

EXHIBIT A

LETTER OF INTENT

BROKERAGE SERVICES



Landlord Revised Proposal To: The City of Chicago Office of Inspector General

December 8, 2023

Mr. Jack O'Brien
Mr. Matt Whipple
The Telos Group
200 East Randolph Street
Suite 3070
Chicago, IL 60601

RE: REQUEST FOR PROPOSAL TO LEASE SPACE AT 231 SOUTH LASALLE STREET

February 14, 2024 – Non-Binding Letter of Intent (from Landlord to Tenant)

Dear Jack and Matt:

We have been authorized by our client, the City of Chicago Office of Inspector General ("Tenant") to submit the following LOI to lease space at 231 South LaSalle Street for Tenant to locate their operations.

Please respond to this request by specifically addressing each business point set forth below and submit your response to the undersigned by 5:00 pm Tuesday, February 6th.

- 1. Building:** 231 South LaSalle Street

Landlord: Agreed
- 2. Landlord:** Please state the name of the entity that owns the Building and indicate the name of all partners in the ownership group.

Landlord: The building owner is BCSP 231 Property LLC, Beacon Capital Partners LLC.
- 3. Asset Capital Stack:** Please provide a comprehensive summary on the current capital stack of the building, including, but not limited to debt balances, debt expirations, current loan to value, and debt service coverage ratio. Please describe any current or pending loan Defaults.

Landlord: The building is owned in partnership by affiliates of Beacon Capital and GIC – two prominent and credit worthy real

estate investment firms. The building ownership group is current on debt (which has a balance of approx \$110 per RSF).

Note - Ownership just recently completed a new long term lease transaction with software firm, Relativity, totaling approximately 105,000 RSF. Ownership is investing over \$18,000,000 into that new lease transaction through tenant improvement dollars, space prep, consulting and FF&E.

4. Premises:

Office Space

48,539 rentable square feet of contiguous office space, located in the building on the full 12th floor.

Landlord: The BOMA calculation for the entire 12th floor is 49,863 RSF.

Storage Space

Please state the location and rate for storage space in the Building.

Landlord: There are multiple storage rooms available on the lower levels assessable by elevators. Tenant to identify how much space is needed. Pricing in 2024 is \$15.00 per RSF gross escalating \$0.50 annually.

5. Tenant:

City of Chicago Office of Inspector General ("Tenant")

Landlord: Agreed

6. Percentage Share:

Tenant's Proportionate Share shall be subject to a mutually satisfactory agreement as to the allocation between the Premises and other portions of the Building.

Landlord: Calculated per BOMA.

7. Use:

The Premises may be used by Tenant, and its approved subtenants, for any lawful use consistent with office assets in Chicago and ancillary uses thereto.

Landlord: Use must be lawful and consistent with professionally owned and managed office buildings in the Chicago loop.

8. Encumbrances:

Please describe all encumbrances on the proposed Premises, including, but not limited to Rights of First Offer/Refusal, Expansion Options, existing Tenant Rights to Renew, etc.

Landlord: A general ROFO will need to be cleared with an existing tenant (and we anticipate that can be accomplished in a few days).

- 9. Lease Term:** Please provide lease terms on a ten (10) year basis from the Lease Commencement Date.
- Landlord: Agreed
- 10. Possession Date:** One-hundred and fifty (150) days from a fully executed lease in accordance with the Premises Construction section below. Tenant shall be granted access when reasonably available during punch list period, etc.
- Landlord shall deliver possession of the Premises to Tenant in accordance with the below Premises Construction section. Once the lease is fully executed, the following schedule will be pursued by Landlord:
- 1) Approximately 30 days to complete permit drawings (architectural and MEP's)
 - 2) Approximately 30 days to obtain a city building permit
 - 3) Approximately 90 days to substantially complete the turn-key work.
- In the event Landlord is delayed in providing delivery of the Premises beyond 210 days from Lease Execution, Tenant shall receive two (2) days of gross rent abatement per day of delay. Penalties above for late delivery are subject to receiving a city permit within 30 days and force majeure.
- 11. Lease Commencement Date:** Sixty (60) days after the Possession Date at which point the Premises shall be Substantially Complete. Early occupancy will not impact the Lease Commencement Date. Tenant shall pay for electric and janitorial during this 60 day period of beneficial occupancy.
- Landlord: Agreed as modified above.
- DRAFT TIMELINE:
 2/29/24: Lease fully executed
 Landlord completes design and turn-key (150 days)
 Tenant occupies space for business (60 days beneficial)
 Lease Commencement (10 year lease term starts)
- 12. Base Rental Rent:** Please state the Base Net Rent and annual escalations for the Premises.
- Landlord: \$23.50 per RSF net escalating 2.50% annually
- 13. Rental Abatement:** Please state the total gross rental abatement from the Lease Commencement Date offered to Tenant.

Landlord: Landlord shall abate the gross rent for sixteen (16) months from Lease Commencement. The abatement shall be applied the following times:

Year 1: First 8 months
Years 2, 3, 4, 5: First 2 months in each year

Note: together with the sixty days of beneficial occupancy, Tenant shall have a total of eighteen (18) months of gross free rent.

14. Property Taxes and Operating Expenses:

Tenant shall only pay its proportionate share of actual and reasonable Property Tax and Operating Expenses for the Building.

The Lease shall provide for Tenant to have full and market audit rights which detail will be mutually agreed upon in the lease document.

Operating Expense Details:

Annual increases in “controllable” Operating Expenses shall be capped at 5% on a cumulative and compounding basis. The lease shall contain no “gross up” provisions for Operating Expenses, except for those that vary with occupancy.

Please provide an estimate for Operating Expenses below:

	<u>Operating Expenses</u>
2023	\$_9.25__ PSF
2024	\$_9.52__ PSF

The lease will provide that Operating Expenses will be subject to a mutually satisfactory agreement as to the scope and standard of services to be provided and formulas for reimbursement, including, but not limited to, the management fee that Landlord shall be entitled to include in Operating Expenses (management fee shall never exceed 3.0% of gross building revenues with a market minimum).

Operating Expense Exclusions shall be discussed and included in the Lease Document.

Property Tax Details:

Please provide an estimate for Real Estate Taxes below:

	<u>Real Estate Taxes</u>
2023	\$_6.55__ PSF
2024	\$_6.75__ PSF

If Landlord realizes any property tax benefits or abatement program(s) for the Building, Tenant will realize its proportionate share as applicable.

Landlord: Agreed as modified above.

15. Premises Construction

Tenant shall have Landlord "turn-key" the suite, at their sole cost and expense, per a mutually agreed plan and scope specifications which shall be attached to the Lease. There shall be no fee for Landlord's Construction Management.

The Landlord's turnkey will include all building standard costs of construction, including, but not limited to, drawings, permit fees, and hard cost construction as well as all furniture required (additional workstation enhancements can be provided for Tenant as part of Landlord's delivery but at Tenants cost), appliances, and all electrical power and conduit run to all conference rooms, offices, and workstations.

Landlord designed, built and furnished the 12th floor as a new model suite ready for occupancy. In addition to the work already completed and the furniture already installed, Landlord will also turn-key changes required to meet Tenants needs. As such, Landlord will turn-key the work to deliver 32 new private offices, one new large meeting room and one storage room. The 12th floor will be fully furnished accordingly. See attached draft space (dated 2/14/24) plan which will be mutually agreed upon and attached to the lease including scope notes and other details around materials, furniture specifications, etc.

The Landlord's turnkey will not include Tenants IT requirements including card readers at entry, , A/V, or security, or include low-voltage wiring and cabling (which Landlord priced for Tenant to cost approximately \$140,000). Tenant shall have two months of beneficial occupancy to install their IT, AV, security, cabling and open for business.

Landlord shall warrant that the restrooms as built are in alignment with core requirements based on the planned occupancy of the Premises.

Landlord: Agreed as modified above.

16. Self-Help and Offset Rights:

Not available.

- 17. Furniture:** At the end of the Lease Term, Tenant shall have the right to purchase the furniture at their sole discretion for \$1.00.
- Landlord: Agreed.
- 18. Space Planning & Design Services:** Landlord, at Landlord's cost, shall be responsible for all test-fits and revisions as necessary.
- Landlord: Agreed.
- 19. Renewal Option(s):** Tenant will have the right to renew the Premises then under lease by Tenant for two (2) additional periods of five (5) years each. The rent payable for each successive Option to Renew shall be equal to the Fair Market Rental Rate ("FMRR") to be further defined in the lease and to include "Market Concessions".
- Landlord: Agreed, with 12 months prior written notice.
- 20. Right of First Offer:** Subject to rights of existing tenants, Tenant shall have a market ROFO on the floor below (the 11th floor) the Premises.
- Other than for the economic terms offered such space shall be leased under the same terms and conditions as the Premises and shall be coterminous with the Term (the ROFO shall not apply in the last two years of the lease term)
- 21. Termination Option:** Tenant shall have the right to terminate the Lease with respect to all, or a mutually agreed upon portion (demised between 45% - 55% of the full 12th floor), of the Premises then under lease to Tenant effective at the end of the seventh (7th) lease year by providing twelve (12) months prior written notice. Landlord to provide a demising plan to articulate the reduced Premises in the case of a partial termination.
- Tenant shall pay a Termination Penalty equal to the unamortized Tenant Improvement Allowance valued at \$100 per RSF, 16 Months of Gross Rental Abatement, and Brokerage Commissions at a rate of eight percent (8%). The Termination Penalty shall be prorated based on square footage in the case of a partial termination plus costs to multi-tenant the floor).
- Penalty shall be paid 50% with notice and 50% by the effective date and calculated by Landlord and provided to Tenant after receiving Tenants notice of its election to terminate.
- Landlord: Agreed as modified above.

- 22. Relocation Right:** Landlord shall not be allowed to relocate Tenant at any time during the Lease Term or subsequent Renewal Terms.
- 23. Holdover:** If Tenant holds over at lease expiration, for the first 2 months following lease expiration, Tenant shall pay a monthly gross rent installment equal to 125% of the amount due for the last month of the term. For the following months, gross rent installment will be 200% of the amount due for the last month of the term.
- For the first 90 days of holdover, Tenant shall not be responsible for consequential damages and starting on the 91st day of holdover, these damages shall apply.
- Landlord: Agreed as modified above.
- 24. Electricity:** The Premises shall be directly metered with no Landlord mark-up, profit, overhead, or administrative fee. All meters will be provided and installed at Landlord's sole cost and expense.
- Landlord: Agreed
- 25. Heating, Ventilation & Air Conditioning:** Services of the Building shall provide HVAC Monday – Friday, 8:00 am to 6:00 pm and Saturdays 8:00 am to 1:00 pm. Exact details on the HVAC shall be defined in the lease.
- After hours air-conditioning is currently \$125 per hour for the entire floor.
- 26. Data/Telephone/Fiber Riser Cabling:** Please indicate the Building's Riser Manager and all currently available internet providers in the Building.
- Subject to Existing telecommunications providers within the Building (please list all below), Tenant shall have the right to select, at Tenant's sole discretion, Tenant's desired telecommunications provider(s).
- To the extent Tenant's preferred provider(s) does not currently service the Building, Landlord shall use reasonable efforts to cooperate with Tenant's desired telecommunications provider(s) to be able to provide telecommunications service to Tenant.
- Landlord: See attached list of providers
- 27. Landlord's Representations and Covenants:** All existing Base Building systems servicing Tenant's Premises, (including, but not limited to: HVAC, perimeter heating [], electrical, plumbing, telecommunications, life safety, security, and elevator systems) (collectively, "Base Building systems"), shall be in good working order upon the Possession Date. Landlord shall,

on an on-going basis, continue to maintain and repair all Base Building systems to ensure they remain in good working condition throughout the Term (subject to inclusion in the buildings operating expenses).

Landlord confirms they are unaware of any Building, façade, or structural defects that affect the Premises. The enclosure of the Building for each floor of the Premises, or for such floors that affect the Premises, or for any other part of the Property that affects the Premises shall be weather tight, with all windows and Building joints fully sealed (note – 231 S. LaSalle is approx 100 years old and so when an issue might arise, it is addressed). If, during the course of the Term, Tenant experiences any damage within the Premises due to any water leakage or other weather-related reasons through the Building's enclosure, Tenant shall promptly, at Tenant's sole cost subject to Tenant's insurance, repair, or replace, if necessary, such damage to the Premises and Landlord shall repair or replace if necessary the Building's infrastructure and/or base Building systems such that the problem is resolved (noting some work may be applicable to recovery via the building operating expenses). To be addressed in the lease.

Landlord, at its sole cost, shall cause all elevators, elevator lobbies, and common areas (including the core area bathrooms) within the Premises, all the Building's common and core areas, all entrances to the Building, the Building's ground floor lobby, and the Building's exterior perimeter areas to follow current Laws (as defined herein), including "ADA" laws and regulations. For the paragraph above, note that the building is compliant with ADA and the Landlord will maintain the common areas.

Landlord shall indemnify Tenant against any claims arising from Landlord or other tenants' actions with regard to any breach of environmental law. The building has asbestos however, it has been encapsulated.

Landlord: To be mutually agreed upon in the lease based on the above general guidance.

**28. Sublease
Assignment:**

and Tenant shall have the right to assign the Lease in its entirety or to sublease all or any portion of the Premises without the consent of Landlord to (a) any entity resulting from a merger or consolidation with Tenant, (b) any entity succeeding to the business and assets of Tenant, (c) any partnership in which 50% of Tenant's partners before the assignment or sublease are partners; or (d) any affiliate of Tenant (collectively "Permitted Transferees").

In addition, Tenant shall also have the right to sublease all or any portion of the Premises or assign the Lease with the reasonable consent of Landlord, which consent shall not be unreasonably withheld, conditioned, or delayed.

Landlord shall have no recapture rights.

Tenant shall have the right to advertise the availability of the space without restrictions as to the rental rate advertised.

Landlord: Tenant shall have market rights to assign and sublease the details of which will be mutually agreed upon in the lease with general guidance based on the above language.

29. Normal Business Hours / Building Holidays / Access:

Please state the Building's Normal Building Hours.

Tenant shall have the right to have access to the Building and the Premises on a 24 hours/day, 7 days/week basis.

Landlord: See Section 25 for operating hours. Tenant shall have access to their space 24 hours per day, 7 days per week.

30. Cleaning:

Landlord shall provide Tenant and the Building with building standard cleaning services comparable with its competitive set of office buildings (which shall be attached to the Lease as an exhibit. If desired, Tenant can pay for changes or additions). Landlord is open to discussing solutions to meet custom cleaning requirements for Tenant.

Please address any additional cleaning protocol or upgraded filtration systems that has been implemented due to COVID-19.

Landlord: Agreed.

31. Parking:

Please specify the amount of parking spaces Landlord will provide to Tenant at the building's standard rate. Please indicate the current parking rate. If the building does not have dedicated parking, please provide a summary of nearby parking options and respective pricing.

Landlord: Parking is not available in the building however there is ample parking available in the immediate area.

32. Building Signage:

Tenant shall be granted the following signage rights to be completed at Landlord's Cost:

- Outdoor monument or pylon Signage
- Tenant's floor elevator lobby signage

- Tenant’s suite entrance signage.
- Main lobby elevator bank signage

Please describe any additional building signage opportunities.
 Landlord: Agreed as modified above.

33. Cellular Service:

The building currently receives strong cellular connectivity however Landlord cannot warrant strong signal strength going forward. Tenant to confirm service on the 12th floor will work for them. Tele/data providers are in the building and are available for Tenant to connect with.

Please describe any current or planned Distributed Antenna System (DAS).

34. Building Renovations Fitness, Conference, and Lounge Facilities:

Please indicate the location, size and any charges associated with the existing or planned Facilities. Please also describe any forthcoming renovations to the asset (i.e. lobby renovations, outdoor space(s), etc.)

Landlord shall maintain any existing and/or proposed Facilities throughout the term of the Lease and any Renewal Periods.

Landlord: 231 S. LaSalle offers Tenants and their employees use of newly renovated amenity spaces including a common rooftop deck, a tenant lounge space and a building fitness center with locker rooms that include showers and complimentary towel service. Additionally, Ownership just completed renovating the building lobby, has added new retailers including the restaurant and bar 90th Meridian and has delivered a new conference facility offering Tenants multiple meeting areas.

35. Restoration:

Tenant shall vacate the Premises in “broom clean” condition and have no restoration obligations upon the expiration, or earlier termination of the Lease, including, but not limited to:

- Any Landlord reasonably approved modifications to the premises
- Removal of cabling and low voltage wiring
- Removal of furniture (unless Tenant purchases furniture as noted above)

Landlord: Agreed as modified above.

36. Building Security:

Landlord shall provide appropriate Building security consistent with the Building’s competitive set in the market.

Please describe current Building Security systems and protocol in place.

Tenant shall be permitted to tie its security system into the Building's security system, if requested by Tenant and if such tie-in does not materially and adversely interfere with Landlord's security system at Tenant's cost utilizing Landlord's contractor, and further, shall be able to be expanded to provide for additional card keys or other similar devices.

Landlord: The Building offers 24/7 professional manned security.

37. ESG/Sustainability:

Please provide comprehensive details on the Building's current LEED status and identify any plans for other ESG initiatives and any current or pending certifications. Landlord will cooperate with Tenant to accommodate Tenant's LEED requirements in the construction of Tenant's space, and ongoing Building maintenance including, but not limited to, cleaning equipment and supplies.

38. Lender Non-Disturbance Agreement:

Simultaneously with the execution of a Lease agreement, Landlord shall provide Tenant with a fully executed non-disturbance agreement that are reasonably acceptable to Tenant from all existing lenders and/or ground lessors, if any. Landlord will procure a non-disturbance agreement for Tenant from any future lenders.

Landlord: After the lease is executed, Landlord will use reasonable efforts to put an SNDA in place using Lenders form.

39. Security Deposit:

None.

Landlord: Subject to understanding Tenant's funding.

40. Partner Liability Limitation:

Under no circumstances will any partner, employee, or other representative of Tenant, or of Tenant's successors, incur any personal financial liability whatsoever in connection with the Lease. In addition, in satisfying any of Tenant's lease obligations, a partner's obligation to contribute capital to Tenant, and any existing amounts related to a partner's then current capital account, shall not be deemed an asset of Tenant.

Landlord: Agreed.

41. Real Estate Brokerage Commission:

Landlord recognizes CBRE, Inc. as Tenant's Broker for this transaction and agrees to pay Tenant's Broker one (1) full market leasing commission pursuant to the terms and conditions of a separate agreement. Such commission to be paid to CBRE, Inc. shall be due upon execution of the Lease.

Landlord: Agreed.

42. Confidentiality:

This proposal and all discussions related thereto shall be held in confidence by Landlord and Tenant and will not be discussed with third parties except on an "as needed" basis (e.g., attorneys).

THIS LETTER/PROPOSAL IS INTENDED SOLELY AS A PRELIMINARY EXPRESSION OF GENERAL INTENTIONS AND IS TO BE USED FOR DISCUSSION PURPOSES ONLY. THE PARTIES INTEND THAT NEITHER SHALL HAVE ANY CONTRACTUAL OBLIGATIONS TO THE OTHER WITH RESPECT TO THE MATTERS REFERRED HEREIN UNLESS AND UNTIL A DEFINITIVE AGREEMENT HAS BEEN FULLY EXECUTED AND DELIVERED BY THE PARTIES. THE PARTIES AGREE THAT THIS LETTER/PROPOSAL IS NOT INTENDED TO CREATE ANY AGREEMENT OR OBLIGATION BY EITHER PARTY TO NEGOTIATE A DEFINITIVE LEASE/PURCHASE AND SALE AGREEMENT AND IMPOSES NO DUTY WHATSOEVER ON EITHER PARTY TO CONTINUE NEGOTIATIONS, INCLUDING WITHOUT LIMITATION ANY OBLIGATION TO NEGOTIATE IN GOOD FAITH OR IN ANY WAY OTHER THAN AT ARM'S LENGTH. PRIOR TO DELIVERY OF A DEFINITIVE EXECUTED AGREEMENT, AND WITHOUT ANY LIABILITY TO THE OTHER PARTY, EITHER PARTY MAY (1) PROPOSE DIFFERENT TERMS FROM THOSE SUMMARIZED HEREIN, (2) ENTER INTO NEGOTIATIONS WITH OTHER PARTIES AND/OR (3) UNILATERALLY TERMINATE ALL NEGOTIATIONS WITH THE OTHER PARTY HERETO.

THIS TRANSACTION IS CONTINGENT ON CITY OF CHICAGO CITY COUNCIL APPROVAL.

We appreciate your consideration and look forward to working with you.

Sincerely,

CBRE, Inc.

Mark Cassata
Senior Vice President

Peter Livaditis
Executive Vice President