; or special events.

The County has benefited from the current office location due to its close proximity to Federal governmental facilities and to the United States Capitol. Additionally, when needed, the Washington, D.C. Advocacy Office has access to any conference rooms, as well as technical and computer support services by the Sublessor.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan North Star 3 – "Realize Tomorrow's Government Today" ensures we provide an increasingly dynamic and complex environment, challenges collective abilities to respond to public needs and expectations. LA County is an innovative, flexible, effective, and transparent partner focused on advancing the common good & being fiscally responsible.

The proposed Amendment is also consistent with Strategic Asset Management Goal – Strengthen connection between service priorities and asset decisions, and Key Objective No. 3 – Optimize Real Estate Portfolio.

The proposed Amendment supports the above goals and objective by maximizing the effectiveness of County service by having a presence in the community in which it serves.

The proposed Amendment conforms with the Asset Management Principles outlined in Enclosure A.

FISCAL IMPACT/FINANCING

The estimated maximum first year total rental cost is \$88,000, but with the 11 months of rent abatement of about \$78,000 will equal \$10,000. The aggregate cost associated with the proposed Amendment over the entire term, including operating expense rent, is \$982,000. If the option to extend the term for an additional four years and five months is exercised, the cost of the option term is \$580,000, for an estimated total permitted use agreement cost of \$1,562,000, over the 14 years and five months term as shown in Enclosure B-1. The proposed Amendment costs will be fully funded by NCC that is already included in CEO-LAIR's existing budget. CEO-LAIR will not be requesting additional NCC for this action.

Sufficient funding to cover the proposed rent for the first year of the proposed Amendment term is included in the Fiscal Year 2025-26 Rent Expense budget and will be billed back to CEO-LAIR. The department has sufficient funding in its Fiscal Year 2025-26 Operating Budget to cover the proposed rent for the first year. Future funding for the costs associated with the proposed Amendment will be addressed through the annual budget process for CEO-LAIR.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In addition to the terms previously stated, the proposed Amendment also contains the following provisions:

- Upon commencement of the proposed Amendment the annual rental rate will decrease from \$75.54 per square foot, per year to \$71.76 per square foot, per year. Base rent is subject to annual increases based on the fixed annual increases of 2.25 percent.
- The Grantor has agreed to approximately 11 months of rent abatement.
- The Grantor will provide a base tenant improvement allowance of \$74,000 (\$60.54) per square foot for the County to use for any improvements to the existing premises.
- The County is required to pay its share of the building's operating expenses based upon its proportionate share of square footage in the building equal to 3.04 percent.
- A comparison of the existing agreement and the proposed Amendment is shown in Enclosure B-2.
- The proposed Amendment includes a ten-year initial term with an option to extend the agreement for an additional 53 months with 12 months' notice and the base rent would increase by 2.25 percent of the annual rent in the last year of the initial term. If the option is exercised, the total term of the proposed Amendment would be fourteen years and five months.
- The County has a one-time right to terminate the proposed Amendment after July 31, 2030, with 180 days' notice.
- Holdover at the proposed Amendment expiration is permitted on the same Amendment terms and conditions except the monthly base rent during the holdover period will be at the base rent and operating expense rent at the time of the proposed Amendment expiration.

- The proposed Amendment was submitted for review to the Board's appointed Real Estate Management Commission on May 22, 2025, and was unanimously approved.
- The proposed Amendment will be effective upon approval by the Board and full execution of the proposed Amendment, but the term and rent will commence August 1, 2025.

The Chief Executive Office conducted a market search of available office space for lease but was unable to identify any sites that could accommodate this requirement more economically. Based upon a review of available industry data, it has been established that the annual rental range for a comparable lease in the area is between \$62.04 and \$70.20 per square foot, per year. The proposed base annual rental rate of \$71.76 per square foot is a decrease from the existing \$75.60 annual rental rate per square. However, this Amendment is on the higher end of the market because the building is newer construction, in close proximity to the United States Capitol, and includes other building amenities such as access to conference rooms and on-site cafeteria. Further, relocation to a new building would require costly new tenant improvements and disrupt the advocacy work. We recommend the proposed Premises as the most suitable to meet the County's space requirements.

Co-working office space is not suitable for this requirement due to the confidential negotiations and advocacy work provided by CEO-LAIR.

The proposed Premises is located in Washington, D.C. and is not within the jurisdiction of the Department of Public Works. The required notification letter in accordance with Government Code Section 25351 is not applicable to Washington, D.C. and is not required.

County Counsel has reviewed the proposed Amendment and approved it as to form. The proposed Amendment is authorized by Government Code Section 25351, which allows the County to enter into leases and agreements for the leasing of buildings, as necessary, to carry out the work of the county government.

The proposed Amendment will continue to provide a suitable location for CEO-LAIR's program, which is consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012, as outlined in Enclosure C.

ENVIRONMENTAL DOCUMENTATION

As the subject facility is located outside of California, CEQA is not applicable to this transaction.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed Amendment will adequately provide the necessary office space and parking for this County requirement. CEO-LAIR concurs with the proposed Amendment and recommendations.

The Honorable Board of Supervisors

7/1/2025

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Fesia A. Davenport". The signature is fluid and cursive, with a large initial "F" and "D".

FESIA A. DAVENPORT

Chief Executive Officer

FAD:JMN:JTC:JLC

HD:ANR:OM:gb

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller

**Legislative Affairs
660 North Capitol Street, Washington D.C.**

Asset Management Principles Compliance Form¹

1. <u>Occupancy</u>		Yes	No	N/A
A	Does lease consolidate administrative functions? ²			X
B	Does lease co-locate with other functions to better serve clients? ²			X
C	Does this lease centralize business support functions? ²			X
D	Does this lease meet the guideline of 200 sq. ft. of space per person? ² Based on 4 staff it is 304 SF per person due to copier room, reception area & conference room.		X	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? ² No on-site parking and parking is purchased from a third-party operator.		X	
F	Does public parking and mass-transit exist to facilitate employee, client, and visitor access to the proposed lease location? ²	X		
2. <u>Capital</u>				
A.	Is it a substantial net County cost (NCC) program?	X		
B	Is this a long-term County program?	X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?			X
D	If no, are there any suitable County-owned facilities available?		X	
E	If yes, why is lease being recommended over occupancy in County-owned space?			X
F	Is Building Description Report attached as Enclosure C?			X
G	Was build-to-suit or capital project considered? ² This is a small office located outside of County jurisdiction.		X	
3. <u>Portfolio Management</u>				
A	Did department use CEO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal lease, was co-location with other County departments considered?			X
D	Why was this program not co-located with other County departments?			X
	1. ___ The program clientele requires a "stand alone" facility.			
	2. ___ No suitable County occupied properties in project area.			
	3. <u>X</u> No County-owned facilities available for the project.			
	4. ___ Could not get City clearance or approval.			
	5. ___ The Program is being co-located			
E	Is lease a full-service lease? ² County pays for its share of building operating expenses.		X	
F	Has growth projection been considered in space request?	X		
G	¹ Has the Dept. of Public Works completed seismic review/approval?			X
¹ As adopted by the Board of Supervisors 11/17/98				
² If not, why not?				

OVERVIEW OF THE PROPOSED BUDGETED AGREEMENT COSTS

660 North Capitol Drive, Washington D.C
 County Legislative Affairs

Basic Agreement Assumptions

Leased Area (sq.ft.)	1,216
Use Fee Base Rent (per sq. ft.)	\$3.87
Operating Expenses Rent (per sq. ft.)	\$46.44
Term	10
Rent Abatement	11
Annual Rent Adjustment	2.25%
Annual Operating Expense Rent Adjustment	3.50%

Monthly	Annual
\$3.87	\$46.44
\$2.06	\$24.72
120	10

	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year	6 th Year	7 th Year	8 th Year	9 th Year	10 th Year	Total 10 Year Rental Costs
Annual Use Fee Base Rent Costs	\$57,000	\$59,000	\$61,000	\$63,000	\$65,000	\$67,000	\$69,000	\$71,000	\$73,000	\$75,000	\$660,000
Operating Expenses Rent ⁽¹⁾	\$31,000	\$33,000	\$35,000	\$37,000	\$39,000	\$41,000	\$43,000	\$45,000	\$47,000	\$49,000	\$400,000
Fully Loaded Rent Costs Paid to LL	\$88,000	\$92,000	\$96,000	\$100,000	\$104,000	\$108,000	\$112,000	\$116,000	\$120,000	\$124,000	\$1,060,000
Rent Abatement ⁽²⁾	(\$78,000)										(\$78,000)
Total Annual Use Fee Rental Costs Paid to LL	\$10,000	\$92,000	\$96,000	\$100,000	\$104,000	\$108,000	\$112,000	\$116,000	\$120,000	\$124,000	\$982,000

	1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year (5 Months)	Total 53 Months Rental Costs
Option Rent						
Annual Use Fee Base Rent Costs	\$77,000	\$79,000	\$81,000	\$82,000	\$35,000	\$354,000
Operating Expenses Rent ⁽¹⁾	\$51,000	\$53,000	\$55,000	\$57,000	\$10,000	\$226,000
Fully Loaded Rent Costs Paid to LL	\$128,000	\$132,000	\$136,000	\$139,000	\$45,000	\$580,000
Total Annual Use Fee Rental Costs Paid to LL	\$128,000	\$132,000	\$136,000	\$139,000	\$45,000	\$580,000

Est. Aggregate costs of 14 yrs 5 mos Term: **\$1,562,000**

Footnotes

- ⁽¹⁾ Operating Expenses Rent is based on estimates. Opex rent is subject to change.
- ⁽²⁾ Rent abatement, which includes annual use fee and opex rent, will be abated for approximately 11 months.

***Calculation note: All numbers are rounded up to ensure sufficient funds available to pay the specified expense.**

COMPARISON OF THE PROPOSED AMENDMENT TO EXISTING AGREEMENT

	Existing Agreement: 660 N. Capitol St	Proposed Amendment: 660 N. Capitol St	Change
Area (Square Feet)	1,216 sq.ft.	1,216 sq.ft.	None
Term (years)	10 years	10 years plus one 53-month option to renew	+Option for 53 months
Total Annual Base Rent (Use Fee plus Estimated Opex Rent)	\$92,000	\$88,000	-\$4,000
Rental rate adjustment	Annual adjustments capped at 2.5 percent with no minimum.	Fixed annual adjustments of 2.25%	Fixed annual adjustments of 2.25%

FACILITY LOCATION POLICY ANALYSIS

Proposed Amendment: Amendment for the Department of Legislative Affairs at 660 North Capitol Street in Washington D.C. All Districts.

A. Establish Service Function Category – Advocacy office public service function.

B. Determination of the Service Area – The proposed Amendment will allow the Legislative Affairs to continue to provide an advocacy office centrally located to downtown Washington D.C. area.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: This location meets the service area criteria and remains in the desired governmental area.
- Need for proximity to existing County facilities: N/A
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The location is adequately served by local transit services.
- Availability of affordable housing for County employees: The surrounding area provides for affordable housing and rental opportunities.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: There are no existing County buildings available to meet the Department's service needs.
- Compatibility with local land use plans: The proposed County use which is consistent with its use and zoning for office space at this location.
- Estimated acquisition/construction and ongoing operational costs: The aggregate cost associated with the proposed use permit over the entire ten-year term is \$982,000.

D. Analyze results and identify location alternatives

Based upon a review of available industry data, it has been established that the annual rental range for a comparable lease in the area is between \$62.04 and \$70.20 per square foot, per year. The proposed base annual rental rate of \$71.76 per square foot is a decrease from the existing \$75.60 annual rental rate per square. However this proposed amendment is on the higher end of the market because the building is newer construction, in close proximity to the United States Capitol, and includes other building amenities. Further, relocation to a new building would require costly new tenant improvements and disrupt the advocacy work. We recommend the proposed Premises as the most suitable to meet the County's space requirements.

E. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost, and other Location Selection Criteria

The proposed Amendment will provide adequate and efficient office space for four employees, and when appropriate, the Supervisors, their staff, and department heads consistent with the County's Facility Location Policy, adopted by the Board on July 24, 2012.

FIRST AMENDMENT TO PERMITTED USE AGREEMENT

THIS FIRST AMENDMENT TO PERMITTED USE AGREEMENT (this “First Amendment”) is made as of the _____ day of _____, 2025 (the “Effective Date”), by and between **NATIONAL ASSOCIATION OF COUNTIES**, a Delaware not-for-profit corporation (“Grantor”), and **LOS ANGELES COUNTY**, a body corporate and politic organized under the laws of the State of California (“Permitted User”).

WITNESSETH:

WHEREAS, pursuant to that certain Office Lease Agreement dated as of October 5, 2015 (the “Original Prime Lease”) by and between 660 NC LLC, a Delaware limited liability company (“Landlord”) (as successor-in-interest to 660 North Capitol Street Property LLC), as landlord, and Grantor, as tenant, Landlord leased to Grantor certain office space (the “Leased Premises”) located on the 3rd and 4th floors of the building located at 660 North Capitol Street, N.W., Washington, D.C. (the “Building”), as more particularly described and set forth in the Original Prime Lease; and

WHEREAS, Grantor and Permitted User entered into an agreement entitled “Agreement of Sublease” dated as of July 12, 2016 (the “Existing Agreement”) pursuant to which Permitted User was granted rights to use a portion of the Leased Premises consisting of approximately 1,216 rentable square feet on the fourth (4th) floor of the Building and known as Suite 430, as more particularly described and set forth in the Existing Agreement (the “Use Space”), except that the Existing Agreement incorrectly identifies the Use Space as Suite 402; and

WHEREAS, the Original Prime Lease was amended by that certain First Amendment to Office Lease Agreement dated December 20, 2023 (the “First Amendment to Prime Lease,” herein referred to collectively with the Original Prime Lease as the “Prime Lease”), a copy of which is attached hereto as Exhibit A; and

WHEREAS, the Term of the Existing Agreement expires on October 31, 2027 (the “Current Expiration Date”); and

WHEREAS, Grantor and Permitted User desire to amend the Existing Agreement to extend the Term as more particularly set forth below, to modify the amounts payable by Permitted User thereunder, and to modify certain other provisions of the Existing Agreement, all upon the terms and conditions hereinafter provided.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is mutually agreed as follows:

1. **Recitals.** The aforementioned recitals are incorporated into this First Amendment and made a part hereof by this reference. The parties acknowledge the incorrect reference in the Existing Agreement to “Suite 402” and agree that such reference is hereby corrected to “Suite 430.”

2. **Intent of Parties; Defined Terms.**

(a) Grantor and Permitted User hereby declare, confirm, acknowledge and agree that their mutual intent, upon entering into the Existing Agreement, was to create a use agreement pursuant to Section 7.6 of the Original Prime Lease whereby Permitted User was granted the right to use a portion of the Leased Premises, without the consent of Landlord, but subject to all of the terms and conditions of such Section 7.6. Grantor and Permitted User hereby further declare, confirm, acknowledge and agree that, notwithstanding any provision of the Existing Agreement to the contrary, (i) the Existing Agreement (as amended by this First Amendment) does not grant (nor shall either of same be deemed to have granted) any real property interest in the Leased Premises or the Use Space or in Grantor’s leasehold interest (as tenant under the Prime Lease) therein, (ii) each of them hereby specifically disclaims any intent to create any leasehold rights or relationship of landlord and tenant pursuant to or in any way in connection with the Existing Agreement or this First Amendment and further specifically agrees that neither the Existing Agreement nor this First Amendment shall be construed as creating such relationship, and (iii) all rights granted to Permitted User under the Existing Agreement and this First Amendment are revocable and conditional and are personal to Permitted User. The first three (3) lines of Section 1 of the Existing Agreement are hereby modified and amended to read: “*Grantor hereby grants to Permitted User the right to use that certain office space in the Prime Lease Premises, as depicted on the plan attached hereto as Exhibit A, known as Suite 402, together...*”.

(b) In furtherance of the provisions of Section 2(a), above, the following defined terms, as used in the Existing Agreement, are hereby amended as follows: “Agreement of Sublease” is amended to “Permitted Use Agreement;” “Sublease” is amended to “Permitted Use Agreement;” “Sublessor” is amended to “Grantor;” “Sublessee” is amended to “Permitted User;” “Premises” is amended to “Use Space;” “Annual Base Rent” is amended to “Annual Use Fee;” “Monthly Base Rent” is amended to “Monthly Use Fee;” “Rent Per Square Foot” is amended to “Use Fee Per Square Foot;” “Rent” or “rent” is amended to “Use Fee;” “additional rent” is amended to “additional amounts” or “additional amounts due” (as applicable); “sublet” or “subleases” (used as a verb) is amended to “grants” or “granted” (as applicable); and “Lease Year” is amended to “calendar year.” Except as amended pursuant to this Section 2(b), all capitalized terms used herein that are defined in the Existing Agreement and not defined herein shall have the meaning assigned to them in the Existing Agreement. The term “Permitted Use Agreement,” as used hereinafter, shall mean the Existing Agreement as amended by this First Amendment.

3. **Term.**

(a) The Term of the Permitted Use Agreement is hereby extended through July 31, 2035 (unless sooner terminated in accordance with the terms of the Permitted Use Agreement). The term “Expiration Date,” as used in the Existing Agreement, is hereby amended to mean July

31, 2035. The new Term period will commence on **August 1, 2025** (the “Extension Term Commencement Date”) and expire on **July 31, 2035** (the “Extension Term Expiration Date”). The period commencing on the Extension Term Commencement Date and ending on the Extension Term Expiration Date is herein referred to as the “Extension Term.” All references in the Existing Agreement and herein to the “Term” or the “term” shall include the Extension Term. Permitted User agrees that the Use Space will be delivered to Permitted User on the Extension Term Commencement Date in its then "as-is" condition, and that Grantor will have no obligation to perform or undertake any improvements or alterations in or to the Use Space or to provide Permitted User with any allowance or other concessions in connection with this First Amendment or otherwise; however, Landlord agrees to provide the Extension Term Allowance pursuant to the provisions of Section 6, below.

(b) **Renewal/Option:** Permitted User’s right of renewal as set forth in Section 2(c) of the Existing Agreement is hereby terminated and rendered null, void, and of no further force or effect. Grantor and Permitted User hereby agree that, provided that no default of Permitted User has occurred under the Permitted Use Agreement prior to the commencement of the Renewal Term (hereafter defined), Permitted User shall have the right, exercisable at Permitted User’s option by written notice to Grantor (the “Renewal Term Notice”) delivered at least twelve (12) full calendar months prior to the Extension Term Expiration Date (as defined in Section 3(a), above), to renew the Term of this Permitted Use Agreement for one (1) term of fifty-three (53) months (the “Renewal Term”). If properly exercised, and if the applicable conditions have been satisfied (including without limitation timely delivery of the required written notice from Permitted User), the Renewal Term will commence on August 1, 2035 and expire on December 31, 2039. During the Renewal Term, all then-current terms and conditions of the Permitted Use Agreement shall continue to apply (including without limitation Permitted User’s obligation to pay Permitted User’s Proportionate Share of “Tenant’s Proportionate Share of Passthroughs,” in accordance with Section 4(b), below), except that the Annual Use Fee for each year of the Renewal Term shall escalate by two and one-quarter percent (2.25%) per year; and the Monthly Use Fee shall be calculated by dividing the applicable Annual Use Fee (calculated as set forth above) by twelve (12). If Permitted User fails to timely deliver the Renewal Term Notice, then its right to renew the Permitted Use Agreement shall automatically terminate. Permitted User shall have no right to renew or extend the Term of the Permitted Use Agreement beyond December 31, 2039.

4. **Use Fee.**

(a) Commencing on the Extension Term Commencement Date, Permitted User and Grantor hereby agree that the Annual Use Fee and Monthly Use Fee payable by Permitted User under the Existing Agreement (and all calculations thereof) shall be modified and amended in accordance with the following table:

<u>Payment Period</u>	Annual Use Fee (PSF)	Monthly Use Fee	Estimated Annual Op Costs & RE taxes (PSF)	Estimated Monthly Op Costs & RE taxes	Estimated Monthly Fully Loaded Fee (Monthly Use Fee + Est. Monthly Op Costs & RE taxes)
August 1, 2025- December 31, 2025	\$47.04	\$4,766.72	\$24.66	\$2,499.29	\$7,266.01

January 1, 2026- December 31, 2026	\$48.09	\$4,873.12	\$25.53	\$2,586.77	\$7,459.89
January 1, 2027- December 31, 2027	\$49.18	\$4,953.57	\$26.42	\$2,677.30	\$7,660.88
January 1, 2028- December 31, 2028	\$50.28	\$5,095.04	\$27.35	\$2,771.01	\$7,866.05
January 1, 2029- December 31, 2029	\$51.41	\$5,209.55	\$28.30	\$2,867.99	\$8,077.54
January 1, 2030- December 31, 2030	\$52.57	\$5,327.09	\$29.29	\$2,968.37	\$8,295.47
January 1, 2031- December 31, 2031	\$53.75	\$5,446.67	\$30.32	\$3,072.27	\$8,518.93
January 1, 2032- December 31, 2032	\$54.96	\$5,569.28	\$31.38	\$3,179.80	\$8,749.08
January 1, 2033- December 31, 2033	\$56.20	\$5,694.93	\$32.48	\$3,291.09	\$8,986.02
January 1, 2034- December 31, 2034	\$57.46	\$5,822.61	\$33.61	\$3,406.28	\$9,228.89
January 1, 2035- December 31, 2035 [**Renewal Term begins on August 1, 2035 if properly exercised by Permitted User]	\$58.76	\$5,954.35	\$34.79	\$3,525.50	\$9,479.84
January 1, 2036- December 31, 2036 Option 1	\$60.08	\$6,088.11	\$36.01	\$3,648.89	\$9,736.99
January 1, 2037- December 31, 2037 Option 2	\$61.43	\$6,224.91	\$37.27	\$3,776.60	\$10,001.51
January 1, 2038- December 31, 2038 Option 3	\$62.81	\$6,364.75	\$38.57	\$3,908.78	\$10,273.53
January 1, 2039- December 31, 2039 Option 4	\$64.23	\$6,508.64	\$39.92	\$4,045.59	\$10,554.23

During the Extension Term, the Annual Use Fee and Monthly Use Fee shall be payable in accordance with the foregoing table and otherwise in the manner prescribed and otherwise in accordance with the terms and provisions of the Existing Agreement, and shall be payable in addition to all other sums of money as shall become due and payable by Permitted User to Grantor under the Existing Agreement (as amended hereby). In the event of any failure of Permitted User to timely pay any amount due from Permitted User to Grantor under the Existing Agreement (as amended hereby) (after any applicable grace period), Grantor shall have the same rights and remedies set forth in the Prime Lease for failure of tenant to pay rental, along with all other rights and remedies available at law or in equity.

(b) **Operating Expenses and Taxes.** Section 3(c) of the Existing Agreement is hereby deleted in its entirety and is hereby replaced with the following:

“Permitted User shall pay to Grantor, in addition to the Use Fee, Permitted User’s Proportionate Share of “Tenant’s Proportionate Share of Passthroughs” (as that term is defined in the First Amendment to Prime Lease) as and when any payments on account of Tenant’s Proportionate Share of Passthroughs become payable by Grantor to Landlord under the Prime Lease (however, Grantor agrees to provide a separate invoice on a monthly basis for Permittee User’s Proportionate Share, along with a detailed breakdown thereof). In addition, Permitted User shall pay to Grantor Permitted User’s Proportionate Share of any and all amounts which by the terms of the Prime Lease become due and payable by Grantor to Landlord, and the full amount of fees that would be due and payable by Grantor to Landlord under the Prime Lease which are attributable to the acts, requests for services, or failure to act reasonably, of Permitted User. The term ‘Permitted User’s Proportionate Share’ means the result obtained by multiplying one hundred percent (100%) by a fraction, the numerator of which is the number of square feet in the Use Space and the denominator of which is the number of square feet in the Leased Premises. As of the Effective Date, Permitted User’s Proportionate Share is equal to 3.04% (1,216/39,987). The parties

acknowledge and agree that the columns labeled “Estimated Annual Op Exps. & RE Taxes per SF,” “Estimated Monthly Op Exps. & RE Taxes Charge,” and “Estimated Monthly Fully Loaded Charge,” in the rent table set forth in Section 4(a) (which assume 3.5% annual increase in Estimated Annual Op Exps. & RE Taxes) are estimates only, provided for informational purposes only and shall not be binding on the parties. Notwithstanding the amounts set forth in those columns, Permitted User’s obligation to pay Permitted User’s Proportionate Share of Tenant’s Proportionate Share of Passthroughs shall be governed solely by the provisions of this Section 4(b).”

(c) **Free Rent:** The parties acknowledge and agree that Permitted User shall receive an abatement of the Use Fee equal to Seventy-Seven Thousand Eight Hundred Thirty-Seven and 10/100 Dollars (\$77,837.10) (the “Use Fee Abatement Amount”). The Use Fee Abatement Amount shall be applied by Grantor to the installments of the Monthly Use Fee coming due for the calendar months of August 2025 through June 2026, until the Use Fee Abatement Amount has been exhausted.

5. Incorporation of Terms of Prime Lease; Refurbishment Work.

(a) The parties hereby agree that for all purposes of the Existing Agreement (including without limitation Section 6 and Section 7 thereof) and this First Amendment, the term “Lease,” as used in the Existing Agreement, means the Original Prime Lease as amended by the First Amendment to Prime Lease. Permitted User acknowledges that it has reviewed and is familiar with the Original Prime Lease and the First Amendment to Prime Lease, and Grantor represents that the copy of the First Amendment to Prime Lease attached hereto as Exhibit A is a true, correct and complete copy of the First Amendment to Prime Lease.

(b) Permitted User acknowledges that, pursuant to the terms of the First Amendment to Prime Lease, Grantor intends (but shall not be obligated) to perform certain Refurbishment Work (as that term is defined in the First Amendment to Prime Lease) to the Leased Premises, including without limitation the Use Space. Permitted User hereby agrees to the performance by Grantor (and its employees and contractors) of the Refurbishment Work, both within and outside of the Use Space, and to any interference with Permitted User’s business operations or use of the Use Space which results therefrom, and further agrees to provide Grantor (and its employees and contractors) with access to the Use Space during and after business hours from and after the Effective Date for the purpose of performing the Refurbishment Work. Grantor agrees to provide Permitted User with a minimum of seventy-two (72) hours’ advance notice (which may be delivered by email to: RJLyerly@ceo.lacounty.gov) prior to commencement of any Refurbishment Work within the Use Space. Permitted User agrees that the performance of the Refurbishment Work shall not be deemed a breach of any of Permitted User’s rights under the Permitted Use Agreement or otherwise entitle Permitted User to any abatement of or reduction in the Use Fee (or other amounts payable hereunder) or to any other remedy whatsoever. Permitted User further agrees that, upon no less than five (5) business days’ prior notice from Grantor (which may be delivered by email to: RJLyerly@ceo.lacounty.gov), Grantor will temporarily vacate the Use Space in order to facilitate the performance of the Refurbishment Work. In the event that Grantor so notifies Permitted User of the requirement for such vacation of the Use Space, Grantor will provide alternate office space (to be identified by Grantor) within the Building for Permitted

User's use during the period of such vacation. The use and occupancy of such alternate office space shall be subject to all of the terms, conditions and provisions of the Permitted Use Agreement as if such alternate office space were the Use Space. Within five (5) business days after notice from Grantor (which may be delivered by email to: RJLyerly@ceo.lacounty.gov), Permitted User shall vacate the alternate office space (leaving same in the condition required by the Permitted Use Agreement) and relocate to the Use Space.

6. **Requested Improvements; Allowance.**

(a) Provided that no default of Permitted User then exists and subject to the provisions of this Section 6, Grantor will provide an allowance (the "Allowance") in the amount of Seventy-Three Thousand Six Hundred Sixteen and 64/100 Dollars (\$73,616.64) (calculated as Sixty and 54/100 Dollars (\$60.54) per rentable square foot of the Use Space) to be applied strictly in accordance with the provisions of this Section 6. The term "Requested Improvements" shall mean such alterations, additions and/or improvements to the Use Space which (i) Permitted User requests be performed within the Use Space in connection with Permitted User's use of the Use Space during the Extension Term, (ii) are set forth on the Plans (hereafter defined) in form approved in writing by Grantor, Landlord, and Permitted User, and (iii) are otherwise approved in all respects in writing by Landlord. The Requested Improvements shall be deemed to be "alterations" to the Use Space performed at the direction of Permitted User and shall be governed in all respects by the provisions of Article IX of the Prime Lease (as incorporated into the Existing Agreement) and in all events shall be subject to Landlord's prior written approval pursuant to the provisions of Article IX of the Prime Lease.

(b) Permitted User agrees to provide Grantor with a reasonably detailed scope of work for the Requested Improvements within thirty (30) days after the Effective Date of this First Amendment. Grantor shall instruct its architect to prepare plans and specifications for the Requested Improvements (the "Plans") in substantial accordance with the scope of work provided by Permitted User (such Plans to set forth such detail as Grantor and/or Landlord may reasonably require). Grantor shall deliver the Plans, as prepared by Grantor's architect, to Permitted User for its review solely for the purpose of confirming that such Plans are in substantial conformance with the scope of work provided by Permitted User. Permitted User shall provide its written approval of the Plans within ten (10) days after delivery thereof to Permitted User. Grantor shall then submit the Plans to Landlord for Landlord's review and approval in accordance with the applicable provisions of the Prime Lease. Grantor shall have no liability of any kind or nature to Permitted User in connection with Landlord's failure to approve the Plans or for any changes to the Plans which are required by Landlord. The parties agree that any and all changes required by Landlord shall be incorporated into the Plans. No work shall commence with respect to the Requested Improvements until the Plans shall have been approved in writing by Landlord.

(c) Upon final written approval of the Plans by Landlord, Grantor shall cause the work reflected thereon to be performed by a contractor or contractors selected by Grantor. The Allowance shall be used by Grantor, as and when Costs (hereafter defined) are incurred and without prior approval by Permitted User, to pay for the costs of construction, design, and/or permitting incurred in connection with the Requested Improvements (the "Costs"). Permitted User agrees to reimburse Grantor for all Costs incurred by Grantor in connection with the Requested

Improvements in excess of the portion of the Allowance which has been applied to Costs as of December 31, 2025, as additional fees under this Amendment, within thirty (30) days after the date of delivery to Permitted User of one or more invoice(s) for such excess Costs. In the event Permitted User fails to timely reimburse Grantor as provided in the preceding sentence, such failure shall be an immediate default hereunder and Grantor shall have (in addition to all other rights and remedies) the same rights and remedies applicable to a failure of Permitted User to timely pay the Use Fee. Any portion of the Allowance which has not been applied to eligible Costs in accordance with the provisions of this Section 6 on or prior to December 31, 2025 shall be applied by Grantor to the installments of the Monthly Use Fee first coming due after the Use Fee Abatement Amount has been fully applied in accordance with Section 4(c), above. Permitted User agrees that Grantor shall have no liability to Permitted User of any kind or nature (and Permitted User hereby fully and finally releases Grantor from any and all such liability) in connection with the design and/or performance of the Requested Improvements and/or in connection with any delays in the completion of the Requested Improvements. However, Grantor agrees to diligently pursue the completion of the Requested Improvements after same have been finally approved in writing by Landlord and to use commercially reasonable efforts to enforce any warranties received by Grantor from any contractors performing work on the Requested Improvements.

7. **Early Termination.** Permitted User shall have the one-time right (the "Termination Option") to terminate the Permitted Use Agreement, such termination to be effective on July 31, 2030 (the "Early Termination Date"), subject to and in accordance with the following provisions:

(a) To exercise the Termination Option, Permitted User shall give written notice ("Termination Notice") to Grantor at least one hundred eighty (180) days prior to the Early Termination Date. Time is of the essence with respect to the delivery of the Termination Notice and all other aspects of the exercise of the Termination Option, and any exercise of the Termination Option shall be irrevocable.

(b) If Permitted User properly and timely exercises the Termination Option, the Permitted Use Agreement shall be deemed to have terminated on the Early Termination Date as if same were the expiration date of the Permitted Use Agreement and neither Grantor nor Permitted User shall have any rights or obligations thereafter accruing under the Permitted Use Agreement, except those which by their terms survive the expiration or earlier termination of the Permitted Use Agreement (including without limitation all of the rights and obligations which survive such expiration or earlier termination by virtue of the incorporation of the terms of the Prime Lease into the Permitted Use Agreement pursuant to Section 6 and Section 7 of the Existing Agreement and expressly including Permitted User's obligations to pay any and all Use Fees and other sums and to perform all other obligations accruing under the Permitted Use Agreement on or before the Early Termination Date). If Permitted User fails to completely vacate the Use Space and surrender possession thereof on or before the Early Termination Date in compliance with the Permitted Use Agreement (as amended hereby), such failure shall be treated as a holding over by Permitted User and Grantor shall be entitled to exercise all of its remedies against Permitted User under the Permitted Use Agreement.

(c) Permitted User's right to exercise the Termination Option is subject to the condition that, at the time Permitted User gives the Termination Notice and on the Early Termination Date, Permitted User is not in monetary or material nonmonetary default (beyond any applicable notice and cure period) under any of the terms or conditions of the Permitted Use Agreement (as amended hereby). Further, the Termination Option shall automatically terminate upon failure by Permitted User to timely deliver the Termination Notice.

(d) Within ten (10) days after written request by Grantor or Permitted User, the parties shall execute and deliver, each to the other, an instrument in form reasonably satisfactory to Grantor confirming the exercise or termination of the Termination Option and/or the termination of the Permitted Use Agreement pursuant to such exercise, but an otherwise valid exercise of the Termination Option shall be fully effective whether or not such confirming document is executed.

8. **Additional Amendments.**

(a) Section 2(c)(iv), Section 20, and Section 21(a) (i.e., subsection (a) of the Section with the heading "Landlord's Consent") of the Existing Agreement are each hereby deleted in their entirety.

(b) In furtherance of the provisions of Section 2(a), above, all references to and provisions addressing the consent of Landlord to the "Sublease" or the Existing Agreement (including without limitation the second (2nd) full sentence of Section 14 of the Existing Agreement) are hereby deleted from the Existing Agreement.

(c) Section 20 (Hold-Over) of the Existing Agreement is hereby replaced in its entirety with the following:

"Without limiting any rights and remedies of Grantor set forth herein or available to Grantor at law or in equity, Permitted User shall pay to Grantor, for each calendar month or part thereof following the Expiration Date (or any earlier termination of this Permitted Use Agreement) that Permitted User fails to deliver possession of the Use Space in the condition required by this Permitted Use Agreement (the "Holdover Period"), a Monthly Use Fee in an amount equal to the Monthly Use Fee currently in effect at that time plus amounts accruing pursuant to Section 4(b), above, during such Holdover Period. In addition, Permitted User shall indemnify and hold Grantor harmless from and against any and all costs, expenses, liabilities, and damages (including attorneys' fees) resulting from such holding over, including without limitation, all consequential damages suffered or sustained by Grantor as a result of Grantor's inability to use the Use Space, surrender possession of the Use Space or the Leased Premises to Landlord, or deliver (or delay in delivering) the Use Space to any other prospective user of the Use Space, or otherwise. The acceptance by the Grantor of the Holdover Fee shall not be deemed an express or implied consent by the Grantor to the holdover of the Permitted User in the Use Space. If Sublessor incurs holdover rent for the Leased Premises because Sublessor has not vacated the Leased Premises in accordance with the provisions of the Prime Lease, then so long as Permitted User has delivered possession of the Use Space to Sublessor as required under

this Permitted Use Agreement, Sublessee shall not have any liability to Sublessor (or to Landlord) for any amounts incurred by Sublessor as a result of such failure of Sublessor.”

(d) Section 21(b) (i.e., subsection (b) of the Section with the heading “Landlord’s Consent”) of the Existing Agreement is hereby replaced in its entirety with the following:

“This Permitted Use Agreement is subject and subordinate to the Prime Lease and to the matters to which the Prime Lease is or shall be subordinate. Notwithstanding any other provision of this Permitted Use Agreement to the contrary, this Permitted Use Agreement and all of Permitted User’s rights hereunder shall automatically terminate one (1) day prior to the date of termination of the Prime Lease for any reason.”

9. **Brokers.** Permitted User represents that it has dealt with no broker or agent in connection with this First Amendment and Permitted User shall hold Grantor harmless from and against any and all liability, loss, damage, expense, claim, action, demand, suit or obligation arising out of or relating to a breach by Permitted User of such representation.

10. **Permitted User Certifications.** Permitted User certifies to Grantor that the Existing Agreement is in full force and effect (as modified and amended hereby), that Grantor is not in default or breach of any of Grantor’s obligations under the Existing Agreement and has performed all obligations of Grantor required to be performed through the Effective Date of this First Amendment, and that as of the Effective Date hereof Permitted User has no claim(s) against Grantor under the Existing Agreement or with respect to the Use Space.

11. **Ratification; Reconciliation.** Except as modified and amended by this First Amendment, all other terms, conditions and provisions of the Existing Agreement are hereby ratified and confirmed and shall continue in full force and effect. The terms and provisions of this First Amendment shall be reconciled with the terms and provisions of the Existing Agreement to the fullest extent reasonably possible; provided, however, in the event of any conflict between any term or provision of this First Amendment and any term or provision of the Existing Agreement, such term or provision of this First Amendment shall control.

12. **Miscellaneous.** This First Amendment (a) shall be binding upon and inure to the benefit of the parties hereto and their respective representatives, transferees, successors and assigns (except as expressly otherwise provided in the Existing Agreement), and (b) shall be governed by and construed in accordance with the laws of the District of Columbia without regard to the application of principles of conflicts of laws. This First Amendment may be transmitted between the parties (or their legal counsel) by facsimile or by electronic correspondence in portable document format. The parties intend that signatures distributed by facsimile or electronic correspondence shall constitute original signatures and that such transmission of this First Amendment containing signatures of all of the parties shall constitute good and valid delivery of this First Amendment by the parties hereto for all purposes and shall be binding on all such parties. This First Amendment shall not be effective and binding unless and until it is fully executed by and delivered (in accordance herewith) to each of the parties hereto. This First Amendment may

be executed in two (2) or more counterpart copies, all of which counterparts shall have the same force and effect as if all parties hereto had executed a single copy of this First Amendment.

[Signatures appear on following page]

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed on the day and year first hereinabove written.

GRANTOR:

NATIONAL ASSOCIATION OF COUNTIES, a
Delaware not-for-profit corporation

By: _____(SEAL)
Name: _____
Title: _____
Date: _____

PERMITTED USER:

COUNTY OF LOS ANGELES
a body politic and corporate

FESIA A. DAVENPORT
CHIEF EXECUTIVE OFFICER

By: _____
John T. Cooke
Assistant Chief Executive Officer

ATTEST:
DEAN C. LOGAN
Registrar Recorder/County Clerk of the County of
Los Angeles

By: _____
Deputy

APPROVED AS TO FORM

DAWYN R. HARRISON
County Counsel

By:  _____
Senior Deputy

EXHIBIT A

Copy of First Amendment to Prime Lease

[see attached]

FIRST AMENDMENT TO OFFICE LEASE AGREEMENT

THIS FIRST AMENDMENT TO OFFICE LEASE AGREEMENT (this "**Amendment**") is made effective as of December 20, 2023 (the "**Effective Date**"), by and between **660 NC LLC**, a Delaware limited liability company ("**Landlord**"), and **NATIONAL ASSOCIATION OF COUNTIES**, a Delaware not-for-profit corporation ("**Tenant**").

WITNESETH:

WHEREAS, pursuant to that certain Office Lease Agreement dated as of October 5, 2015, by and between 660 North Capitol Street Property LLC (as Landlord's predecessor-in-interest) (the "**Original Landlord**") and Tenant (collectively, the "**Original Lease**"), Landlord leased to Tenant approximately 39,987 square feet of space located on the 3rd and 4th floors (the "**Premises**") in a building located at 660 North Capitol Street, N.W., Washington, D.C., as more particularly set forth in the Original Lease.

WHEREAS, Landlord succeeded to the interest of Original Landlord in the Original Lease pursuant to that certain Substitute Trustee's Deed dated December 19, 2023 and recorded on December 20, 2023 as Instrument No. 2023113775 in the land records for the District of Columbia;

WHEREAS, the Lease Term of the Original Lease is currently scheduled to expire on October 31, 2032, subject to Tenant's Termination Right effective as of October 31, 2026 pursuant to Section 3.9 of the Original Lease.

WHEREAS, Landlord and Tenant desire to amend the Lease to (i) extend the Lease Term of the Original Lease (and replace Tenant's Termination Right, with a new Termination Right effective on a later date than the original Termination Right), (ii) as of the Rent Modification Date, modify the Base Rent, and (iii) modify certain other provisions of the Original Lease, all upon the terms and conditions hereinafter provided.

NOW THEREFORE, in consideration of the foregoing Premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant, intending to be legally bound, hereby agree as follows:

- 1. Incorporation of Recitals.** The foregoing recitals are hereby incorporated in this Amendment and made a part hereof by this reference.
- 2. Definitions.** All capitalized terms used herein shall have the meanings ascribed to them in the Original Lease, unless otherwise defined herein. The Original Lease as amended by this Amendment is referred to herein as the "**Lease**".
- 3. Confirmation of Premises.** Landlord and Tenant confirm that for all purposes under the Lease: (a) the Premises are deemed to contain 39,987 square feet of rentable area consisting of 24,511 square feet of rentable area on the third (3rd) floor of the Building and 15,476 square feet of rentable area on the fourth (4th) floor of the Building, (b) the Total Area of the Building is deemed to be 198,304 square feet of rentable area, and (c) the Office Area of the Building is deemed to be 194,465 square feet of rentable area. Landlord shall have no right to relocate the Premises during the Lease Term, nor any right to relocate any of Tenant's equipment (including without limitation Tenant's Supplementary System) from the location(s) existing on the Effective Date of this Amendment, except as expressly contained in Article XXVI of the Original Lease with respect to relocation of Tenant's Satellite Dish Equipment, which right shall remain in full force and effect.
- 4. Lease Term.** The Lease Term is hereby extended through (and will expire on) December 31, 2039, unless further extended or earlier terminated in accordance with the terms of the Lease. The extension of the Lease Term as set forth herein does not constitute an exercise of the Tenant's Renewal Rights set forth in Section 3.8 of the Original Lease, and both the First Renewal Right and the Second Renewal Right set forth in Section 3.8 of the Original Lease remain in full force and effect, but Tenant shall have no other rights to renew or extend the Lease Term.
- 5. Base Rent**
 - (a) Prior to January 1, 2024 (the "**Rent Modification Date**"), Tenant shall continue to remain liable for the Base Rent due and payable in accordance with the terms of the Original Lease.

(b) Commencing on the Rent Modification Date and continuing through the expiration of the Lease Term (*i.e.*, December 31, 2039), and subject to abatement as set forth in Section 7 below, Base Rent payable for the Premises shall be due and payable in the following amounts:

Time Period	Annual Rental Rate per Rentable Square Foot of Premises	Annual Installment	Monthly Installment
January 1, 2024- December 31, 2024	\$46.00	\$1,839,402.00	\$153,283.50
January 1, 2025- December 31, 2025	\$47.04	\$1,880,788.55	\$156,732.38
January 1, 2026- December 31, 2026	\$48.09	\$1,923,106.29	\$160,258.86
January 1, 2027- December 31, 2027	\$49.18	\$1,966,376.18	\$163,864.68
January 1, 2028- December 31, 2028	\$50.28	\$2,010,619.64	\$167,551.64
January 1, 2029- December 31, 2029	\$51.41	\$2,055,858.58	\$171,321.55
January 1, 2030- December 31, 2030	\$52.57	\$2,102,115.40	\$175,176.28
January 1, 2031- December 31, 2031	\$53.75	\$2,149,413.00	\$179,117.75
January 1, 2032- December 31, 2032	\$54.96	\$2,197,774.79	\$183,147.90
January 1, 2033- December 31, 2033	\$56.20	\$2,247,224.72	\$187,268.73
January 1, 2034- December 31, 2034	\$57.46	\$2,297,787.28	\$191,482.27
January 1, 2035-December 31, 2035	\$58.76	\$2,349,487.49	\$195,790.62
January 1, 2036- December 31, 2036	\$60.08	\$2,402,350.96	\$200,195.91
January 1, 2037- December 31, 2037	\$61.43	\$2,456,403.86	\$204,700.32
January 1, 2038- December 31, 2038	\$62.81	\$2,511,672.95	\$209,306.08
January 1, 2039- December 31, 2039	\$64.23	\$2,568,185.59	\$214,015.47

6. Additional Rent.

(a) Prior to the Rent Modification Date, in addition to the Base Rent due under the Lease, Tenant shall continue to pay all additional rent coming due under the Original Lease, specifically including without limitation: (i) Tenant's Proportionate Share of increases in Operating Charges over the Base Year Operating Charges pursuant to the terms of Section 5.2(a)(1) of the Original Lease; (ii) Tenant's Proportionate Share of increases in Office Specific Charges over the Base Year Office Specific Charges pursuant to the terms of Section 5.2(a)(2) of the Original Lease; and (iii) Tenant's Proportionate Share of increases in Real Estate Taxes over the Base Year Real Estate Taxes pursuant to the terms of Section 5.3 of the Original Lease.

(b) Commencing on the Rent Modification Date, in addition to Base Rent due under the Lease, Tenant shall continue to pay all additional rent coming due under the Lease; provided, however, the Original Lease shall be modified as follows:

- (i) The first sentence of Section 5.2(a)(1) shall be deleted and replaced with the following:
"From and after the Rent Modification Date, Tenant shall pay as additional rent Tenant's Proportionate Share of Operating Charges for each calendar year falling entirely or partly within the Lease Term."
- (ii) The first sentence of Section 5.2(a)(2) shall be deleted and replaced with the following:
"From and after the Rent Modification Date, Tenant shall pay as additional rent Tenant's Proportionate Share of Office Specific Charges for each calendar year falling entirely or partly within the Lease Term."
- (iii) The first sentence of Section 5.3(a) shall be deleted and replaced with the following:

"From and after the Rent Modification Date, Tenant shall pay as additional rent Tenant's Proportionate Share of Real Estate Taxes for each calendar year falling entirely or partly within the Lease Term."

- (iv) All references in the Original Lease to the terms "Base Year", "Base Year Operating Charges", "Base Year Office Specific Charges", "Base Year Real Estate Taxes" and "Base Year Charges" are hereby deleted. Tenant's Proportionate Share of Operating Charges, Tenant's Proportionate Share of Office Specific Charges, and Tenant's Proportionate Share of Real Estate Taxes, as described in this Section (b) are hereinafter referred to collectively as "**Tenant's Proportionate Share of Pass-throughs**."

For purposes of clarification, from and after the Rent Modification Date, the Base Rent rate is modified to a net rate and not a full service rate. After the Rent Modification Date, Tenant shall pay Tenant's Proportionate Share of Pass-throughs based on the full amounts of Operating Charges, Office Specific Charges and Real Estate Taxes incurred by Landlord (rather than only increases in such amounts over the Landlord's costs incurred in a "base year"), subject to the terms and conditions of Article V of the Original Lease as amended hereby.

7. Rent Abatement. One hundred percent (100%) of the monthly installments of Base Rent and additional rent for Tenant's Proportionate Share of Pass-throughs otherwise due and payable for the first eleven (11) calendar months following the Rent Modification Date shall be abated (the "**Rent Abatement**"). Notwithstanding the foregoing, in the event that at any time during the Lease Term, Landlord terminates the Lease on account of any Event of Default of Tenant under the Lease, Landlord shall be entitled to recover from Tenant, in addition to all other amounts Landlord is entitled to recover in connection with such Event of Default, the then-unamortized portion of the Rent Abatement (assuming amortization of the entire amount of the Rent Abatement over the portion of the Lease Term commencing on the Rent Modification Date and ending on December 31, 2039, at an annual interest rate of eight percent (8%)). The provisions of this Section 7 shall neither be deemed to be a limitation of nor an alternative to the provisions of Section 19 of the Original Lease and the remedies therein provided, but shall be deemed to be an additional remedy.

8. Condition of Premises; Refurbishment.

- (a) Subject to Landlord's maintenance and repair obligations as set forth in the Original Lease, Tenant accepts the Premises in its "as is" condition, and Landlord shall have no obligation to perform or to pay for any work, improvements or alterations in the Premises or to provide Tenant with any allowance or other tenant improvement concessions other than the Refurbishment Allowance (defined below) and the Building Improvements (defined below) pursuant to the terms and conditions herein. Notwithstanding the foregoing, Landlord agrees: (i) that throughout the Lease Term, Landlord shall utilize MERV 13 air filters or higher throughout the heating, ventilation and air conditioning systems serving the Building and the Premises (the reasonable and actual costs of which may be passed through as an Operating Charge); and (ii) to purchase and replace the existing shades in the Premises with new Meccho shades at Landlord's sole cost and expense.
- (b) Tenant intends to refurbish the Premises after execution of this Amendment (such refurbishment work referred to herein as the "**Refurbishment Work**"), the cost of which shall be borne by Tenant subject to the application of the Test Fit Allowance and the Refurbishment Allowance as set forth below; provided, however, any alterations, modifications or improvements to the Premises made after the date that is twenty-four (24) months after the Rent Modification Date shall be deemed Alterations and shall be governed by the terms and conditions of the Lease governing Alterations (and not the Work Agreement). Except as otherwise expressly set forth in this Section 8, the Refurbishment Work shall be governed by the provisions of Work Agreement attached as Exhibit B to the Original Lease (the "**Work Agreement**") which apply to the Leasehold Work. For purposes of the application of the provisions of the Work Agreement to the Refurbishment Work:
- (i) the term "Leasehold Work," as used therein, shall be deemed to mean the Refurbishment Work and the term "Leasehold Plans," as used therein, shall be deemed

- to mean the construction documents approved by Landlord for the Refurbishment Work;
- (ii) "Landlord's Authorized Representative" shall be Jerry Adessa, whose email address is jadessa@eaglecliff.com and whose phone number is 201-400-4695; and Tenant's Authorized Representative shall be Deborah Stoutamire, Chief Administrative Officer, whose email address is dstoutamire@naco.org and whose telephone number is 202-942-4204;
 - (iii) All provisions of the Work Agreement pertaining to the "Base Building Work" and the "Base Building Contractor" shall be inapplicable for purposes of this Amendment. Without limiting the foregoing, the parties specifically agree that Sections 2, 3(a), 4, 6, 7(a), 7(c), 8, 10 (and all provisions of the Work Agreement pertaining to Tenant Delay), 11(b), 11(c), the last three (3) sentences of Section 11(k) of the Work Agreement, and Exhibit B (including Schedules I and II thereto) shall have no applicability for purposes of this Amendment;
 - (iv) The term "Leasehold Architect" shall mean STUDIOS Architecture or another licensed architect to be selected by Tenant and approved by Landlord (such approval not to be unreasonably withheld, conditioned or delayed) and the term "Base Building Engineers" shall mean the base building engineers designated by Landlord.
 - (v) Tenant shall have no obligation to reimburse Landlord for any costs incurred by Landlord in connection with Landlord's review of the Leasehold Plans (or any other plans, specifications, or submissions) for the Refurbishment Work or for any other costs incurred by Landlord in connection with any other review, oversight, inspection or the like of the Refurbishment Work, except for (A) any actual out-of-pocket costs incurred by Landlord for review by a third-party consultant of any aspect of such plans which are not standard buildout items typically installed by similar tenants in multi-tenanted, multi-story, Class A office buildings (and the term "Landlord's Review Costs" shall be strictly limited to such costs), and (B) the standard hourly rate charged by Landlord's Building engineers for supervision of any Refurbishment Work performed prior to 6:00 am or after 7:00 pm Monday through Friday, prior to 9:00 am or after 1:00 pm Saturdays, or at any time on Holidays). Notwithstanding any provision of the Work Agreement to the contrary, there shall be no fees (other than those set forth herein) due to Landlord from Tenant or its Contractor, subcontractors, or other vendors in connection with the Refurbishment Work, the design of the Refurbishment Work, upgrades to Tenant's furniture, fixtures and equipment, or any moving or phasing involved in or required in connection with the Refurbishment Work. Landlord will supply customary water and sewer during construction of the Refurbishment Work, the cost of which will be included in Operating Charges as and to the extent such costs are includable in Operating Charges under the terms of the Original Lease;
 - (vi) Landlord shall not charge Tenant any construction management fee in connection with the Tenant's performance of the Refurbishment Work;
 - (vii) Landlord shall make one (1) freight elevator available for the Refurbishment Work at no additional charge to Tenant (or Tenant's contractor) provided that the use of such elevator is coordinated in advance with Landlord; and
 - (viii) the provisions of the Work Agreement pertaining to the Allowance shall be governed by the Work Agreement and the Original Lease, as modified by the provisions of Section 8(d), below.
- (c) Landlord shall provide Tenant with an allowance (the "**Test Fit Allowance**"), not to exceed Five Thousand Nine Hundred Ninety-Eight and 05/100 Dollars (\$5,998.05) (*i.e.*, Fifteen Cents (\$.15) per rentable square foot of the Premises), to be applied against the out-of-pocket expenses incurred by Tenant in undertaking a test fit for Premises in connection with the Refurbishment Work. If as of the Effective Date hereof such Test Fit Allowance has not been paid to Tenant, then such Test Fit Allowance will be paid to Tenant within thirty (30) days of completion of such

test fit work and receipt by Landlord of invoices substantiating the costs thereof incurred by Tenant, in a form reasonably acceptable to Landlord.

- (d) Landlord shall provide Tenant with an allowance (the "**Refurbishment Allowance**") in an amount up to Two Million, Four Hundred Twenty Thousand, Eight Hundred Twelve and 98/100 Dollars (\$2,420,812.98) (*i.e.* \$60.54 per rentable square foot of the Premises) to be applied as set forth in this Section 8(d). The Refurbishment Allowance will be available to Tenant immediately upon the Effective Date of this Amendment, subject to the provisions hereof. Except as otherwise expressly set forth in this Section 8(d), the Refurbishment Allowance shall be governed by, applied and disbursed in accordance with the provisions of the Work Agreement which apply to the Allowance. For purposes of the application of the provisions of the Work Agreement to the Refurbishment Allowance:
- (i) The term "Allowance," as used therein, shall mean the Refurbishment Allowance;
 - (ii) The Refurbishment Allowance may be disbursed, as requested by Tenant, for the costs of design, installation and construction of the Refurbishment Work, including without limitation construction costs, architectural, engineering, project management, design, furniture, fixtures, audio visual and other equipment, cabling, wiring, and artwork installed in the Premises, legal fees, and moving related expenses ("**Refurbishment Work Costs**");
 - (iii) Notwithstanding anything in Section 7(b) of the Work Agreement to the contrary, Landlord shall not be required to disburse the Refurbishment Allowance directly to consultants, contractors or vendors whose contracts (or subcontracts) are less than \$25,000.00;
 - (iv) Any portion of the Refurbishment Allowance which remains unused or unconverted to a rent credit pursuant to a Rent Credit Election Notice (hereinafter defined) or to a Conference Center Conversion Amount pursuant to a Conference Center Conversion Notice on December 31, 2025 shall (without further notice to or from Tenant) be automatically applied by Landlord as a credit against the next installments of Base Rent and additional rent coming due under the Lease after the application of the full Rent Abatement (as same may be reduced or increased pursuant to the terms of this Amendment);
 - (v) For avoidance of doubt, Section 7(d) of the Work Agreement and Section 15.5 of the Original Lease shall apply to Tenant's set off against Rent for any Landlord failure to make any payment of the Refurbishment Allowance; and
 - (vi) Tenant shall have the right to utilize any licensed, qualified contractor approved in writing by Landlord (such approval not to be unreasonably withheld, conditioned, or delayed) to serve as Contractor (as defined in the Work Agreement) for the performance of the Refurbishment Work.
- (e) Notwithstanding any provision of this Amendment to the contrary, Tenant shall have a one-time right to convert any then-unused portion the Refurbishment Allowance to a rent credit (the "**Rent Credit**") by delivering written notice of such election (a "**Rent Credit Election Notice**") to Landlord prior to December 31, 2025, time being of the essence with respect thereto. In the event a Rent Credit Election Notice is timely provided, Landlord agrees to apply from the Refurbishment Allowance the amount designated in the Rent Credit Election Notice (up to the unused portion of the Refurbishment Allowance) to the Rent Abatement amount (such that the Rent Abatement amount shall be increased, and the Refurbishment Allowance shall be decreased, by an amount equal to the amount designated in the Rent Credit Notice and the increase in the Rent Abatement amount shall be applied as a credit against the first monthly installment(s) of Base Rent and additional rent next coming due under the Lease after the application of the original Rent Abatement (as same may be reduced or increased pursuant to the terms of this Amendment)). For the avoidance of doubt, the purpose of the provisions of this subsection 8(e) is to provide Tenant with the option of converting a portion of the Refurbishment Allowance to a rent credit prior to the completion of the Refurbishment Work; if

Tenant has failed to exercise this option prior to December 31, 2025, then any portion of the Refurbishment Allowance which remains after payment of all Refurbishment Costs will be automatically applied to Base Rent and additional rent pursuant to the provisions of subsection 8(d)(iv), above.

- (f) Notwithstanding any provision of this Amendment to the contrary, Tenant shall have a one-time right to convert an amount equal to up to fifty percent (50%) of the Rent Abatement (the "**Abatement Conversion Amount**") to additional Refurbishment Allowance provided that Tenant delivers written notice of such election (the "**Conversion Election Notice**") to Landlord on or prior to April 1, 2024, time being of the essence with respect thereto. The Conversion Election Notice shall specify the Abatement Conversion Amount which Tenant has elected to convert. Upon the delivery by Tenant of the Conversion Election Notice, the Refurbishment Allowance shall be immediately and automatically increased by an amount equal to the Abatement Conversion Amount specified in the Conversion Election Notice and the Rent Abatement shall be immediately and automatically reduced by the Abatement Conversion Amount specified in the Conversion Election Notice. Any portion of the Rent Abatement not converted pursuant to this Section 8(f) shall remain a Rent Abatement as set forth in Section 7 above.
- (g) Landlord and Tenant acknowledge that Landlord, as landlord thereunder, and Tenant and the National League of Cities ("**NLC**"), as joint tenant thereunder (in such joint capacity, the "**Conference Center Tenant**"), are parties to that certain Office Lease Agreement dated October 5, 2016 (the "**Conference Center Lease**") pursuant to which the Conference Center Tenant leases approximately 4,730 square feet of space located on the 1st floor of the Building (the "**Conference Center Premises**"). Landlord and Tenant further acknowledge that Landlord and the Conference Center Tenant intend to enter into an amendment to the Conference Center Lease (the "**Conference Center Amendment**") simultaneously with this Amendment and that pursuant to such Conference Center Amendment, the Conference Center Tenant intends to perform certain refurbishment work to the Conference Center Premises (the "**Conference Center Refurbishment Work**"). Accordingly, Tenant shall have the right, by written notice to Landlord (the "**Conference Center Conversion Notice**") to direct Landlord to reduce the Refurbishment Allowance by an amount (the "**Conference Center Conversion Amount**") to be set forth in the Conference Center Conversion Notice, and to increase the allowance which Landlord is providing to the Conference Center Tenant under the Conference Center Amendment for the Conference Center Refurbishment Work (the "**Conference Center Allowance**") by an amount equal to the Conference Center Conversion Amount. Upon the delivery by Tenant of the Conference Center Conversion Notice, the Refurbishment Allowance shall be immediately and automatically reduced by an amount equal to the Conference Center Conversion Amount and Landlord agrees to simultaneously increase the Conference Center Allowance by an amount equal to the Conference Center Conversion Amount.

9. Building Improvements. Landlord agrees to invest, prior to January 1, 2025, an amount equal to at least One Million Five Hundred Thousand and 00/100 Dollars (\$1,500,000.00) (the "**Minimum Investment**") in improvements to non-leasable space in the Building (the "**Building Improvements**"). The Building Improvements shall include, without limitation, all hard and soft costs related to upgrades to the Rooftop Terrace and the main lobby of the Building (including any furniture, fixtures and equipment installed therein), which upgrades shall be conceptually consistent with the rendering attached hereto as Exhibit A. On or prior to January 1, 2025, Landlord shall deliver to Tenant written notice accompanied by paid invoices or other documentation reasonably satisfactory to Tenant (the "**Minimum Investment Satisfaction Notice**") demonstrating that Landlord has spent the Minimum Investment on Building Improvements. In the event Landlord fails to deliver the Minimum Investment Satisfaction Notice by January 1, 2025, Tenant shall provide Landlord with a reminder notice and Landlord shall have ten (10) days to provide the Minimum Investment Satisfaction Notice. If Landlord does not provide the Minimum Investment Satisfaction Notice by the end of the 10-day day period, then, as Tenant's sole remedy therefor, the Base Rent shall be reduced by One Dollar (\$1.00) per square foot of the Premises (from the then applicable Annual Rental Rate per square foot set forth in the rent table in Section 5(b) above) (the "**Building Improvements Penalty**"), such reduction in Base Rent to commence on January 1, 2025 and continue until the date that Landlord provides to Tenant the Minimum

Investment Satisfaction Notice, at which time the Base Rent shall be restored to the then applicable Base Rent Rate as set forth in Section 5(b) above. The Building Improvements Penalty will be applied whether or not the Food Service Penalty is in effect. Notwithstanding the foregoing, if Landlord elects to install a tenant-only conference center in the Building, such shall not be deemed a "Building Improvement" within the meaning of this Section 9 and the costs incurred by Landlord in connection with such amenity shall not be included in, or used by Landlord to achieve, the Minimum Investment for purposes of this Section 9; provided, however Tenant shall have the non-exclusive right to use any such tenant-only conference center installed by Landlord in common with other tenants of the Building in accordance with the prevailing terms and conditions upon which such use is provided to other tenants in the Building.

10. Food Service. Landlord agrees to provide, throughout the Lease Term, Food Service in the Building (or to Tenant directly, as applicable) during (at a minimum) the hours of 11:30 AM to 1:30 PM every weekday excluding Holidays ("**Lunch Hours**"), subject to Temporary Food Service Closures. The term "**Food Service**" shall mean a third party food service operator providing lunch items and beverages for sale from leasable space or Common Area in the Building. The term "**Temporary Food Service Closures**" shall mean those closures when the Food Service is not open and operating as a result of casualty, condemnation, force majeure (as defined in Section 25.21 of the Original Lease), or closures as a result of alterations or renovation of up to thirty (30) days. In the event Landlord fails to provide Food Service by December 31, 2025 (subject to Temporary Food Service Closures), then, as Tenant's sole remedy therefor, the Base Rent shall be reduced by One Dollar (\$1.00) per square foot of the Premises (from the then applicable Annual Rental Rate per square foot set forth in the rent table in Section 5(b) above) (the "**Food Service Penalty**"), such reduction in Base Rent to commence on January 1, 2026 and continue until the date that Landlord commences to provide Food Service in the Building (or directly to Tenant, as applicable), at which time the Base Rent shall be restored to the then applicable Base Rent Rate as set forth in Section 5(b) above. The Food Service Penalty will be applied whether or not the Building Improvements Penalty is in effect. For avoidance of doubt, costs incurred by Landlord in connection with leasehold improvements to leasable space in order to provide Food Service may *not* be applied towards, or used by Landlord to achieve, the Minimum Investment for the Building Improvements required to be installed by Landlord hereunder.

11. Security Services. Landlord shall, as part of the Security Services provided during the Lease Term pursuant to Section 14.2 of the Original Lease, install and maintain video monitoring equipment, including 24/7 live video monitoring services in the Parking Facility serving the Building. None of the costs of incurred by Landlord in connection with the video monitoring equipment and installation, operation and monitoring services shall be applied towards, or used by Landlord to achieve, the Minimum Investment for the Building Improvements required to be installed by Landlord hereunder, but such costs may be included in Operating Charges as and to the extent permitted by the terms of the Original Lease.

12. Connection/ Fiber. Landlord shall provide and maintain throughout the Lease Term a DAS (Digital Antenna System) in the Building and the Parking Facility serving the Building servicing Verizon and AT&T. None of the costs incurred by Landlord in connection with such DAS or cellular repeater shall apply towards, or be used by Landlord to achieve, the Minimum Investment for Building Improvements required to be installed by Landlord hereunder, but may be included in Operating Charges as and to the extent permitted by the terms of the Original Lease.

13. Signs.

- (a) In addition to the signage rights provided to Tenant in Section 10 of the Original Lease, so long as National Association of Counties or any Affiliate thereof occupies at least the equivalent (in terms of rentable square feet) of an entire floor of the Building, National Association of Counties or any Affiliate thereof shall have the non-exclusive right to maintain a plaque sign in the interior lobby of the Building (the "**Interior Lobby Sign**") in a location mutually acceptable to Landlord and Tenant, which shall identify National Association of Counties or any Affiliate thereof. Tenant shall furnish Landlord with plans and specifications (the "**Sign Plans**") for the fabrication and installation of the Interior Lobby Sign setting forth the design, dimensions, materials, and all other material aspects of the Interior Lobby Sign. Within ten (10) business days after the Sign Plans have been delivered to Landlord, Landlord shall provide its written consent thereto or written comments setting forth in reasonable detail such reasonable changes to the Sign Plans as Landlord may require prior to granting its consent thereto. Landlord's consent to the Sign Plans shall not be

unreasonably withheld, conditioned or delayed and if Landlord has failed to respond to any submission of the Sign Plans within ten (10) business days after the Sign Plans (or revisions thereto) have been delivered to Landlord, then Tenant shall provide a reminder notice to Landlord stating in capital letters "FAILURE TO RESPOND WILL RESULTING IN DEEMED APPROVAL" and if Landlord has failed to respond to the submission of Sign Plans within five (5) business days after such reminder notice has been delivered to Landlord, then the Sign Plans (or revisions) shall be deemed approved by Landlord. As soon as reasonably practicable after Landlord's approval (or deemed approval) of the Sign Plans, and in conjunction with the installation of lobby improvements which are part of the Building Improvements, the Interior Lobby Sign shall be fabricated and installed by (or at the direction of) Landlord, in accordance with all Laws and the approved (or deemed approved) Sign Plans, and Landlord shall be responsible for obtaining any required permits or approvals for the installation thereof. Tenant shall reimburse Landlord, out of the Refurbishment Allowance provided to Tenant pursuant to this Amendment, for the actual and reasonable third party costs incurred in good faith in connection with the fabrication and installation (including obtaining permits and approvals) of the Interior Lobby Sign. Upon the expiration or earlier termination of the Lease Term, or in the event that National Association of Counties or an Affiliate does not occupy at least the equivalent of an entire full floor of the Building, Tenant shall, at Tenant's expense, remove such Interior Lobby Sign and repair any damage to the Building caused by the removal thereof.

- (b) Notwithstanding anything in the Original Lease (including Section 10 thereof) to the contrary, other than National Association of Counties, National League of Cities, or any Affiliate thereof, no tenant shall be granted signage rights on the exterior of the Building or in the Building lobby (excluding the Building directory) unless such tenant occupies at least one (1) full floor of the Building.

14. Parking. The Original Lease shall be modified to add the following at the end of Article 24:

"Tenant and its employee holding monthly parking permits shall have the right to leave cars in the Parking Facility overnight. Throughout the Lease Term, Landlord shall make available to Tenant a mutually acceptable program whereby Tenant may share monthly parking permits among and between its employees working at the Building without any additional cost so long as the institution of such program does not result in Tenant exceeding its Parking Allotment."

15. Termination Right.

- (a) The Termination Right set forth in Section 3.9 of the Original Lease is hereby deleted in its entirety and of no further force or effect.
- (b) Landlord hereby grants to Tenant the one time right (the "**Termination Right**") exercisable at Tenant's option, to terminate the Lease Term effective as of December 31, 2036 (the "**Termination Date**") provided that Tenant delivers written notice (the "**Termination Notice**") to Landlord exercising such Termination Right no later than January 1, 2036, time being of the essence. The Termination Right granted to Tenant shall be subject to and shall be exercised in accordance with the following terms and conditions:
- (i) If the Termination Notice is not given timely, the Tenant's Termination Right shall lapse and be of no further force or effect.
- (ii) Simultaneously with the Termination Notice, Tenant shall pay to Landlord the Termination Payment (hereinafter defined). The "**Termination Payment**" shall equal the sum of the unamortized Lease Modification Costs (defined below) as of the Termination Date. The Lease Modification Costs shall be amortized (using an imputed interest rate of eight percent (8%) per annum on the unamortized Lease Modification Costs) over the period commencing January 1, 2024 and ending on the December 31, 2039 as if such Lease Modification Costs were a loan made by Landlord to Tenant on January 1, 2024 and payments of principal and interest (at 8% per annum) were made by Tenant in equal monthly installments over such period to fully amortize the loan over such period. The "**Lease Modification Costs**" shall be equal to the sum of the following: (A) the Refurbishment Allowance actually used or applied, (B) the Rent Abatement, (C) the value of the reduction in Base Rent (from the Base Rent set forth in the Original

Lease) resulting from the modification (as set forth in this Amendment) of the Base Rent for the period from January 1, 2024 through October 31, 2026; (D) the Termination Amount (as defined in Section 3.9(b) of the Original Lease); (E) all leasing or brokerage commissions actually paid by Landlord in connection with this Amendment, and (F) all reasonable attorneys' fees incurred by Landlord in connection with this Amendment. Landlord and Tenant agree that based upon information available on the Effective Date of this Amendment, the Termination Payment is \$3,820,831.19, which amount is subject to modification in the event of a change in the amounts of the items set forth in subsections (E) and/or (F) of this Section 15(b)(ii) after the Effective Date of this Amendment and in the event similar costs to Lease Modification Costs are incurred in connection with a subsequent lease amendment. The Termination Payment shall be in addition to, and not in lieu of, the payments of Base Rent, Additional Rent and other charges due and payable under the Lease through the Termination Date.

- (iii) No Event of Default under the Lease is then continuing on the date of delivery of the Termination Notice.
- (iv) The Termination Right shall be personal to National Association of Counties or an Affiliate to which the Lease is assigned or transferred pursuant to Section 7.2 of the Original Lease and cannot be exercised by any other assignee, or any subtenant or any other person or entity.

If requested by either party, the parties shall enter into a termination agreement, in a form prepared by Landlord and reasonably acceptable to Tenant, confirming the termination of the Lease Term and containing only such provisions as may be reasonably necessary to confirm such termination based upon and in accordance with the provisions of this Section 15. If the Termination Right is exercised in accordance herewith, then the Lease Term shall expire on the Termination Date as if such date were the date originally set forth in this Amendment for termination of the Lease Term. Time is of the essence with respect to Landlord's and Tenant's obligations hereunder.

Notwithstanding anything to the contrary herein, in the event that (i) Tenant fails to pay the Termination Payment within thirty (30) days after the date due hereunder, or (ii) there is an Event of Default under the Lease (which is then continuing on the date of delivery of the Termination Notice, then, at Landlord's sole option (to be exercised by Landlord, if at all, by written notice to Tenant delivered within five (5) business days after the date of delivery of the Termination Notice or the thirtieth (30th) day after delivery of the Termination Notice, as applicable), the Termination Notice shall be deemed ineffective, and the Termination Right shall be deemed void and of no further force or effect. If Landlord fails to timely deliver written notice of its exercise of the above-stated option and the full Termination Payment has been received by Landlord on or prior to the Termination Date, then the Lease shall terminate on the Termination Date in accordance with the terms hereof. If Landlord timely delivers written notice of its election to exercise its option to deem the Termination Notice invalid and/or to void Tenant's Termination Right in accordance with the immediately preceding sentence, Landlord shall return the Termination Payment (to the extent theretofore received by Landlord) to Tenant, and the Lease shall continue in full force and effect.

16. Right of First Offer.

- (a) Tenant's ROFO with respect to the second (2nd) floor set forth in Section 3.11 of the Original Lease is hereby terminated and of no further force or effect. In lieu thereof, Tenant shall have the continuous and ongoing right of first offer ("**ROFO**") to lease any and all office space on the second (2nd) floor of the Building that becomes available in the Building during the Lease Term (as same may be renewed or extended) after the initial leasing thereof with respect to any space that is vacant on the Effective Date hereof (including any renewal and extension rights granted to the initial tenant of such vacant space) ("**ROFO Premises**"). Subject to the terms set forth in this Section 16, promptly after the Landlord determines that any ROFO Premises will be available for and offered for lease to third party tenants, Landlord shall send written notice ("**Landlord's ROFO Offer Notice**") to Tenant of the availability of the ROFO Premises, including a floor plan of the ROFO Premises, Landlord's estimate of the ROFO Market Rate (hereafter defined) and the Market Concessions (hereafter defined) for such ROFO Premises, the term of the Lease for

the ROFO Premises (which shall in all events be coterminous with the current term of Lease) the date of anticipated delivery of the ROFO Premises to Tenant, and any other principal terms upon which Landlord intends to offer the subject ROFO Premises or any portion thereof to others.

- (b) Provided that (i) no Event of Default of the Lease has occurred within the twelve (12) month period prior to the date of Landlord's ROFO Offer Notice, (ii) Tenant has not assigned this Lease (other than to an Affiliate), (iii) Tenant or an Affiliate of Tenant are occupying at least seventy-five percent (75%) of the rentable area of the Premises for its or their own use (use by Permitted Users pursuant to Section 7.6 of the Original Lease being deemed, for the purposes of this provision, as use by Tenant or an Affiliate), (iv) Tenant provides to Landlord written notice ("**ROFO Exercise Notice**") within five (5) days after receipt of Landlord's ROFO Offer Notice of Tenant's desire to expand the Premises into the ROFO Premises, and (v) if Tenant delivers the ROFO Exercise notice at any time when less than thirty-six (36) months remain in the Lease Term, Tenant simultaneously delivers written notice of Tenant's exercise of its next applicable Renewal Right in accordance with the provisions of Section 3.8 of the Original Lease (excepting the time period for such notice, which the parties acknowledge is superseded by this Section 16(b)), then Landlord and Tenant shall for the thirty (30) day period immediately following Tenant's timely delivery of the ROFO Exercise Notice (the "**Negotiation Period**"), negotiate in good faith the ROFO Market Rate and the Market Concessions on which Tenant will lease the ROFO Premises, provided that in all events, the term of the Lease for the ROFO Premises and the date of anticipated delivery of the ROFO Premises to Tenant shall be as set forth in Landlord's ROFO Offer Notice.
- (c) In the event Landlord and Tenant are unable to agree upon the ROFO Market Rate and the Market Concessions within the Negotiation Period, then the ROFO Market Rate and the Market Concessions for the ROFO Premises shall be determined by binding arbitration in accordance with the following procedures. Within ten (10) days after the expiration of the Negotiation Period, Landlord and Tenant shall each select a real estate broker (based on the criteria set forth in Section 16(i) below). Within twenty (20) days of their selection, each broker shall make a written determination of the ROFO Market Rate and the Market Concessions. If the ROFO Market Rate and the Market Concessions determination of the broker designated by Landlord is within five percent (5%) of the ROFO Market Rate and the Market Concessions determination of the broker designated by Tenant, then the Base Rent for the ROFO Premises and the concessions provided to Tenant for the ROFO Premises shall be the average of the two ROFO Market Rate determinations and the two Market Concessions determinations, respectively. If the ROFO Market Rate and the Market Concessions determinations of these two brokers vary by more than five percent (5%), then a third broker shall be selected by the initial two brokers within fifteen (15) business days after the initial two written determinations have been delivered to the parties (the third broker also having the qualifications set forth in Section 16(i) below). If a third broker is appointed, the third broker shall review the determinations of the initial two brokers as to both the ROFO Market Rate and the Market Concessions for the ROFO Premises, and select the one of the initial two written determinations which, in the third broker's commercially reasonable judgment, most closely reflects the criteria set forth below for the ROFO Market Rate and the Market Concessions and such selected determination shall be the Base Rent for the ROFO Premises and the concessions provided to Tenant for the ROFO Premises. The third broker shall promptly deliver a report of his/her determination to each of the parties. The determination of the ROFO Market Rate and the Market Concessions pursuant to this Section 16(c) shall be binding upon Landlord and Tenant. The expenses of each of the first two brokers appointed shall be borne by the party appointing such broker. The expenses of the third broker appointed shall be paid one-half (½) by Landlord and one-half (½) by Tenant.
- (d) As used herein the term "**ROFO Market Rate**" shall mean the current fair market rental rate (including escalations thereof) with respect to comparable space for a comparable term in the Market Area as of the anticipated commencement date of the Lease for the ROFO Premises, taking into account all relevant factors including without limitation (i) the general office rental market for buildings of similar class, size, age, finishes, method of construction and system

- design in the Market Area, (ii) rental rates then being obtained by other building owners for comparable buildings in the Market Area and landlord concessions (including improvement allowances and free rent) then being provided by such building owners to obtain such rental rates, (iii) the rental rates then being obtained by Landlord for comparable office space in the Building as compared to the concessions Landlord has agreed to provide in connection with the leasing of such ROFO Premises and the landlord concessions (including improvement allowances and free rent) then being provided by Landlord for comparable space in the Building, (iv) all of the terms and conditions of the Lease, and (v) whether any brokerage commission is to be paid by Landlord and if so, the amount of same. The term "**Market Concessions**," as used in this Amendment, shall mean the landlord concessions described in subsection (ii) of this Section 16(d) together with the landlord concessions described in subsection (iii) of this Section 16(d).
- (e) Following the determination of the ROFO Market Rate and Market Concessions for the subject ROFO Premises pursuant to Section 16(b) or Section 16(c) above, Landlord shall prepare (in each such case) an amendment to the Lease (the "**ROFO Amendment**") modifying the Lease to set forth the applicable (so determined) terms for the ROFO Premises. So long as such ROFO Amendment accurately reflects the applicable terms (as determined in accordance with this Section 16) and does not include any terms which are not reasonably required in order to effectuate the addition of the ROFO Premises to the Lease in accordance with the provisions of this Section 16, Tenant shall execute and deliver the ROFO Amendment to Landlord within fifteen (15) business days after Landlord delivers same to Tenant. The ROFO Amendment shall provide that as of the Takeover Date (hereinafter defined) the following shall apply: (i) the ROFO Premises shall be added to and become part of the Premises and Tenant's lease thereof shall be governed by all of the provisions of the Lease (except as expressly modified by the terms applicable to the ROFO Premises as determined in accordance with the provisions of this Section 16), which shall continue in full force and effect with respect to the ROFO Premises; (ii) the rentable area of the Premises shall be increased by the rentable area of the ROFO Premises as determined by Landlord's architect in accordance with the BOMA Standard set forth in Section 27.18 of the Original Lease; (iii) Tenant shall commence paying Rent for the ROFO Premises on the Takeover Date (subject to any free rent period included in the applicable Market Concessions as determined in accordance with this Section 16); (iv) the Base Rent and escalations thereof for the ROFO Premises shall be equal to the base rent and escalations thereof included in the ROFO Market Rate as determined in accordance with this Section 16; (v) the ROFO Premises shall be delivered to Tenant "as is" condition but with all base Building systems serving such ROFO Premises in good working order, and Landlord shall have no obligation to make any alterations, decorations, additions or improvements in or to the ROFO Premises or provide any construction or other allowance, rent abatement or credit or any other concession in connection with the leasing of the ROFO Premises except the Market Concessions as determined in accordance with this Section 16; (vi) the "Takeover Date" shall mean the date the ROFO Premises is delivered to Tenant, which Landlord shall in all events use reasonable efforts to deliver prior to the date that is thirty (30) days after the date of anticipated delivery of the ROFO Premises set forth in Landlord's ROFO Offer Notice; and (vii) the term of the Lease with respect to the ROFO Premises shall be coterminous with the term of the Lease for the Premises (as extended pursuant to Section 16(b)(v) above, if applicable, or as thereafter renewed or extended).
- (f) In the event that Tenant fails to timely execute and deliver the ROFO Exercise Notice or the ROFO Amendment to Landlord by the applicable dates set forth above (and, with respect to the ROFO Amendment, provided that same accurately reflects the applicable terms (as determined in accordance with this Section 16) and does not include any terms which are not reasonably required in order to effectuate the addition of the ROFO Premises to the Lease in accordance with the provisions of this Section 16), then Tenant's right of first offer to lease the applicable ROFO Premises pursuant to the ROFO Exercise Notice shall, at Landlord's option, terminate, and Landlord shall have the right to lease such ROFO Premises at any time to any other person or entity upon any terms and conditions which Landlord desires in its sole discretion (subject to Tenant's ROFO upon the expiration or termination of the term of any such lease). Time is of the essence with respect to this Section 16.

- (g) Notwithstanding anything to the contrary contained in this Section 16, Landlord and Tenant agree that the foregoing ROFO is subject to (i) any and all contractual obligations of Landlord in leases existing as of the Effective Date of this Amendment, including without limitation any expansion rights and rights of first negotiation or first refusal possessed by any tenant in the Building pursuant to such existing leases, and (ii) any and all renewals or extensions of the term of any lease in the Building which lease is in full effect on the Effective Date of this Amendment, whether or not the right to so extend or renew is set forth in such existing lease or is hereafter granted or otherwise agreed to by Landlord and such existing tenant and is effectuated by means of an amendment to the existing lease. In addition, the foregoing ROFO shall be personal to National Association of Counties or its Affiliate to which the Lease is assigned or transferred pursuant to Section 7.2 of the Original Lease and cannot be exercised by any other assignee, or by any subtenant or any other person or entity.
- (h) In the event that Tenant leases ROFO Premises from Landlord within the time and manner provided in this Section 16, and Landlord is unable to deliver possession of such space to Tenant within thirty (30) days after the date of anticipated delivery of the ROFO Premises set forth in Landlord's ROFO Offer Notice for any reason or condition beyond Landlord's control, including, without limitation, the failure of an existing tenant to vacate such space, Landlord, its agents and employees, shall not be liable or responsible for any claims, damages or liabilities in connection with such failure or by reason thereof but Landlord agrees to use commercially reasonable efforts to obtain possession of such ROFO Premises and to deliver possession of same to Tenant as expeditiously as possible. However, if Landlord fails to deliver possession of the ROFO Premises to Tenant within one hundred eighty (180) days after the date of anticipated delivery of the ROFO Premises set forth in Landlord's ROFO Offer Notice, then Tenant shall have the right, by written notice to Landlord, to withdraw its ROFO Exercise Notice with respect to such ROFO Premises and upon delivery of such withdraw notice, Tenant shall have no further rights or obligations with respect to the subject ROFO Premises (unless and until such ROFO Premises or portion thereof again becomes available for lease).
- (i) The real estate brokers selected by Landlord and Tenant shall have the following qualifications: (i) must be a licensed real estate broker in the District of Columbia; (ii) must have a minimum of ten (10) years' experience in commercial leasing in the Market Area; (iii) must be an active broker in the Market Area and known for commercial leasing expertise; (iv) in the case of the third broker only, must have experience representing both landlords and tenants; (v) in the case of the third broker only, is not then representing either Landlord or Tenant; and (vi) in the case of the third broker only, shall not have been involved in any disputes with Landlord, Tenant or any of the other brokers. In the event that real estate brokers with the qualifications described in this Section 16 are unavailable, qualified consultants (such as appraisers) with similar qualifications may be substitutes.

17. Surrender. Notwithstanding anything in the Original Lease to the contrary, at the expiration or earlier termination of the Lease Term, (a) Tenant shall have the option to remove any Alteration, including fixtures, which can be removed without causing material damage to the Premises or the Building (provided that any damage to the Premises or Building shall be repaired by Tenant at Tenant's expense in accordance with Section 8.1 of the Original Lease); (b) Tenant shall have no obligation to remove any interconnecting stairwells, Supplementary System, wiring, cabling or conduits; and (c) Landlord may only require that an Alteration be removed if Landlord notified Tenant in writing at the time Landlord approved the Alteration that such removal would be required (provided that Landlord may not require the removal of any Alteration or other item which consists of standard buildout items that are typically installed by similar tenants in multi-tenanted, multi-story, Class A office buildings (such as partitions) and whose removal would not materially increase the cost of finishing such space for another tenant or occupant).

18. Landlord's Notice Address. Landlord's Notice Address as set forth in Section 1.10 of the Original Lease is hereby modified as follows:

If to Landlord: % Apollo Global Management, Inc.
9 West 57th Street
New York, New York 10019
Attn: David Myers
Email: dmyers@apollo.com

With copies to: % Apollo Global Management, Inc.
9 West 57th Street
New York, New York 10019
Attn: Jason Ourman
Email: jourman@apollo.com

And to: % Apollo Insurance Solutions Group LP
2121 Rosecrans Avenue, Suite 5300
El Segundo, California 90245
Attn: Daniel Brown
Email: dbrown@apollo.com

And to: McDermott Will & Emery LLP
One Vanderbilt Avenue
New York, New York 10017
Attn: David Broderick, Esq.
Email: dbroderick@mwe.com

And to: Eagle Cliff Real Estate Management
% Eagle Cliff Real Estate Partners, LLC
510 Madison Ave, 18th Floor
New York, New York 10022
Attn: Heather Taylor and Paul Teti
Email: htaylor@eaglecliff.com; pteti@eaglecliff.com

And to: Holland & Knight LLP
800 17th Street, NW, Suite 1100
Washington, D.C. 20006
Attn: David Silver, Esq.
Email: David.Silver@hklaw.com

19. Landlord's Payment Address. Landlord's Payment Address as set forth in Section 1.11 of the Original Lease is hereby modified as follows: 660 North Capitol Street, N.W., Washington, D.C. 20001, Attn: Property Management Office. At Tenant's option, Tenant may make payments by means of electronic transfer of funds in accordance with instructions provided by Landlord to Tenant and without charging Tenant for any banking costs incurred by Landlord.

20. Brokers. Landlord shall pay the commission payable to Jones Lang Lasalle Brokerage, Inc. ("Landlord's Broker") pursuant to a separate agreement between Landlord's Broker and Landlord. Landlord (or Landlord's Broker) shall pay the commission payable to Cresa Global d/b/a/ Cresa ("Tenant's Broker") pursuant to a separate agreement between Landlord (or Landlord's Broker) and Tenant's Broker. Landlord and Tenant each warrant to the other that in connection with this Amendment, it has not employed or dealt with any broker, agent or finder other than Tenant's Broker and Landlord's Broker (collectively the "Brokers"). Tenant shall indemnify and hold Landlord harmless from and against any claim for brokerage or other commissions, or for a lien under any applicable broker's lien law, asserted by any broker, agent or finder employed by Tenant or with whom Tenant has dealt other than the Brokers, except that Tenant's indemnity obligations shall not extend to claims made by the Brokers to the extent Landlord fails to pay the Brokers pursuant to the aforesaid separate agreements. Landlord shall indemnify and hold Tenant harmless from and against any claim for brokerage or other commissions asserted by the Brokers and any other broker, agent

or finder employed by Landlord or with whom Landlord has dealt. Tenant's and Landlord's indemnities set forth in this Section shall survive the expiration or earlier termination of the Lease.

21. Ratification. Except as expressly amended by this Amendment, all other terms, conditions and provisions of the Original Lease are hereby ratified and confirmed and shall continue in full force and effect.

22. Representations. Tenant and Landlord hereby represent and warrant to each other that (i) it is not in default of any of its obligations under the Lease and that such Lease is valid, binding and enforceable in accordance with its terms; (ii) it has full power and authority to execute and perform this Amendment; and (iii) it has taken all action necessary to authorize the execution and performance of this Amendment. Tenant and Landlord each further represents and warrants to the other, as of the Effective Date, that (a) the Lease is in full force and effect, (b) to the representing party's knowledge, the other party has timely performed all of its obligations under the Lease, (c) to the representing party's knowledge, the other party is not in breach of any provision of the Lease which, with the passage of time, the delivery of notice, or both, would constitute a default by the other party under the Lease and (d) the representing party does not have any defenses to any of its other obligations under the Lease (including, with respect to Tenant, its obligation to pay Rent).

23. Confidential Material. Tenant shall keep the content of this Lease and any related documents strictly confidential and shall not disclose such confidential information to any person or entity other than Tenant's financial, legal, and space planning consultants or as required as required by applicable law. This confidentiality provision is an essential part of the consideration for Landlord to enter into this Amendment.

24. Miscellaneous. This Amendment (i) shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns (subject to the restrictions on assignment set forth in the Lease); (ii) shall be governed by and construed in accordance with the laws of the District of Columbia; and (iii) may be executed in multiple counterparts, each of which shall constitute an original and all of which shall constitute one and the same agreement and facsimile or electronic copy in PDF format of a signature to this Amendment shall be deemed and treated for all purposes of execution to be as valid as an original signature thereto. This Amendment contains and embodies the entire agreement of the parties hereto with respect to the matters set forth herein, and supersedes and revokes any and all negotiations, arrangements, letters of intent, representations, inducements or other agreements, oral or in writing with respect to such matters.

[SIGNATURES CONTAINED ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have executed this First Amendment to Office Lease Agreement as of the day and year first above written.

LANDLORD:

660 NC LLC, a Delaware limited liability company

By: Athene Annuity and Life Company, an Iowa corporation, its sole member

By: Apollo Insurance Solutions Group LP, its investment adviser

By: Apollo Global Real Estate Management, L.P., its sub-adviser

By: Apollo Global Real Estate Management GP, LLC, its General Partner

By: 
Jeffrey Horowitz, Vice President

TENANT:

NATIONAL ASSOCIATION OF COUNTIES

By: _____
Name:
Title:

IN WITNESS WHEREOF. Landlord and Tenant have executed this First Amendment to Office Lease Agreement as of the day and year first above written.

LANDLORD:

660 NC LLC, a Delaware limited liability company

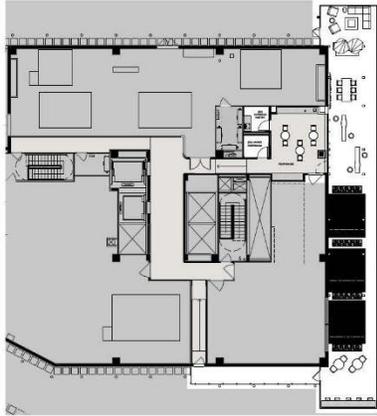
By: _____
Name:
Title:

TENANT:

NATIONAL ASSOCIATION OF COUNTIES

By: Matthew Chase
Name: Matthew D. Chase
Title: CEO/Executive Director

**EXHIBIT A
BUILDING IMPROVEMENTS CONCEPTUAL PLAN**



660 N. CAPITOL ST. BUILDING REPOSITIONING
660 N. CAPITOL STREET NW
WASHINGTON, DC 20001

ROOF LEVEL LEASE EXHIBIT
11/14/23
1/8" = 1'-0"

OTJ

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