
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2021

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number: 000-53964

HGR Liquidating Trust

(Exact Name of Registrant as Specified in its Charter)

Maryland

(State or Other Jurisdiction of Incorporation or Organization)

2800 Post Oak Boulevard Suite 5000

Houston, Texas

(Address of principal executive offices)

85-6328984

(I.R.S. Employer Identification No.)

77056-6118

(Zip code)

Registrant's telephone number, including area code: (888) 220-6121

Securities registered pursuant to Section 12(b) of the Act: None.

Securities registered pursuant to Section 12(g) of the Act: Common Stock, par value \$.001

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.:

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☒

Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13 (a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Aggregate market value of the units held by non-affiliates of the registrant: No established market exists for the registrant's units.

The registrant had 262.4 million units outstanding as of March 4, 2022.

TABLE OF CONTENTS

PART I

Item 1.	Business	2
Item 1A.	Risk Factors	5
Item 1B.	Unresolved Staff Comments	7
Item 2.	Properties	8
Item 3.	Legal Proceedings	9
Item 4.	Mine Safety Disclosures	9

PART II

Item 5.	Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	10
Item 6.	[Reserved]	11
Item 7.	Management’s Discussion and Analysis of Financial Condition and Results of Operations	12
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk	19
Item 8.	Financial Statements and Supplementary Data	20
Item 9.	Changes in and Disagreements With Accountants on Accounting and Financial Disclosure	45
Item 9A.	Controls and Procedures	45
Item 9B.	Other Information	46
Item 9C.	Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.	46

PART III

Item 10.	Directors, Executive Officers and Corporate Governance	47
Item 11.	Executive Compensation	55
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	57
Item 13.	Certain Relationships and Related Transactions, and Director Independence	58
Item 14.	Principal Accounting Fees and Services	59

PART IV

Item 15.	Exhibits, Financial Statement Schedules	60
Item 16.	Form 10-K Summary	63

SIGNATURES		65
-------------------	--	----

EX- 21.1	List of Subsidiaries	
EX- 31.1	Certification	
EX- 31.2	Certification	
EX- 32.1	Certification of CEO & CFO pursuant to Section 906	

EX- 101	Instance Document	
EX- 101	Schema Document	
EX- 101	Calculation Linkbase Document	
EX- 101	Labels Linkbase Document	
EX- 101	Presentation Linkbase Document	
EX- 101	Definition Linkbase Document	

PART I

Special Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K includes certain statements that may be deemed forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Such forward-looking statements relate to, without limitation, economic conditions that may impact our operations, our ability to effectively liquidate our assets and pay liquidating distributions to our investors in the expected time frame or at all, our future leverage and financial position, our future capital expenditures, future distributions, other developments and trends in the commercial real estate industry and our business strategy. Forward-looking statements are generally identifiable by the use of the words “may,” “will,” “should,” “expect,” “could,” “intend,” “plan,” “anticipate,” “estimate,” “believe,” “continue,” “predict,” “potential” or the negative of these words or other comparable terminology. These statements are not guarantees of future performance, and involve certain risks, uncertainties and assumptions that are difficult to predict.

The forward-looking statements in this Form 10-K are based on our current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Any of the assumptions underlying forward-looking statements could prove to be inaccurate. To the extent that our assumptions differ from actual results, our ability to meet such forward-looking statements, including our ability to generate positive cash flow from operations, provide distributions to our investors and maintain the value of the real estate properties in which we hold an interest, may be significantly hindered.

The following are some of the risks and uncertainties which could cause actual results to differ materially from those presented in certain forward-looking statements:

- Unanticipated difficulties, expenditures or delays relating to our implementation of our plan of liquidation and dissolution, which may reduce or delay our payment of additional liquidating distributions to our investors;
- Risks associated with legal proceedings that may be instituted against us and others related to the plan of liquidation;
- The amount and timing of additional liquidating distributions we may pay is uncertain and cannot be assured;
- The failure of any bank in which we deposit our funds could reduce the amount of cash we have available to fund our operating expenses and other capital expenditures; and
- Changes in governmental and tax laws and regulations and the related costs of compliance and increases in our administrative operating expenses, including expenses associated with operating as a public company.

These risks are more fully discussed in, and all forward-looking statements should be read in light of, all of the factors discussed in “Item 1A. Risk Factors” of this Annual Report.

Our investors are cautioned not to place undue reliance on any forward-looking statement in this Form 10-K. All forward-looking statements are made as of the date of this Form 10-K, and the risk that actual results will differ materially from the expectations expressed in this Form 10-K may increase with the passage of time. In light of the significant uncertainties inherent in the forward-looking statements in this Form 10-K, the inclusion of such forward-looking statements should not be regarded as a representation by us or any other person that the objectives and plans set forth in this Form 10-K will be achieved.

Item 1. *Business*

General Description of Business and Operations

Hines Global REIT, Inc. (“Hines Global” or the “Company”) was incorporated under the Maryland General Corporation Laws on December 10, 2008, primarily for the purpose of investing in a diversified portfolio of quality commercial real estate properties and other real estate investments located throughout the United States and internationally. Hines Global raised the equity capital for its real estate investments through two public offerings from August 2009 through April 2014, and through its distribution reinvestment plan (the “DRP Offering”) from April 2014 through August 2018. Collectively, through its public offerings, Hines Global raised gross offering proceeds of approximately \$3.1 billion, including the DRP Offering, all of which was invested in the Company’s real estate portfolio.

We invested the proceeds from our public offerings into a diverse portfolio of real estate investments. At the peak of our acquisition phase, we owned interests in 45 properties. In recent years, we have concentrated our efforts on actively managing our assets and exploring a variety of strategic opportunities focused on enhancing the composition of our portfolio and its total return potential for its investors. On April 23, 2018, in connection with its review of potential strategic alternatives available to the Company, our board of directors determined that it is in the best interests of the Company and its investors to sell all or substantially all of our properties and assets and for the Company to liquidate and dissolve pursuant to our Plan of Liquidation and Dissolution (the “Plan of Liquidation”). The principal purpose of the liquidation is to provide liquidity to our investors by selling the Company’s assets, making payments on property and corporate level debt, and distributing the net proceeds from liquidation to our investors. As required by Maryland law and our charter, the Plan of Liquidation was approved by the affirmative vote of the holders of at least a majority of the shares of our common stock outstanding and entitled to vote thereon at the Company’s annual meeting of stockholders held on July 17, 2018.

While we anticipated the completion of the sale of all the Company’s assets by July 17, 2020, which is the 24-month period imposed by the Internal Revenue Service (“IRS”) for execution of the Plan, the economic disruption and uncertainty resulting from the Coronavirus pandemic have had a significant impact on the process and timing of the Plan’s completion. On June 30, 2020, Hines Global and the Trustees identified below entered into an Agreement and Declaration of Trust (the “Liquidating Trust Agreement”) in connection with the formation of HGR Liquidating Trust, a Maryland statutory trust (the “Liquidating Trust” or the “Trust”). The purpose of the Trust is to complete the liquidation of Hines Global’s assets in accordance with the plan of liquidation and dissolution (the “Plan”) that was previously approved by Hines Global’s stockholders in July 2018. The trustees of the Trust consist of certain members of Hines Global’s board of directors: Jeffrey C. Hines, Charles M. Baughn, Jack L. Farley, Thomas L. Mitchell, John S. Moody and Peter Shaper; and David L. Steinbach, the Company’s Chief Investment Officer (collectively, the “Trustees”). Pursuant to the Liquidating Trust Agreement, the Company transferred all of its assets and liabilities to the Trust and received units of beneficial interest in the Trust (the “Units”) equal to the number of shares of the Company’s common stock outstanding on June 30, 2020. Immediately thereafter, the Company distributed the Units pro rata to its stockholders such that one Unit was distributed for each share of the Company’s common stock and all stockholders of the Company are now unitholders and beneficiaries of the Trust.

The Liquidating Trust Agreement provides that the Trust will terminate upon the earliest of (a) such time as termination is required by the applicable laws of the State of Maryland, (b) the determination of the Board to terminate the Trust following the distribution of all its assets in accordance with the Liquidating Trust Agreement, or (c) the expiration of a period of three years from June 30, 2020. Notwithstanding the foregoing, the Board may continue the existence of the Trust beyond the three-year term if the Board in its reasonable discretion determines that an extension is necessary to fulfill the purposes of the Trust, provided that the Board has requested and obtained no-action assurance from the SEC regarding relief from registration and reporting requirements under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) prior to any such extension.

The Liquidating Trust Agreement further provides that the Board has the discretion to make distributions of available cash to the investors as and when they deem such distributions to be in the best interests of the investors, taking into account the administrative costs of making such distributions, anticipated costs and expenses of the Trust and such other factors as they may consider appropriate.

All references to “the Company,” “we,” “our,” “us” or similar pronouns herein mean Hines Global REIT, Inc. for periods prior to June 30, 2020, when Hines Global REIT, Inc. transferred all of its assets and liabilities to HGR Liquidating Trust, and mean HGR Liquidating Trust for periods subsequent thereto. All references to “the Trust” mean HGR Liquidating Trust. In addition, all references to “investors” mean the stockholders of Hines Global for periods prior to June 30, 2020 and mean the

unitholders of the Trust for periods subsequent thereto. Similarly, all references to the "Board" mean the board of directors of Hines Global for periods prior to June 30, 2020 and mean the board of trustees of the Trust for periods subsequent thereto.

We sold interests in 39 properties with an aggregate sale price of \$5.4 billion from 2017 through 2021. We owned one property, Minneapolis Retail Center, as of December 31, 2021. In March 2022, we sold Minneapolis Retail Center for \$150.0 million, excluding closing costs and prorations.

On March 11, 2022, the Board determined a per Unit net asset value ("NAV") of \$0.66 as of March 11, 2022. This per Unit NAV is \$1.43 lower than the previously determined per Unit NAV of \$2.09 as of December 31, 2020, primarily as a result of the \$1.40 per Unit special distributions paid by the Company since that time. These distributions followed the sales of four of the five remaining properties in our real estate portfolio.

Additionally, we sold our final remaining property on March 10, 2022, and declared and paid a special distribution of \$0.62 per Unit in March 2022. The per Unit NAV was reduced to \$0.04 as of March 17, 2022, following this distribution. See Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities for additional information related to our NAV.

General Business Information

We conduct most of our activities through, and most of our real estate investments were held directly or indirectly by, Hines Global REIT Properties, LP (the "Operating Partnership"), which was formed on January 7, 2009. Hines Global contributed the proceeds it received from the issuance of common shares to the Operating Partnership and the Operating Partnership in turn issued general partner interests to Hines Global. The Trust became the sole general partner of the Operating Partnership on June 30, 2020 in connection with the transfer of all of Hines Global's assets and liabilities to the Trust. The general partner interests entitle HGR Liquidating Trust to receive its share of the Operating Partnership's earnings or losses and distributions of cash flow.

We have no employees. Our business is managed by our Advisor, an affiliate of our sponsor, Hines, under the terms and conditions of an advisory agreement between us, the Operating Partnership and the Advisor, effective as of June 30, 2020 (the "Advisory Agreement"). From January 1, 2020 until June 30, 2020, Hines Global, the Operating Partnership and the Advisor were parties to an advisory agreement (the "Prior Advisory Agreement"), pursuant to which the Advisor managed Hines Global's day-to-day operations in substantially the same manner that the Advisor now manages the Trust's day-to-day operations. As compensation for these services, we pay or have paid the Advisor fees and we reimburse certain of the Advisor's expenses incurred on our behalf in accordance with the Advisory Agreement. Hines or affiliates of Hines managed the leasing and operations of most of the properties in which we invested and, accordingly, we paid property management and leasing fees in connection with these services. Hines is owned and controlled by, or for the benefit, of Jeffrey C. Hines, the Chairman of our Board. Hines and its 4,850 employees have over 60 years of experience in the areas of investment selection, underwriting, due diligence, portfolio management, asset management, property management, leasing, disposition, finance, accounting and investor relations.

Our office is located at 2800 Post Oak Boulevard, Suite 5000, Houston, Texas 77056-6118. Our telephone number is 1-888-220-6121. Our web site is www.HinesSecurities.com/HGRLiquidatingTrust. The information on our website is not incorporated by reference into this report.

Distribution Objectives

We declared distributions of \$0.70 per share, per year for the period from October 2009 through December 2011 and \$0.65 per share, per year from January 2012 through December 2018, totaling \$6.09 per share in aggregate. Approximately \$0.45 per share of these distributions declared for the year ended December 31, 2018 were designated as a return of a portion of the investors' invested capital as described further below. Additionally, we have declared special distributions and/or liquidating distributions to date totaling \$9.02 per share, each of which is described further below. In aggregate, we have paid total distributions of \$15.11 per share to our investors from the inception of our fund to date.

From 2018 through March 2022, we paid aggregate return of capital distributions or liquidating distributions to investors totaling approximately \$9.47 per share, which represented a return of a portion of the investors' invested capital. These distributions reduced the investors' remaining investment in the Company and were made up of the following:

- a \$1.05 per share special distribution declared to all investors of record as of December 30, 2017 and paid in January 2018. The special distribution was funded with a portion of the net proceeds received from the strategic sale of six assets during 2017.
- \$0.12 per share resulting from a portion of the monthly distributions declared for the months of January 2018 through June 2018, (approximately \$0.02 per share, per month), which were designated by our Board as a return of a portion of the investors' invested capital and, as such, reduced the investors' remaining investment in the Company.
- Approximately \$0.33 per share resulting from the monthly liquidating distributions declared for the months of July 2018 through December 2018 (approximately \$0.0541667 per share, per month), which reduced the investors' remaining investment in the Company.
- a \$2.50 per share liquidating distribution declared to all investors of record as of February 13, 2019 and paid in February 2019.
- a \$1.00 per Unit liquidating distribution declared to all investors of record as of July 15, 2020 and paid in July 2020.
- a \$2.45 per Unit special distribution declared to all investors of record as of September 14, 2020 and paid in September 2020.
- a \$0.80 per Unit special distribution declared to all investors of record as of September 29, 2021 and paid in September 2021.
- a \$0.60 per Unit special distribution declared to all investors of record as of January 12, 2022, and paid in January 2022.
- a \$0.62 per Unit special distribution declared to all investors of record as of March 17, 2022, and paid on or around March 22, 2022.

Tax Status

The Liquidating Trust is intended to qualify as a "liquidating trust" for federal income tax purposes that is treated as a "grantor trust" for federal income tax purposes and accordingly, is not subject to federal income tax on any income earned or gain recognized by it. The Liquidating Trust may recognize taxable income or loss, as the case may be, from the operation of the properties prior to their disposition, and taxable gain or loss as and when its assets are disposed of for an amount greater or less than the fair market value of such assets at the time of the initial distribution of the Units in the Liquidating Trust on June 30, 2020. Our beneficiaries will be treated as the owners of a pro rata portion of each remaining asset, including cash, received by and held by us and will be required to report on their federal and state income tax return their pro rata share of taxable income, including gains and losses recognized by the Liquidating Trust.

The Trustees will provide to each holder of Units after each year end a detailed itemized statement that reports on a per unit basis the holder's allocable share of all the various categories of revenue and expense of the Liquidating Trust for the year. Each holder of Units is urged to consult with their own tax advisors regarding the filing requirements and the appropriate tax reporting of this information on their tax returns.

Available Information

Investors may obtain copies of our filings with the Securities and Exchange Commission ("SEC"), free of charge from the website maintained by the SEC at www.sec.gov or from our website at www.HinesSecurities.com/HGRLiquidatingTrust. Further, a copy of our filings will be available on our website as soon as reasonably practicable after we electronically file such materials with the SEC. However, the information from our website is not incorporated by reference into this report.

Item 1A. Risk Factors

You should carefully read and consider the risks described below together with all other information in this report. If certain of the following risks actually occur, our results of operations and ability to pay additional liquidating distributions would likely suffer materially, or could be eliminated entirely.

Risks Related to the Liquidation of the Trust

We cannot determine the timing or amount of additional distributions to our investors because there are many factors, some of which are outside of our control, which could affect our ability to make such distributions.

Although we have paid distributions to our investors in connection with the Plan of Liquidation, we cannot determine the timing or amount of additional distributions to our investors at this time. These distributions will depend on a variety of factors, including, but not limited to, the length of time it takes to fully implement the Plan of Liquidation, the cost of operating the Trust through the date of our final dissolution, general business and economic conditions, and other matters. In addition, before making the final distribution, we will need to pay or arrange for the payment of all of our transaction costs in the liquidation, all other costs and all valid claims of our creditors. Our Board may also decide to acquire one or more insurance policies covering unknown or contingent claims against us, for which we would pay a premium which has not yet been determined. Our Board may also decide to provide for any unknown and outstanding liabilities and expenses, which may include the establishment of a reserve fund to pay contingent liabilities and ongoing expenses in an amount to be determined as information concerning such contingencies and expenses becomes available. The amount of transaction costs in the liquidation is not yet final, so we have used estimates of these costs in calculating the amounts of our originally projected aggregate distributions. To the extent that we have underestimated these costs, additional distributions will likely be lower than our most recently determined NAV. In addition, if the claims of our creditors are greater than what we have anticipated or if we decide to acquire one or more insurance policies covering unknown or contingent claims against us, our final distribution may be delayed or reduced. Further, if a reserve fund is established to pay contingent liabilities, payment of additional distributions to our investors may be delayed or reduced.

If there are any lawsuits in connection with the Plan of Liquidation, it may be costly and may prevent the Plan of Liquidation from being completed or from being completed within the expected timeframe.

Our investors may file lawsuits challenging the Plan of Liquidation, which may name the Trust or our Board as defendants. As of the date of this report, no such lawsuits challenging the Plan of Liquidation are pending, or to our knowledge, threatened. However, if such a lawsuit is filed, we cannot assure you as to the outcome of any such lawsuits, including the amount of costs associated with defending any such claims or any other liabilities that may be incurred in connection with such claims. If any plaintiffs are successful in obtaining an injunction prohibiting us from completing the Plan of Liquidation, such an injunction may delay the completion of the Plan of Liquidation. Whether or not any plaintiff's claim is successful, this type of litigation often results in significant costs and diverts management's attention and resources, which could adversely affect the operation of our business and reduce the funds available for additional distributions to our investors.

Investors may be liable to our creditors for the amount received from us if our reserve fund or the assets remaining in the Trust are inadequate.

Pursuant to the Plan of Liquidation, we intend to discharge our liabilities, distribute to our investors any remaining assets and complete our wind-down as soon as practicable. In the event that it should not be feasible, in the opinion of our Board, for the Trust to pay, or adequately provide for, all of our debts and liabilities, or if our Board shall determine it is advisable, our Board may establish a reserve fund or retain certain assets in the Liquidating Trust.

Any reserve fund or assets remaining in the Liquidating Trust may not be adequate to cover any contingent expenses and liabilities. Under Maryland law, if we make distributions and fail to maintain an adequate reserve fund or fail to retain adequate assets in the Liquidating Trust for payment of our contingent expenses and liabilities, each investor could be held liable for payment to our creditors of such amounts owed to creditors which we fail to pay. The liability of any investor would be limited to the amount of distributions previously received by such investor from us in connection with the Plan of Liquidation. Accordingly, in such event, an investor could be required to return all such distributions received from us. On December 31, 2021, the Trust had outstanding liabilities of approximately \$31.7 million. Most of these obligations were paid prior to March 11, 2022 and the rest are expected to be paid in full prior to our wind-down. We will continuously monitor expenses and any other foreseeable liabilities we may incur as we complete the Plan of Liquidation in the coming months in order to seek to ensure that an adequate reserve fund is maintained or adequate assets are retained in the Liquidating Trust to discharge these liabilities in full.

Risks Related to Adverse Changes in General Economic Conditions

Yields on and safety of deposits may be lower if there are to extensive declines in the financial markets.

We may hold funds in investments, including money market funds, bank money market accounts and CDs or other accounts at third-party depository institutions. Unusual declines in the financial markets similar to those experienced during the Great Recession, could result in a loss of some or all of these funds. In particular, money market funds may experience intense redemption pressure at such times and have difficulty satisfying redemption requests. As a result, we may not be able to access the cash in our money market investments. In addition, current yields from these investments are minimal.

The failure of any bank in which we deposit our funds could reduce the amount of cash we have available to pay distributions and make additional investments.

The Federal Deposit Insurance Corporation only insures amounts up to \$250,000 per depositor. It is likely that we will have cash and cash equivalents and restricted cash deposited in certain financial institutions in excess of federally insured levels. If any of the banking institutions in which we deposit funds ultimately fails, we may lose any amount of our deposits over federally insured levels. The loss of our deposits could reduce the amount of cash we have available to distribute and could reduce the amount of additional distributions to investors.

Our business could suffer in the event the Advisor, our transfer agent or any other party that provides us with services essential to our operations experiences system failures or cyber incidents or a deficiency in cybersecurity.

The Advisor, our transfer agent and other parties that provide us with services essential to our operations are vulnerable to damages from any number of sources, including computer viruses, unauthorized access, energy blackouts, natural disasters, terrorism, war and telecommunication failures. Any system failure or accident that causes interruptions in our operations could result in a material disruption to our business. A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of information resources. More specifically, a cyber incident is an intentional attack or an unintentional event that may include, but is not limited to, gaining unauthorized access to systems to disrupt operations, corrupt data, steal assets or misappropriate confidential information, such as confidential investor records. As reliance on technology in our industry has increased, so have the risks posed to our systems, both internal and those we have outsourced. In addition, the risk of a cyber incident, including by computer hackers, foreign governments and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and instructions from around the world have increased. Affiliates of our Advisor have in the past experienced cyber incidents impacting their information technology systems or relating to software that they utilize, and, while none to date have had an impact on us or our operations, we expect such breaches could to occur in the future.

The remediation costs and lost revenues experienced by a victim of a cyber incident may be significant and significant resources may be required to repair system damage, protect against the threat of future security breaches or to alleviate problems, including reputational harm, loss of revenues and litigation, caused by any breaches. There also may be liability for any stolen assets or misappropriated confidential information. Any material adverse effect experienced by the Advisor, our transfer agent and other parties that provide us with services essential to our operations could, in turn, interrupt our operations, damage our reputation and brand, damage our competitive position, make it difficult for us to attract and retain tenants, and subject us to liability claims or regulatory penalties that could adversely affect our ability to pay additional distributions to investors. While we maintain cyber risk insurance to provide some coverage for certain risks arising out of system failures or cyber incidents, there is no assurance that such insurance would cover all or a significant portion of the costs or consequences associated with a cyber incident.

Risks Related to Taxes

Holders of Trust Units may recognize taxable income as a result of their ownership of Trust Units.

The Trust is intended to qualify as a “liquidating trust” for federal income tax purposes that is treated as a “grantor trust” for federal income tax purposes. Accordingly, each Unit represents ownership of an undivided proportionate interest in all of the assets and liabilities of the Liquidating Trust, and each holder of Units will be treated for federal income tax purposes as receiving or paying directly a pro rata portion of all income, gain, loss, deduction and credit of the Liquidating Trust. A holder of Units will be taxed each year on its share of revenues from the Liquidating Trust, net of such holder’s share of expenses of the Liquidating Trust whether or not the holder of Units receives a distribution of cash from the Liquidating Trust that year. The

long-term or short-term character of any capital gain or loss recognized in connection with the sale of the Liquidating Trust's assets will be determined based upon a holding period commencing at the time of the acquisition by each holder of Units.

If the Liquidating Trust fails to qualify as a liquidating trust for federal income tax purposes, it would instead be taxable as a partnership rather than as a grantor trust. If the Liquidating Trust is taxable as a partnership, the tax consequences to holders of Units generally will be similar to those that would be experienced if the Liquidating Trust were a grantor trust.

If the Company failed to qualify as a REIT during its short taxable year ended June 30, 2020, our ability to pay distributions to our investors may be adversely impacted.

The Company elected to be taxed as a REIT for federal income tax purposes. We believe the Company was organized and operated in a manner that allowed it to qualify as a REIT until June 30, 2020 when it transferred all of its assets and liabilities to the Liquidating Trust. In order to maintain its REIT status, the Company was required to annually distribute to its shareholders at least 90% of its REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gain, and meet the various other requirements imposed by the Code relating to such matters as operating results, asset holdings, distribution levels and diversity of share ownership. Provided that the Company qualified for taxation as a REIT, it was generally not subject to corporate level federal income tax on the earnings distributed to its shareholders that it derived from its REIT qualifying activities. The Company was still subject to state and local income and franchise taxes and to federal income and excise tax on its undistributed income for years in which it qualified as a REIT. If the Company were to have failed to qualify as a REIT for any taxable year prior to June 30, 2020, and it was unable to avail itself of certain savings provisions set forth in the Code, all of its taxable income would be subject to federal income tax at the regular corporate rates and its cash available for distribution would be reduced.

If the Operating Partnership is classified as a "publicly traded partnership" under the Code, our operations and our ability to pay distributions to our investors could be adversely affected.

We believe that the Operating Partnership will be treated as a partnership, and not as an association or a publicly traded partnership for U.S. federal income tax purposes. In this regard, the Code generally classifies "publicly traded partnerships" (as defined in Section 7704 of the Code) as associations taxable as corporations (rather than as partnerships), unless substantially all of their taxable income consists of specified types of passive income. In order to minimize the risk that the Code would classify the Operating Partnership as a "publicly traded partnership" for tax purposes, we placed certain restrictions on the transfer and/or repurchase of partnership units in the Operating Partnership. However, if the IRS successfully determined that the Operating Partnership should be taxed as a corporation, the Operating Partnership would be required to pay U.S. federal income tax at corporate rates on its net income, its partners would be treated as investors of the Operating Partnership and distributions to partners would constitute non-deductible distributions in computing the Operating Partnership's taxable income. In addition, it could cause the Company to fail to qualify as a REIT for one or more taxable years prior to June 30, 2020, and result in the imposition of a corporate tax on the Operating Partnership, which would reduce the amount of cash available for distribution to our investors.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 2. *Properties*

We owned one remaining property, Minneapolis Retail Center, as of December 31, 2021. We sold Minneapolis Retail Center in March 2022 for \$150.0 million, excluding closing costs and prorations.

Item 3. *Legal Proceedings*

From time to time in the ordinary course of business, the Company or its subsidiaries may become subject to legal proceedings, claims or disputes. As of March 31, 2022, neither the Company nor any of its subsidiaries was a party to any material pending legal proceedings.

Item 4. *Mine Safety Disclosures*

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

As of December 31, 2021, we had 262.4 million Units outstanding, held by a total of approximately 57,600 investors. The number of investors is based on the records of our registrar and transfer agent. There is no established public trading market for our Units. For purposes of this section and throughout this Annual Report on Form 10-K, the term "Units" means shares of the Company's common stock for periods prior to June 30, 2020 and Units of beneficial interest in the Trust for the period subsequent to June 30, 2020.

Our Board determined a per Unit NAV of \$0.66 as of March 11, 2022. This per Unit NAV is \$1.43 lower than the previously determined per Unit NAV of \$2.09 as of December 31, 2020, primarily as a result of the \$1.40 per Unit special distributions paid by the Company since that time. These distributions followed the sales of four of the five remaining properties in our real estate portfolio. See below for a description of how the per Unit NAV as of March 11, 2022 was determined.

Additionally, we sold our final remaining property on March 10, 2022 and declared a special distribution of \$0.62 per unit to all unitholders of record as of March 17, 2022, which was paid on or around March 22, 2022. The per Unit NAV was reduced to \$0.04 as of March 17, 2022, following this distribution.

The per Unit NAV of \$0.04 as of March 17, 2022 is not a representation, warranty or guarantee that (i) an investor would ultimately realize distributions per Unit equal to the per Unit NAV upon the completion of our wind-down; (ii) the methodologies used to determine the per Unit NAV would be acceptable to FINRA. In addition, we can make no claim as to whether the estimated value will or will not satisfy the applicable annual valuation requirements under ERISA and the Code with respect to employee benefit plans subject to ERISA and other retirement plans or accounts subject to Section 4975 of the Code that are investing in our Units.

Methodology

We sold our final remaining property on March 10, 2022. As a result, the per Unit NAV of \$0.66 as of March 11, 2022 was based solely on the values of other assets and liabilities such as cash, tenant receivables, accounts payable and accrued expenses, other assets and liabilities, all of which were valued at cost and an estimate of closing costs that we would expect to incur in relation to the wind-down of the Company. No liquidity discounts or discounts relating to the fact that we are externally managed were applied to the per Unit NAV and no attempt was made to value the Company as an enterprise.

The table below sets forth the calculation of our per Unit NAV as of March 11, 2022 and December 31, 2020:

	March 11, 2022		December 31, 2020	
	Gross Amount (in millions)	Per Unit	Gross Amount (in millions)	Per Unit
Real estate property investments	\$ —	\$ —	\$ 597	\$ 2.27
Cash and other assets	183	0.70	46	0.18
Debt obligations and other liabilities	(10)	(0.04)	(80)	(0.31)
Noncontrolling interests	—	—	—	—
Net Asset Value before closing costs	\$ 173	\$ 0.66	\$ 563	\$ 2.14
Estimated closing costs	—	—	(13)	(0.05)
NAV	\$ 173	\$ 0.66	\$ 550	\$ 2.09
Units outstanding	262		262	

Our Board determined the per Unit NAV by (i) utilizing the value of our other assets comprised of our cash, tenant and other receivables and other assets of \$183.0 million, (ii) subtracting the values of our remaining liabilities comprised of our accounts payable and accrued expenses, due to affiliates, other liabilities and an estimate of costs in excess of income expected to be realized prior to the wind-down of the Company of \$10.0 million and (iii) dividing the total by our Units outstanding as of March 11, 2022 of 262.0 million, resulting in a per Unit NAV of \$0.66.

Distributions

We declared distributions of \$0.70 per share, per year for the period from October 2009 through December 2011 and \$0.65 per share, per year from January 2012 through December 2018 totaling \$6.09 per share in aggregate. Approximately \$0.45 per share of these distributions declared for the year ended December 31, 2018 were designated as a return of a portion of the investors' invested capital as described further below. Additionally, we have declared special distributions and/or liquidating distributions to date totaling \$9.02 per share, each of which is described further below. In aggregate, we have paid total distributions of \$15.11 per share to our investors from the inception of our fund to date.

From 2018 through March 2022, we paid aggregate return of capital distributions or liquidating distributions to investors totaling approximately \$9.47 per share, which represented a return of a portion of the investors' invested capital. These distributions reduced the investors' remaining investment in the Company and were made up of the following:

- the \$1.05 per share special distribution declared to all investors of record as of December 30, 2017 and paid in January 2018. The special distribution was funded with a portion of the net proceeds received from the strategic sale of six assets during 2017.
- \$0.12 per share resulting from a portion of the monthly distributions declared for the months of January 2018 through June 2018, (approximately \$0.02 per share, per month), which were designated by our board of directors as a return of a portion of the investors' invested capital and, as such, reduced the investors' remaining investment in the Company.
- Approximately \$0.33 per share resulting from the monthly liquidating distributions declared for the months of July 2018 through December 2018 (approximately \$0.054 per share, per month), which reduced the investors' remaining investment in the Company.
- a \$2.50 per share liquidating distribution declared to all investors of record as of February 13, 2019 and paid in February 2019.
- a \$1.00 per Unit liquidating distribution declared to all investors of record as of July 15, 2020 and paid in July 2020.
- a \$2.45 per Unit special distribution declared to all investors of record as of September 14, 2020 and paid in September 2020.
- a \$0.80 per Unit special distribution declared to all investors of record as of September 29, 2021 and paid in September 2021.
- a \$0.60 per Unit special distribution declared to all investors of record as of January 12, 2022, and paid in January 2022.
- a \$0.62 per Unit special distribution declared to all investors of record as of March 17, 2022, and paid in March 2022.

We declared no operating distributions during the years ended December 31, 2021, 2020 or 2019. All distributions paid in these years were funded from proceeds from the sales of our real estate investments in the current and prior periods.

Item 6. *[Reserved]*

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis together with our consolidated financial statements and notes thereto included in this Annual Report on Form 10-K. The following information contains forward-looking statements, which are subject to risks and uncertainties. Should one or more of these risks or uncertainties materialize, actual results may differ materially from those expressed or implied by the forward-looking statements. Please see "Special Note Regarding Forward-Looking Statements" above for a description of these risks and uncertainties.

This section of this Form 10-K generally discusses activities during the years ended December 31, 2021 and 2020 and comparisons between those periods. Discussions of activities during the years ended December 31, 2019 items and comparisons between the years ended December 31, 2020 and 2019 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

Executive Summary

As described more completely in "Item 1. Business", Hines Global REIT, Inc. ("Hines Global") was formed in 2008, primarily for the purpose of investing in a diversified portfolio of quality commercial real estate properties and other real estate investments located throughout the United States and internationally. Hines Global raised \$3.1 billion of equity capital through various public offerings of its common stock from 2009 through 2018, all of which was invested in a diverse portfolio of 45 real estate investments.

In recent years, we had concentrated our efforts on actively managing our assets and exploring a variety of strategic opportunities focused on enhancing the composition of our portfolio and its total return potential for its investors. Our stockholders approved a Plan of Liquidation and Dissolution (the "Plan of Liquidation" or the "Plan") in July 2018. The principal purpose of the Plan was to provide liquidity to our investors over a two-year period by selling Hines Global's assets, making payments on property and corporate level debt, and distributing the net proceeds from liquidation to our investors.

While we anticipated a completion of the sale of our assets by July 17, 2020, which is the end of the 24-month period imposed by the Internal Revenue Service ("IRS") for execution of the Plan of Liquidation, the economic disruption and uncertainty resulting from the Coronavirus pandemic have had a significant impact on the process and timing of the Plan's completion. In June 2020, Hines Global and the members of the Board formed HGR Liquidating Trust, a Maryland statutory trust (the "Liquidating Trust" or the "Trust"). The purpose of the Trust is to complete the liquidation of Hines Global's assets in accordance with the Plan of Liquidation. On June 30, 2020, the Company transferred all of its assets and liabilities to the Trust and received units of beneficial interest in the Trust (the "Units") equal to the number of shares of the Company's common stock outstanding on June 30, 2020. Immediately thereafter, the Company distributed the Units pro rata to its stockholders such that one Unit was distributed for each share of the Company's common stock and all stockholders of the Company are now unitholders and beneficiaries of the Trust. For purposes of this Annual Report on Form 10-K, we refer to this transaction that occurred on June 30, 2020 as the Company's "conversion" to the Liquidating Trust.

All references to "the Company," "we," "our," "us" or similar pronouns herein means Hines Global REIT, Inc. for periods prior to June 30, 2020, when Hines Global REIT, Inc. transferred all of its assets and liabilities to HGR Liquidating Trust, and means HGR Liquidating Trust for periods subsequent thereto. All references to "the Trust" mean HGR Liquidating Trust. In addition, all references to "investors" mean the stockholders of Hines Global for periods prior to June 30, 2020 and mean the unitholders of the Trust for periods subsequent thereto. Similarly, all references to the "Board" mean the board of directors of Hines Global for periods prior to June 30, 2020 and mean the board of trustees of the Trust for periods subsequent thereto.

We sold interests in 39 properties with an aggregate sale price of \$5.4 billion from 2017 through 2021. As of December 31, 2021, our real estate portfolio consisted of one property, Minneapolis Retail Center. We sold Minneapolis Retail Center on March 10, 2022 for \$150 million, excluding closing costs and prorations.

The Trustees determined a per Unit net asset value ("NAV") of \$0.66 as of March 11, 2022. This per Unit NAV is \$1.43 lower than the previously determined per Unit NAV of \$2.09 as of December 31, 2020, primarily as a result of the \$1.40 per Unit of special distributions paid by the Company since that time. These distributions followed the sales of four of the five remaining properties in our real estate portfolio. We sold our final remaining property on March 10, 2022 and declared a special distribution of \$0.62 per Unit that was paid in March 2022. The per Unit NAV was reduced to \$0.04 as of March 17, 2022 following this distribution. See Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities for additional information.

Additionally, the Company declared distributions of \$0.70 per Unit per year for the period from October 2009 through December 2011 and \$0.65 per Unit per year from January 2012 through December 2018 totaling \$6.09 per Unit in aggregate. Approximately \$0.45 per Unit of these distributions declared for the year ended December 31, 2018 were designated as a return of a portion of the investors' invested capital. Further, the Company has declared special distributions and/or liquidating distributions to date totaling \$9.02 per Unit. In aggregate, the Company has paid total distributions of \$15.11 per Unit to investors, that invested at the inception of the Company. See "Note 7 — Distributions" for additional information regarding these distributions.

Comparability of Financial Data From Period to Period

We adopted the liquidation basis of accounting on July 1, 2020, upon our conversion to the Liquidating Trust. As described further below, the liquidation basis of accounting requires assets and liabilities to be recorded at amounts that approximate their ultimate value at liquidation. In prior periods, our financial statements were prepared on the going concern basis including the consolidated balance sheets, statements of operations and comprehensive income (loss), statements of changes in equity and statements of cash flows. As a result of the adoption of the liquidation basis of accounting, the amounts and results presented in these financial statements are not comparable to the amounts and results presented in our consolidated statement of net assets and statement of changes in net assets. Therefore, we will not describe changes between the periods before and after our adoption of the liquidation basis of accounting. Changes in the liquidation value of our assets are discussed below under Changes in Net Assets in Liquidation.

Further, we sold 40 of our 45 real estate investments prior to December 31, 2020 and distributed available proceeds. We sold four of the five remaining properties throughout 2021 and the final property in March 2022. As a result, we are no longer reporting funds from operations or modified funds from operations or other operating metrics as we no longer consider these to be key performance measures.

Critical Accounting Policies

Basis of Accounting - Liquidation Basis

As a result of our conversion to the Liquidating Trust, we adopted the liquidation basis of accounting in accordance with GAAP as of July 1, 2020 and for the periods subsequent to July 1, 2020. Accordingly, on July 1, 2020, assets were adjusted to their estimated net realizable value, or liquidation value, which represents the estimated amount of cash that we expect to collect. Estimated costs to dispose of assets have been presented separately from the real estate assets, net in the consolidated statement of net assets. Liabilities are carried at their contractual amounts due or estimated settlement amounts. The liquidation value of our net assets is presented on an undiscounted basis.

We accrue expenses and income that we expect to incur and earn through the end of liquidation to the extent we have a reasonable basis for their estimation. These amounts are classified as a liability for estimated expenses in excess of estimated income during liquidation in the consolidated statement of net assets. Actual expenses and income may differ from amounts reflected in the financial statements because of inherent uncertainty in estimating future events. These differences may be material.

Net assets in liquidation represents the estimated liquidation value available to investors upon liquidation. Due to the uncertainty in the timing of the anticipated sale dates and the estimated cash flows, actual operating results and sale proceeds may differ materially from the amounts estimated.

Use of Estimates

The preparation of the consolidated financial statements in accordance with GAAP requires us to make estimates and judgments that affect the reported amounts of assets, liabilities and contingencies as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. We evaluate our assumptions and estimates on an ongoing basis. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Additionally, application of our accounting policies involves exercising judgments regarding assumptions as to future uncertainties. Actual results may differ from these estimates under different assumptions or conditions. The following is a discussion of our critical accounting policies. For a discussion of all of our significant accounting policies, see Note 2 — Summary of Significant Accounting Policies, to the accompanying consolidated financial statements.

Investment Property and Lease Intangibles - Going Concern Basis

Real estate assets are reviewed for impairment each reporting period if events or changes in circumstances indicate that the carrying amount of the individual property may not be recoverable. In such an event, a comparison will be made of the current and projected operating cash flows and expected proceeds from the eventual disposition of each property on an undiscounted basis to the carrying amount of such property. If the carrying amount exceeds the undiscounted cash flows, it would be written down to the estimated fair value to reflect impairment in the value of the asset. The determination of whether investment property is impaired requires a significant amount of judgment by management and is based on the best information available to management at the time of the evaluation.

In July 2019, we determined that all of our real estate properties and their related assets and associated liabilities should be classified as held for sale. As a result of the held for sale classification, amounts related to assets held for sale are recorded at the lower of their current carrying value or fair value less costs to sell. Also, as a result of the held for sale classification, we have stopped recording depreciation and amortization to the assets held for sale and their related liabilities as of July 2019.

During the six months ended June 30, 2020, and year ended December 31, 2019, we recorded total impairment charges of \$18.6 million and \$122.6 million, respectively.

Deferred Leasing Costs - Going Concern Basis

Direct leasing costs, primarily consisting of third-party leasing commissions and tenant inducements are capitalized and amortized over the life of the related lease. Tenant inducement amortization is recorded as an offset to rental revenue and the amortization of other direct leasing costs is recorded in amortization expense. We consider a number of different factors to evaluate whether we or the lessee is the owner of the tenant improvements for accounting purposes. These factors include: (i) whether the lease stipulates how and on what a tenant improvement allowance may be spent; (ii) whether the tenant or landlord retains legal title to the improvements; (iii) the uniqueness of the improvements; (iv) the expected economic life of the tenant improvements relative to the term of the lease; and (v) who constructs or directs the construction of the improvements. The determination of who owns the tenant improvements for accounting purposes is subject to significant judgment. In making that determination, we consider all of the above factors. No one factor, however, necessarily establishes any determination. Further, as a result of the held for sale designation, no amortization was recorded after July 2019.

Revenue Recognition and Valuation of Receivables - Going Concern Basis

We are required to recognize minimum rent revenues on a straight-line basis over the terms of tenant leases, including rent holidays and bargain renewal options, if any. Revenues associated with tenant reimbursements are recognized in the period in which the expenses are incurred based upon the tenant's lease provision. Leases are not uniform in dealing with such cost reimbursements and there are many variations to the computation. We make quarterly accrual adjustments, positive or negative, to tenant reimbursement revenue to adjust the recorded amounts to our best estimate of the final amounts to be billed and collected with respect to the cost reimbursements. Revenues relating to lease termination fees are recognized on a straight-line basis amortized from the time that a tenant's right to occupy the leased space is modified through the end of the revised lease term and are included in other revenue in the accompanying consolidated statements of operations. To the extent our leases provide for rental increases at specified intervals, we will record a receivable for rent not yet due under the lease terms. Accordingly, our management must determine, in its judgment, to what extent the unbilled rent receivable applicable to each specific tenant is collectible. Revenue from leases where collection is deemed to be less than probable is recorded on a cash basis until collectability is determined to be probable. Further, we assess whether operating lease receivables, at a portfolio level, are appropriately valued based upon an analysis of balances outstanding, historical bad debt levels and current economic trends. The uncollectible portion of the portfolio is recorded as an adjustment to rental revenues. Prior to the adoption of ASU 2016-02, an allowance for the uncollectible portion of tenant and other receivables was determined and recognized based upon an analysis of the tenant's payment history, the financial condition of the tenant, business conditions in the industry in which the tenant operates and economic conditions in the area in which the property is located.

Recent Accounting Pronouncements

See Note 2 — Summary of Significant Accounting Policies to the accompanying consolidated financial statements for a discussion regarding recent accounting pronouncements and the potential impact, if any, on our financial statements.

Financial Condition, Liquidity and Capital Resources

Historically our most significant demands for funds were related to the purchase of real estate properties and other real estate-related investments. Specifically, we funded \$5.1 billion of real estate investments using \$3.1 billion of proceeds from our public offerings, including the DRP offerings, and debt proceeds. We invested all of the proceeds raised through our public offerings by the end of 2015. As a result, any real estate investments we made since that time were funded using proceeds from the dispositions of other real estate investments, debt proceeds, or our distribution reinvestment plan.

In recent years, our primary demands for funds include debt repayment and liquidating distributions to our investors and, to a lesser extent, the payment of operating expenses and capital expenditures of our remaining properties. Generally, we expect to meet these cash needs using the proceeds from the sales of our remaining investment properties, cash flows from operating activities and cash on hand.

As of December 31, 2021, we had cash and cash equivalents of \$187.7 million. Our net assets in liquidation as of December 31, 2021 was \$330.6 million.

Principal Sources and Uses of Funds

Our primary non-operating sources of cash flows for the year ended December 31, 2021 include the following:

- \$218.9 million of net proceeds from the sale of The Rim in May 2021.
- \$35.6 million of net proceeds from the sale of Gogolevsky 11 in November 2021.
- \$86.0 million of net proceeds from the sale of Markets at Town Center in November 2021.
- \$24.7 million of net proceeds from the sale of New City in December 2021.

Our primary non-operating uses of cash flows for the year ended December 31, 2021 include the following:

- \$209.9 million of liquidating distributions to our unitholders, which consisted of the \$0.80 per Unit distribution declared in September 2021.
- \$3.2 million of amortization payments on the principal balance of our secured mortgage loan. The loan was assumed by the buyer of New City in November 2021.
- \$4.4 million of disposition fees paid in 2021 related to the sales described above.
- \$8.9 million in payments for capital expenditures at our real estate investment properties in 2021.

As of December 31, 2020, we had cash and cash equivalents of \$27.3 million. Our net assets in liquidation as of December 31, 2020, was \$549.7 million.

Principal Sources and Uses of Funds

Our primary non-operating sources of cash flows for the year ended December 31, 2020 include the following:

- \$222.2 million of net proceeds from the sale of Riverside Center in January 2020.
- \$58.2 million of net proceeds from the sale of Perspective Defense in February 2020.
- \$64.7 million of net proceeds from the sale of Campus at Marlborough in June 2020.
- \$477.7 million of net proceeds from the sale of 25 Cabot in July 2020.
- \$132.3 million of net proceeds from the sale of the Avenue at Murfreesboro in August 2020.
- \$32.1 million of net proceeds from the sale of several outparcels at the Rim from January 2020 through September 2020.
- \$8.0 million of net proceeds from the sale of an outparcel at the Markets at Town Center in October 2020.
- \$6.0 million of proceeds from our borrowing from an affiliate of our sponsor in September 2020, which was subsequently paid off in October 31, 2020.

Our primary non-operating uses of cash flows for the year ended December 31, 2020 include the following:

- \$905.5 million of liquidating distributions to our unitholders, which consisted of the \$1.00 per Unit distribution declared in July 2020, and the \$2.45 per Unit distribution declared in September 2020.

- \$399.3 million of payments on our notes payable, including \$225.0 million of total payments to pay off the balance of our JP Morgan credit facility. The remaining payments were related to payoffs of the secured mortgage loans upon the sales of the related properties and amortization payments on the principal balances of our secured mortgage loans.
- \$19.2 million of disposition fees paid in 2020 related to the sales described above, as well as sales in late 2019.
- \$6.0 million in payments to pay off the balance of our notes payable from an affiliate of our sponsor described above.
- \$12.3 million in payments for capital expenditures at our real estate investment properties in 2020.
- \$6.0 million in payments related to death and disability redemptions of our common shares prior to the suspension of our Share Redemption Program in May 2020.

Results of Operations

Changes in Net Assets for the period from January 1, 2021 through December 31, 2021

The table below includes information regarding changes in our net assets for the period from January 1, 2021 through December 31, 2021, including explanations for significant changes.

(In thousands)

Net assets in liquidation, beginning of period	\$	549,706
Change in liquidation value of investments in real estate		(8,073)
Remeasurement of assets and liabilities, including costs in excess of estimated income		(1,096)
Net decrease in liquidation value	\$	(9,169)
Liquidating distributions to unitholders		(209,917)
Changes in net assets in liquidation		(219,086)
Net assets in liquidation, end of period	\$	330,620

Net assets in liquidation decreased by \$219.1 million for the year ended December 31, 2021. The reduction during the period is primarily due to liquidating distributions paid to investors totaling \$209.9 million or \$0.80 per Unit. These distributions were funded from proceeds from the sale of four properties with an aggregate sale price of \$433.0 million.

Additionally, the estimated value of our real estate investments decreased by \$8.1 million for the year ended December 31, 2021, primarily due to market conditions resulting from the Coronavirus pandemic and its effect on our one remaining retail property, Minneapolis Retail Center. The estimated liquidation value of this property was based on the contract sale price as of December 31, 2021.

Lastly, during the year ended December 31, 2021, there was a \$1.1 million decrease related to remeasuring assets and liabilities, including the liability for estimated costs in excess of estimated income during liquidation.

The remaining undistributed net assets in liquidation is \$330.6 million as of December 31, 2021 or approximately \$1.26 per Unit. This estimate included projections as of December 31, 2021 regarding the timing of the completion of the sale of our remaining property and the amount of sales proceeds that would be generated, as well as costs and expenses to be incurred during liquidation. Since December 31, 2021, the Company sold its final remaining property and paid distributions totaling \$1.22 per Unit to investors. Our remaining per Unit NAV was \$0.04 as of March 17, 2022, which we expect to pay to investors after our wind-down is completed, later this year. There can be no certainty regarding the timing or the amount of any future distributions.

Changes in Net Assets for the period from July 1, 2020 through December 31, 2020

The table below includes information regarding changes in our net assets for the period from July 1, 2020 through December 31, 2020, including explanations for significant changes.

(In thousands)

Net assets in liquidation, beginning of period	\$	1,463,820
Change in liquidation value of investments in real estate		(31,699)
Remeasurement of assets and liabilities, including costs in excess of estimated income		22,851
Net decrease in liquidation value	\$	(8,848)
Liquidating distributions to unitholders		(905,266)
Changes in net assets in liquidation		(914,114)
Net assets in liquidation, end of period	\$	549,706

Net assets in liquidation decreased by \$914.1 million during the period from July 1, 2020 to December 31, 2020. The reduction during the period is primarily due to liquidating distributions paid to investors totaling \$905.3 million or \$3.45 per Unit. These distributions were funded from proceeds from the sale of five properties with an aggregate sale price of \$1.1 billion.

Additionally, the estimated value of our real estate investments decreased by \$31.7 million between July 1, 2020 and December 31, 2020, including the effect of properties sold during that period. The decrease was primarily due to adverse effects of the Coronavirus pandemic on market conditions. The estimated liquidation values of the Company's remaining properties are based on negotiated sale prices or other market conditions and assumptions as of December 31, 2020. The net assets in liquidation at December 31, 2020 includes five properties valued at \$597.2 million.

Lastly, during the period from July 1, 2020 through December 31, 2020, there was a \$22.9 million increase related to remeasuring assets and liabilities, including the liability for estimated costs in excess of estimated income during liquidation.

The remaining undistributed net assets in liquidation is \$549.7 million as of December 31, 2020 or approximately \$2.09 per Unit. This estimate included projections as of December 31, 2020 of timing and amounts of future sales, as well as costs and expenses to be incurred during liquidation.

Related-Party Transactions and Agreements

We have entered into agreements with the Advisor, and Hines or its affiliates, whereby we pay certain fees and reimbursements to these entities during the various phases of our operation. During the disposition and liquidation stages, these include payments for certain services related to management of our investments and operations provided to us by the Advisor and Hines and its affiliates pursuant to various agreements we have entered into or anticipate entering into with these entities. See Note 8 — Related Party Transactions to the Consolidated Financial Statements contained elsewhere in this Annual Report on Form 10-K for additional information concerning our Related-Party Transactions and Agreements.

Off-Balance Sheet Arrangements

As of December 31, 2021 and December 31, 2020, we had no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Recent Developments and Subsequent Events

Minneapolis Retail Center

In March 2022, we sold Minneapolis Retail Center for a contract sales price of \$150.0 million. The purchaser is not affiliated with us or our affiliates.

Liquidating Distribution

In March 2022, our Trustees declared and paid a liquidating distribution of \$0.62 per Unit, following the sale of Minneapolis Retail Center. As a result of the \$0.62 per Unit liquidating distribution, the per Unit NAV was reduced to \$0.04 as of March 17, 2022.

Item 7A. *Quantitative and Qualitative Disclosures About Market Risk*

Market risk includes risks that arise from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market-sensitive instruments. In pursuing our business plan, we believe that interest rate risk, currency risk and real estate valuation risk were the primary market risks to which we were exposed. Due to the sale of all of our international real estate investments and repayment of all of our outstanding debt, we no longer have exposure to these risks.

Item 8. Financial Statements and Supplementary Data

HGR LIQUIDATING TRUST
CONSOLIDATED STATEMENT OF NET ASSETS
(Liquidation Basis, Unaudited)
As of December 31, 2021 and 2020

	2021	2020
	(In thousands)	
ASSETS		
Investment property	\$ 150,000	\$ 597,200
Cash and cash equivalents	187,661	27,316
Restricted cash	19,281	3,581
Derivative instruments	—	70
Tenant and other receivables	3,962	12,219
Other assets	1,414	2,802
Total assets	\$ 362,318	\$ 643,188
LIABILITIES		
Liabilities:		
Accounts payable and accrued expenses	\$ 23,484	\$ 8,825
Due to affiliates	1,613	2,348
Other liabilities	690	8,587
Liability for estimated costs in excess of estimated income	5,885	8,010
Note payable	—	65,668
Total liabilities	31,672	93,438
Minority Interest	26	44
Net assets in liquidation	\$ 330,620	\$ 549,706

See notes to the consolidated financial statements.

HGR LIQUIDATING TRUST
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
(Liquidation Basis, Unaudited)

For the Year Ended December 31, 2021 and For the Period from July 1, 2020 through December 31, 2020

	Year Ended December 31, 2021	Period from July 1, 2020 through December 31, 2020
	(In thousands)	
Net assets in liquidation, beginning of period	\$ 549,706	\$ 1,463,820
Change in liquidation value of investments in real estate	(8,073)	(31,699)
Remeasurement of assets and liabilities, including costs in excess of estimated income	(1,096)	22,851
Net decrease in liquidation value	(9,169)	(8,848)
Liquidating distributions to unitholders	(209,917)	(905,266)
Changes in net assets in liquidation	(219,086)	(914,114)
Net assets in liquidation, end of period	<u>\$ 330,620</u>	<u>\$ 549,706</u>

See notes to the consolidated financial statements.

HGR LIQUIDATING TRUST
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Going Concern Basis - Unaudited)
For the Six Months Ended June 30, 2020 and For the Year Ended December 31, 2019

	Six Months Ended June 30, 2020	Year Ended December 31, 2019
	(In thousands, except per share amounts)	
Revenues:		
Rental revenue	\$ 61,632	\$ 184,601
Other revenue	1,047	8,967
Total revenues	62,679	193,568
Expenses:		
Property operating expenses	19,560	49,958
Real property taxes	8,661	24,805
Property management fees	1,466	4,718
Depreciation and amortization	—	30,566
Asset management fees	10,762	26,365
General and administrative expenses	3,904	8,287
Impairment losses	18,591	122,603
Total expenses	62,944	267,302
Other income (expenses):		
Gain (loss) on derivative instruments	20,416	(3,838)
Gain (loss) on sale of real estate investments	68,206	406,277
Foreign currency gains (losses)	(4,984)	1,611
Interest expense	(4,319)	(28,809)
Other income (expenses)	1,191	1,595
Income (loss) before benefit (provision) for income taxes	80,245	303,102
Benefit (provision) for income taxes	(2,922)	(2,686)
Provision for income taxes related to sale of real estate	—	—
Net income (loss)	77,323	300,416
Net (income) loss attributable to noncontrolling interests	23	(35)
Net income (loss) attributable to common stockholders	\$ 77,346	\$ 300,381
Basic and diluted income (loss) per common share:	\$ 0.29	\$ 1.14
Weighted average number of common shares outstanding	264,131	264,131
Net comprehensive income (loss):		
Net income (loss)	\$ 77,323	\$ 300,416
Other comprehensive income (loss):		
Foreign currency translation adjustment	(5,372)	46,367
Net comprehensive income (loss):	71,951	346,783
Net comprehensive (income) loss attributable to noncontrolling interests	39	(46)
Net comprehensive income (loss) attributable to common stockholders	\$ 71,990	\$ 346,737

See notes to the consolidated financial statements.

HGR LIQUIDATING TRUST
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Going Concern Basis - Unaudited)
For the Six Months Ended June 30, 2020 and For the Year Ended December 31, 2019
(In thousands)

	HGR Liquidating Trust						
	Common Shares	Amount	Additional Paid-in Capital	Accumulated Distributions in Excess of Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity	Noncontrolling Interests
Balance as of January 1, 2019	267,073	\$ 267	\$ 2,409,529	\$ (688,475)	\$ (128,927)	\$ 1,592,394	\$ 468
Issuance of common shares	19	—	90	—	—	90	—
Contributions from noncontrolling interest	—	—	—	—	—	—	97
Distributions declared	—	—	—	(661,238)	—	(661,238)	(81)
Redemption of common shares	(3,719)	(4)	(22,903)	—	—	(22,907)	—
Issuer costs	—	—	(43)	—	—	(43)	—
Net income (loss)	—	—	—	300,381	—	300,381	35
Foreign currency translation adjustment	—	—	—	—	9,572	9,572	11
Foreign currency translation adjustment reclassified into earnings	—	—	—	—	36,784	36,784	—
Balance as of December 31, 2019	263,373	\$ 263	\$ 2,386,673	\$ (1,049,332)	\$ (82,571)	\$ 1,255,033	\$ 530
Issuance of common shares	—	—	60	—	—	60	—
Distributions declared	—	—	—	—	—	—	(32)
Redemption of common shares	(977)	(1)	(5,332)	—	—	(5,333)	—
Issuer costs	—	—	(13)	—	—	(13)	—
Net income (loss)	—	—	—	77,346	—	77,346	(23)
Foreign currency translation adjustment	—	—	—	—	(15,257)	(15,257)	(16)
Foreign currency translation adjustment reclassified into earnings	—	—	—	—	9,901	9,901	—
Balance as of June 30, 2020	<u>262,396</u>	<u>\$ 262</u>	<u>\$ 2,381,388</u>	<u>\$ (971,986)</u>	<u>\$ (87,927)</u>	<u>\$ 1,321,737</u>	<u>\$ 459</u>

See notes to the consolidated financial statements.

HGR LIQUIDATING TRUST
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Going Concern Basis - Unaudited)
For the Six Months Ended June 30, 2020 and For the Year Ended December 31, 2019

	Six Months Ended June 30, 2020	Year Ended December 31, 2019
	(In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 77,323	\$ 300,416
Adjustments to reconcile net income (loss) to net cash from operating activities:		
Depreciation and amortization	481	38,540
Foreign currency (gains) losses	4,984	(1,611)
(Gain) on sale of real estate investments	(68,206)	(406,277)
Impairment losses	18,591	122,603
(Gain) loss on derivative instruments	(20,416)	3,838
Changes in assets and liabilities:		
Change in other assets	2,512	2,976
Change in tenant and other receivables	(4,974)	1,234
Change in deferred leasing costs	(2,246)	(46,282)
Change in accounts payable and accrued expenses	(6,574)	(7,793)
Change in other liabilities	(2,944)	(7,823)
Change in due to affiliates	(4,508)	(1,998)
Net cash from (used in) operating activities	<u>(5,977)</u>	<u>(2,177)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of real estate investments, net	379,346	1,071,153
Capital expenditures at operating properties	(10,260)	(93,225)
Net cash from investing activities	<u>369,086</u>	<u>977,928</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contribution from noncontrolling interest	—	97
Redemption of common shares	(6,031)	(30,348)
Payment of issuer costs	(13)	(46)
Distributions paid to stockholders and noncontrolling interests	(32)	(675,787)
Proceeds from notes payable	—	324,000
Payments on notes payable	(226,046)	(466,683)
Change in security deposit liability	259	70
Deferred financing costs paid	(814)	(1,964)
Payments related to interest rate contracts	—	(29)
Net cash used in financing activities	<u>(232,677)</u>	<u>(850,690)</u>
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	1,685	(119)
Net change in cash, cash equivalents, and restricted cash	132,117	124,942
Cash, cash equivalents and restricted cash, beginning of period	385,959	261,017
Cash, cash equivalents and restricted cash, end of period	<u><u>\$ 518,076</u></u>	<u><u>\$ 385,959</u></u>

See notes to the consolidated financial statements.

HGR LIQUIDATING TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION

Hines Global REIT, Inc. (the “Company”), was formed as a Maryland corporation on December 10, 2008 under the General Corporation Law of the state of Maryland for the purpose of engaging in the business of investing in and owning commercial real estate properties and other real estate investments. The Company raised the equity capital for its real estate investments through two public offerings from August 2009 through April 2014, and through its distribution reinvestment plan (the “DRP Offering”) from April 2014 through August 2018. Collectively, through its public offerings, the Company raised gross offering proceeds of approximately \$3.1 billion, including the DRP Offering, all of which was invested in the Company’s real estate portfolio. The Company invested the proceeds from its public offerings into a diverse portfolio of real estate investments. At the peak of its acquisition phase, the Company owned interests in 45 properties. In recent years, the Company has concentrated its efforts on actively managing its assets and exploring a variety of strategic opportunities focused on enhancing the composition of its portfolio and its total return potential for its investors. On April 23, 2018, in connection with its review of potential strategic alternatives available to the Company, the Board determined that it is in the best interests of the Company and its investors to sell all or substantially all of its properties and assets and for the Company to liquidate and dissolve pursuant to the Company’s Plan of Liquidation and Dissolution (the “Plan of Liquidation”). The principal purpose of the liquidation is to provide liquidity to investors by selling the Company’s assets, making payments on property and corporate level debt, and distributing the net proceeds from liquidation to the Company’s investors. As required by Maryland law and the Company’s charter, the Plan of Liquidation was approved by the affirmative vote of the holders of at least a majority of the shares of the Company’s common stock outstanding and entitled to vote thereon at the Company’s annual meeting held on July 17, 2018.

As required by Maryland law and the Company’s charter, the Plan of Liquidation was approved by the affirmative vote of the holders of at least a majority of the shares of the Company’s common stock outstanding and entitled to vote thereon at the Company’s annual meeting of investors held on July 17, 2018. While the Company anticipated a completion of the sale of all of its assets by July 17, 2020, which is the 24-month period imposed by the Internal Revenue Service (“IRS”) for execution of the Plan, the economic disruption and uncertainty resulting from the Coronavirus pandemic have had a significant impact on the process and timing of the Plan of Liquidation’s completion. On June 30, 2020, Hines Global and the Trustees identified below entered into an Agreement and Declaration of Trust (the “Liquidating Trust Agreement”) in connection with the formation of HGR Liquidating Trust, a Maryland statutory trust (the “Liquidating Trust” or the “Trust”). The purpose of the Trust is to complete the liquidation of Hines Global’s assets in accordance with the Plan of Liquidation. The trustees of the Trust consist of certain members of Hines Global’s board of directors: Jeffrey C. Hines, Charles M. Baughn, Jack L. Farley, Thomas L. Mitchell, John S. Moody and Peter Shaper; and David L. Steinbach, the Company’s Chief Investment Officer (collectively, the “Trustees”). Pursuant to the Liquidating Trust Agreement, the Company transferred all of its assets and liabilities to the Trust and received units of beneficial interest in the Trust (the “Units”) equal to the number of shares of the Company’s common stock outstanding on June 30, 2020. Immediately thereafter, the Company distributed the Units pro rata to its stockholders such that one Unit was distributed for each share of the Company’s common stock and all stockholders of the Company are now unitholders and beneficiaries of the Trust.

The Liquidating Trust Agreement provides that the Trust will terminate upon the earliest of (a) such time as termination is required by the applicable laws of the State of Maryland, (b) the determination of the Board to terminate the Trust following the distribution of all its assets in accordance with the Liquidating Trust Agreement, or (c) the expiration of a period of three years from June 30, 2020. Notwithstanding the foregoing, the Board may continue the existence of the Trust beyond the three-year term if the Board in its reasonable discretion determines that an extension is necessary to fulfill the purposes of the Trust, provided that the Board has requested and obtained no-action assurance from the SEC regarding relief from registration and reporting requirements under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) prior to any such extension.

The Liquidating Trust Agreement further provides that the Board has the discretion to make distributions of available cash to the investors as and when they deem such distributions to be in the best interests of the investors, taking into account the administrative costs of making such distributions, anticipated costs and expenses of the Trust and such other factors as they may consider appropriate.

The Liquidating Trust Agreement provides for an orderly sale of the Company’s remaining assets, payment of the Company’s liabilities and other obligations, and the winding up of operations and dissolution of the Company. The Company may sell any and all of its assets without further approval of the investors and provides that liquidating distributions be made to

the investors as determined by the Board. The Liquidating Trust expects to pay or provide for all of the Company's liabilities and distribute any remaining net proceeds from the sale of its remaining assets to the holders of interests in the Liquidating Trust.

The dissolution process and the amount and timing of distributions to investors involves significant risks and uncertainties. Accordingly, it is not possible to predict the timing or aggregate amount which will ultimately be distributed to investors, and no assurance can be given that the distributions will equal or exceed the estimate of net assets presented in the consolidated statement of net assets.

All references to the "Company," means Hines Global REIT, Inc. for periods prior to June 30, 2020, when Hines Global REIT, Inc. transferred all of its assets and liabilities to HGR Liquidating Trust, and means HGR Liquidating Trust for periods subsequent thereto. In addition, all references to "investors" mean the stockholders of Hines Global REIT, Inc. for periods prior to June 30, 2020 and mean the unitholders of the Trust for the period subsequent thereto. Similarly, all references to the "Board" mean the board of directors of Hines Global for periods prior to June 30, 2020 and mean the board of trustees of the Trust for the period subsequent thereto. Further, all references to "Units" means the units of beneficial interest in the Trust for the period subsequent to June 30, 2020 and means, to the extent applicable, the shares of Hines Global REIT, Inc. for periods through June 30, 2020.

The Company sold interests in 39 properties with an aggregate sale price of \$5.4 billion from 2017 through 2021. The Company owned one remaining property, Minneapolis Retail Center, as of December 31, 2021. This property was sold on March 10, 2022, as described below.

The Trustees determined a per Unit net asset value ("NAV") of \$0.66 as of March 11, 2022. This per Unit NAV is \$1.43 lower than the previously determined per Unit NAV of \$2.09 as of December 31, 2020 primarily as a result of the \$1.40 per Unit special distributions paid by the Company since that time. These distributions followed the sales of four of the five remaining properties in our real estate portfolio. We sold our final remaining property on March 10, 2022 and declared a special distribution of \$0.62 per Unit that was paid in March 2022. The per Unit NAV was reduced to \$0.04 as of March 17, 2022 following this distribution.

The Company declared distributions of \$0.70 per Unit, per year for the period from October 2009 through December 2011 and \$0.65 per Unit, per year from January 2012 through December 2018 totaling \$6.09 per Unit in aggregate. Approximately \$0.45 per Unit of these distributions declared for the year ended December 31, 2018 were designated as a return of a portion of the investors' invested capital. Further, the Company has declared special distributions and/or liquidating distributions to date totaling \$9.02 per Unit. In aggregate, the Company has paid total distributions of \$15.11 per Unit to the investors from the inception of our fund to date. See "Note 7 — Distributions" for additional information regarding these distributions.

The Company sold interests in four properties for an aggregate sales price of \$1.3 billion during 2019, and three properties through June 30, 2020 for an aggregate sales price of \$445.9 million. Subsequent to the conversion to the Liquidation Trust on June 30, 2020, the Company sold two additional properties in the period from July 1, 2020 through December 31, 2020 for an aggregate sales price of \$619.0 million for a total of five properties sold in 2020. Additionally, the Company sold interests in four real estate investments for aggregate sales price of \$433.0 million during 2021. The Company owned one remaining property, Minneapolis Retail Center, as of December 31, 2021. This property was sold on March 10, 2022 for an aggregate sales price of \$150.0 million.

Noncontrolling Interests

On January 7, 2009, the Company and Hines Global REIT Associates Limited Partnership ("HALP"), an affiliate of the Advisor, formed Hines Global REIT Properties, LP (the "Operating Partnership"). The Company conducts most of its operations through the Operating Partnership. On January 14, 2009, the Company and HALP made initial capital contributions to the Operating Partnership of \$10,000 and \$190,000, respectively and accordingly, HALP owned a 95.0% noncontrolling interest in the Operating Partnership. As of December 31, 2021 and 2020, HALP owned a 0.01% and 0.01% interest in the Operating Partnership, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - Liquidation Basis

The Company adopted the liquidation basis of accounting as of July 1, 2020 and for the period subsequent to July 1, 2020 as a result of the entering in to the Liquidating Trust Agreement on June 30, 2020. Accordingly, on July 1, 2020 the carrying value of the Company's assets were adjusted to their estimated net realizable value, or liquidation value, which represents the estimated amount of cash that the Company reasonably expects to collect from their sale. Liabilities are carried at their contractual amounts due or estimated settlement amounts. The liquidation value of the Company's net assets is presented on an undiscounted basis. Due to the uncertainty in the timing of the anticipated sale amounts and dates and the estimated cash flows, actual operating results and sale proceeds may differ materially from the amounts estimated.

Additionally, the Company accrues costs and income that it expects to incur and earn through the end of the liquidation period, to the extent it has a reasonable basis for estimation. This also includes estimated costs to dispose of assets. These amounts are classified as a liability for estimated costs in excess of estimated income during liquidation in the consolidated statement of net assets. Actual costs and income may differ from amounts reflected in the financial statements because of inherent uncertainty in estimating future events. These differences may be material.

As a result of the change to the liquidation basis of accounting, the Company's financial statements as of and for the year ended December 31, 2021 are presented using the liquidation basis of accounting. Additionally, the Company's financial statements as of and for the year ended December 31, 2020 are presented using two different presentations. For the liquidation basis of accounting, a consolidated statement of net assets is presented, which represents the estimated liquidation value available to trustees upon liquidation. In addition, a consolidated statement of changes in net assets reflects changes in net assets for the year ended December 31, 2021 and from the original estimated values as of July 1, 2020 through December 31, 2020.

The consolidated statements of operations and comprehensive income (loss), consolidated statement of changes in equity and statements of cash flow for the periods ended June 30, 2020 and December 31, 2019 included in this Annual Report on Form 10-K are presented based on a going concern basis, which contemplated the realization of assets and liabilities in the normal course of business. The Company no longer presents a Consolidated Balance Sheet, a Consolidated Statement of Operations and Comprehensive Income (Loss), a Consolidated Statement of Changes in Equity or a Consolidated Statement of Cash Flows.

Use of Estimates

The Company's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of the consolidated financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities and contingencies as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. The Company evaluates its assumptions and estimates on an ongoing basis. The Company bases its estimates on historical experience and on various other assumptions that the Company believes to be reasonable under the circumstances. Additionally, application of the Company's accounting policies involves exercising judgments regarding assumptions as to future uncertainties. Actual results may differ from these estimates under different assumptions or conditions.

Basis of Presentation

The consolidated financial statements of the Company include the accounts of Hines Global REIT, Inc. or HGR Liquidating Trust, the Operating Partnership and its wholly-owned subsidiaries and the joint ventures as well as amounts related to noncontrolling interests. All intercompany balances and transactions have been eliminated in consolidation.

International Operations

The British pound ("GBP") is the functional currency for the Company's subsidiaries in the United Kingdom, the Russian ruble ("RUB") is the functional currency for the Company's subsidiaries in Russia, the Polish zloty ("PLN") is the functional currency for the Company's subsidiaries in Poland, the Australian dollar ("AUD") is the functional currency for the Company's subsidiaries in Australia and the Euro ("EUR") is the functional currency for the Company's subsidiaries in Germany and France.

These subsidiaries have translated their financial statements into U.S. dollars for reporting purposes. Assets and liabilities are translated at the exchange rate in effect as of the balance sheet date while income statement accounts are translated using the

average exchange rate for the period and significant nonrecurring transactions using the rate on the transaction date. Gains or losses resulting from translation are included in accumulated other comprehensive income (loss) within stockholders' equity. Foreign currency transaction gains and losses are recorded in foreign currency gains (losses) on the Consolidated Statement of Operations and result from the effect of changes in exchange rates on transactions denominated in currencies other than a subsidiary's functional currency, including transactions between consolidated subsidiaries. An exception is made where an intercompany loan or advance is deemed to be of a long-term investment nature, in which instance foreign currency transaction gains or losses are included as currency translation adjustments and are reported in the Consolidated Statement of Equity as accumulated other comprehensive gains or losses. During the year ended December 31, 2019, the Company sold FM Logistic. Upon the disposal of this property, the Company realized a loss of \$36.8 million related to the currency translation adjustment, which was included in the gain (loss) on the sale of real estate investments in its consolidated statement of operations. During the year ended December 31, 2020, the Company sold Perspective Defense. Upon the disposal of this property, the Company realized a loss of \$7.8 million related to the currency translation adjustment, which was included in the gain (loss) on the sale of real estate investments in its consolidated statement of operations. As of December 31, 2021, the Company did not own any international real estate investments.

Investment Property and Lease Intangibles - Going Concern Basis

Real estate assets acquired by the Company are stated at fair value at the date of acquisition less accumulated depreciation. Depreciation is computed using the straight-line method. The estimated useful lives for computing depreciation are generally 10 years for furniture and fixtures, 15-20 years for electrical and mechanical installations and 40 years for buildings. Major replacements that extend the useful life of the assets are capitalized and maintenance and repair costs are expensed as incurred.

The estimated fair value of acquired in-place leases are the costs the Company would have incurred to lease the properties to the occupancy level of the properties at the date of acquisition. Such estimates include the fair value of leasing commissions, legal costs and other direct costs that would be incurred to lease the properties to such occupancy levels. Additionally, the Company evaluates the time period over which such occupancy levels would be achieved. Such evaluation will include an estimate of the net market-based rental revenues and net operating costs (primarily consisting of real estate taxes, insurance and utilities) that would be incurred during the lease-up period. Acquired in-place leases as of the date of acquisition are amortized over the remaining lease terms. Should a tenant terminate its lease, the unamortized portion of the in-place lease value is charged to amortization expense.

Acquired out-of-market lease values (including ground leases) are recorded based on the present value (using a discount rate that reflects the risks associated with the lease acquired) of the difference between the contractual amounts paid pursuant to the in-place leases and management's estimate of fair market value lease rates for the corresponding in-place leases. The capitalized out-of-market lease values are amortized as adjustments to rental revenue (or ground lease expense, as applicable) over the remaining terms of the respective leases, which include periods covered by bargain renewal options. Should a tenant terminate its lease, the unamortized portion of the out-of-market lease value is charged to rental revenue.

Management estimates the fair value of assumed mortgage notes payable based upon indications of then-current market pricing for similar types of debt with similar maturities. Assumed mortgage notes payable are initially recorded at their estimated fair value as of the assumption date, and the difference between such estimated fair value and the outstanding principal balance of the note will be amortized over the life of the mortgage note payable.

Real estate assets are reviewed for impairment each reporting period if events or changes in circumstances indicate that the carrying amount of the individual property may not be recoverable. In such an event, a comparison will be made of the current and projected operating cash flows and expected proceeds from the eventual disposition of each property on an undiscounted basis to the carrying amount of such property. If the carrying amount exceeds the undiscounted cash flows, it would be written down to the estimated fair value to reflect impairment in the value of the asset. The determination of whether investment property is impaired requires a significant amount of judgment by management and is based on the best information available to management at the time of the evaluation.

For the six months ended June 30, 2020, the Company determined that three of its remaining properties were impaired by \$18.6 million based on such assets having carrying values that exceeded their estimate sales price less costs to sell based on the offers received (level 2 inputs). See Note 9 — Fair Value Measurement for more information.

Cash and Cash Equivalents

The Company considers all short-term, highly liquid investments that are readily convertible to cash with an original maturity of three months or less at the time of purchase to be cash equivalents.

Restricted Cash

Restricted cash was \$19.3 million at December 31, 2021, which related to amounts escrowed for the payment of Value-Added Taxes (“VAT”) related to the sale of New City in November 2021. The Company paid the VAT liability in January 2022.

Concentration of Credit Risk

As of December 31, 2021, the Company had cash and cash equivalents and restricted cash deposited in certain financial institutions in excess of federally insured levels. Management regularly monitors the financial stability of these financial institutions in an effort to manage the Company’s exposure to any significant credit risk in cash and cash equivalents or restricted cash.

In addition, as of December 31, 2021, the Company had \$6.8 million of cash and cash equivalents deposited in certain financial institutions located in the United Kingdom, Poland, Australia, and France. Management regularly monitors the financial stability of these financial institutions in an effort to manage its exposure to any significant credit risk in cash and cash equivalents.

Tenant and Other Receivables

Receivable balances consist primarily of base rents, tenant reimbursements and receivables attributable to straight-line rent, and are carried at cost. Upon the adoption of Accounting Standards Update (“ASU”) 2016-02, individual leases are assessed for collectability and upon the determination that the collection of rents is not probable, accrued rent and accounts receivables are reduced as an adjustment to rental revenues. Revenue from leases where collection is deemed to be less than probable is recorded on a cash basis until collectability is determined to be probable. Further, the Company assesses whether operating lease receivables, at a portfolio level, are appropriately valued based upon an analysis of balances outstanding, historical bad debt levels and current economic trends. The uncollectible portion of the portfolio is recorded as an adjustment to rental revenues.

Deferred Leasing Costs - Going Concern Basis

Direct leasing costs, primarily consisting of third-party leasing commissions and tenant inducements are capitalized and amortized over the life of the related lease. Tenant inducement amortization is recorded as an offset to rental revenue and the amortization of other direct leasing costs is recorded in amortization expense.

The Company had no tenant inducement amortization for the six months ended June 30, 2020. Tenant inducement amortization was \$8.9 million for the year ended December 31, 2019, and was recorded as an offset to rental revenue. The Company recorded no amortization expense related to other direct leasing costs for the six months ended June 30, 2020. Amortization expense related to other direct leasing costs were \$2.4 million for the year ended December 31, 2019. In addition, no amortization was recorded after July 2019 due to the Company’s properties being classified as held for sale.

Deferred Financing Costs - Going Concern Basis

Deferred financing costs consist of direct costs incurred in obtaining debt financing (see Note 6 — Debt Financing). These fees are presented as a reduction to the related debt liability for permanent mortgages and presented as an asset for revolving credit arrangements. In total, deferred financing costs (net of amortization) were \$2.0 million as of June 30, 2020. These costs are amortized into interest expense on a straight-line basis, which approximates the effective interest method, over the terms of the obligations. The Company had no amortized interest expense.

Revenue Recognition

ASU 2014-09 requires the use of a five-step model to recognize revenue from contracts with customers. The five-step model requires that the Company identify the contract with the customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract and recognize revenue when it satisfies the performance obligations. Management has concluded that the majority of the Company’s total revenue, with the exception of gains and losses from the sale of real estate, consist of rental income from leasing arrangements, which is specifically excluded from the standard. Excluding gains and losses on the sale of real estate (as discussed further

below), the Company concluded that its remaining revenue streams were immaterial and, as such, the adoption of ASU 2014-09 did not have a material impact on the Company's consolidated financial statements.

As of January 1, 2018, the Company began accounting for the sale of real estate properties under ASU 2017-05 and provides for revenue recognition based on completed performance obligations, which typically occurs upon the transfer of ownership of a real estate asset.

Revenues associated with operating expense recoveries are recognized in the period in which the expenses are incurred based upon the tenant lease provisions. Revenues relating to lease termination fees are recognized on a straight-line basis amortized from the time that a tenant's right to occupy the leased space is modified through the end of the revised lease term.

Other revenues consist primarily of parking revenue, tenant reimbursements and interest on loans receivable. Parking revenue represents amounts generated from contractual and transient parking and is recognized in accordance with contractual terms or as services are rendered. Other revenues relating to tenant reimbursements are recognized in the period that the expense is incurred.

Income Taxes

The Company elected to be treated as a REIT under the Internal Revenue Code of 1986, as amended (the "Code") through June 30, 2020, when it transferred all of its assets and liabilities to the Liquidating Trust. The Company's management believes that the Company operated in such a manner as to qualify for treatment as a REIT until June 30, 2020. Accordingly, no provision has been made for U.S. federal income taxes for the six months ended June 30, 2020, and year ended December 31, 2019 in the accompanying consolidated financial statements. In 2021, 2020 and 2019 income tax expense recorded by the Company was primarily comprised of foreign income taxes related to the operation of its international properties. All periods from December 31, 2018 through December 31, 2021 are open for examination by the IRS. The Company does not believe it has any uncertain tax positions or unrecognized tax benefits requiring disclosure.

Per Share Data

Net income (loss) per common share is calculated by dividing the net income (loss) attributable to common investors for each period by the weighted average number of common shares outstanding during such period. Net income (loss) per common share on a basic and diluted basis is the same because the Company has no potentially dilutive common shares outstanding.

Recently Adopted Accounting Pronouncements - Going Concern Basis

In February 2016, the FASB issued ASU 2016-02 which requires companies that lease assets to recognize on the balance sheet the right-of-use assets and related lease liabilities ("ASC 842"). The accounting by companies that own the assets leased by the lessee (the lessor) remains largely unchanged from earlier guidance under ASC 840. The Company adopted ASC 842 as of January 1, 2019, and is using the modified retrospective approach. No adjustment to opening retained earnings was required.

In July 2018, the FASB issued ASU 2018-11, which allows lessors to account for lease and non-lease components by class of underlying assets, as a single lease component if certain criteria are met. Also, the new standard indicates that companies are permitted to recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption in lieu of restating prior periods in accordance with ASC 842 and provides other optional practical expedients.

Upon adoption, the Company elected the following practical expedients:

- The transition method in which the application date of January 1, 2019 is the beginning of the reporting period that the Company first applied the new guidance.
- The practical expedient package which allows an entity not to reassess (1) whether any expired or existing contracts are or contain leases; (2) the lease classification for any expired or existing leases; (3) initial direct costs for any existing leases.
- As an accounting policy election, a lessor may choose not to separate the non-lease components, by class of underlying assets, from the lease components and instead account for both types of components as a single component under certain conditions.

Based on the Company's analysis, the Company identified the following changes resulted from the adoption of ASC 842:

Lessor Accounting

- The Company is entitled to receive tenant reimbursements for operating expenses for common area maintenance ("CAM"). Based on guidance in these ASUs, CAM reimbursement revenue is defined as a non-lease component, which would be accounted for in accordance with ASC 606. However, the Company elected to apply the practical expedient for all of its leases to account for the lease and non-lease components as a single, combined operating lease component.
- Capitalization of leasing costs is limited to initial direct costs. Initial direct costs have been defined as incremental costs of a lease that would not have been incurred if the lease had not been obtained. Legal costs are no longer capitalized, but expensed as incurred. There is no change in the Company's accounting for lease inducements and commissions.
- The Company's existing leases continue to be classified as operating leases, however, leases entered into or modified after January 1, 2019 may be classified as either operating or sales-type leases, based on specific classification criteria. The Company believes all of its leases will continue to be classified as operating leases, and all operating leases will continue to have a similar pattern of recognition as under current GAAP.
- The Company believes there is low risk of inadequate residual values of its leased assets upon the termination of these leases due to the Company's ability to re-lease the spaces for the assets, the long-lived nature of its real estate assets and the nature of real estate assets to hold their value over a long periods of time.

3. LIABILITY FOR ESTIMATED COSTS IN EXCESS OF ESTIMATED INCOME DURING LIQUIDATION

The liquidation basis of accounting requires the Company to accrue estimated income and costs associated with the completion of its liquidation. As a basis for its assumptions, the Company has used September 1, 2022 as the date by which it currently expects to liquidate, although there can be no assurance that it will meet such timing. Additionally, these estimates can vary significantly due to, among other things, the timing of property sales, direct costs incurred to complete the sales, the timing and amounts associated with discharging known and contingent liabilities and the costs associated with the winding up of operations. The table below summarizes changes in the liability for estimated costs in excess of estimated income between January 1, 2021 and December 31, 2021 (in thousands):

	January 1, 2021	Amounts Incurred	Remeasurement of Amounts	December 31, 2021
Assets:				
Net rental income	\$ 22,000	\$ (23,406)	\$ 3,406 ⁽¹⁾	\$ 2,000
Liabilities:				
General and administrative expenses	(10,000)	5,563	137	(4,300)
Asset management fees	(7,000)	6,391	9	(600)
Closing costs and credits	(13,010)	9,330	695	(2,985)
Total liability for estimated costs in excess of estimated income during liquidation	<u>\$ (8,010)</u>	<u>\$ (2,122)</u>	<u>\$ 4,247</u>	<u>\$ (5,885)</u>

(1) The increase in the net rental income is primarily due to changes in the projected sale timing of certain of the Company's properties.

The table below summarizes changes in the liability for estimated costs in excess of estimated income between July 1, 2020 and December 31, 2020 (in thousands):

	July 1, 2020	Amounts Incurred	Remeasurement of Amounts	December 31, 2020
Assets:				
Net rental income	\$ 52,000	\$ (16,200)	\$ (13,800) ⁽¹⁾	\$ 22,000
Liabilities:				
General and administrative expenses	(15,300)	2,960	2,340	(10,000)
Asset management fees	(16,700)	5,097	4,603	(7,000)
Closing costs and credits	(43,238)	25,747	4,481	(13,010)
Total liability for estimated costs in excess of estimated income during liquidation	<u>\$ (23,238)</u>	<u>\$ 17,604</u>	<u>\$ (2,376)</u>	<u>\$ (8,010)</u>

(1) The decrease in the net rental income is primarily due to changes in the projected sale timing of certain of the Company's properties.

4. NET ASSETS IN LIQUIDATION

The following is a reconciliation of investors' equity under the going concern basis of accounting as of June 30, 2020 to net assets in liquidation under the liquidation basis of accounting as of July 1, 2020 (in thousands):

Total Equity as of June 30, 2020	\$	1,321,734
Increase due to adjustment of net realizable value of real estate investments		426,859
Decrease due to adjustment of assets and liabilities to net realizable value		(261,535)
Liability for estimated costs in excess of estimated income during liquidation		(23,238)
Adjustment to reflect the change to the liquidation basis of accounting		142,086
Estimated value of net assets in liquidation as of July 1, 2020	\$	<u>1,463,820</u>

The values of the Company's assets and liabilities were adjusted from the going concern basis as June 30, 2020, to the liquidation basis as of July 1, 2020. The net increase of \$142.1 million was mostly attributed to remeasuring the Company's remaining seven properties as well as other assets and liabilities at their net realizable value. The net realizable value of the Companies properties was based on third party appraisals and other assets and liabilities were based on their estimated net realizable value.

Changes in Net Assets

Net assets in liquidation decreased by \$219.1 million during the year ended December 31, 2021. The reduction is primarily due to liquidating distributions paid to investors totaling \$209.9 million or \$0.80 per share. These distributions were funded from proceeds from the sale of four properties with an aggregate sale price of \$433.0 million.

Additionally, the estimated value of our real estate investments decreased by \$8.1 million for the year ended December 31, 2021, primarily due to market conditions resulting from the Coronavirus pandemic and its effect on our one remaining retail property, Minneapolis Retail Center. The estimated liquidation value of this property was based on the contract sale price as of December 31, 2021.

Lastly, during the year ended December 31, 2021, there was a \$1.1 million decrease related to the remeasurement of assets and liabilities, including the estimate of costs in excess of income during liquidation.

The remaining undistributed net assets in liquidation was \$330.6 million as of December 31, 2021 or approximately \$1.26 per Unit. This estimate included projections as of December 31, 2021 regarding the timing of the completion of the sale of the Company's remaining property and the amount of sales proceeds that would be generated, as well as costs and expenses to be incurred during liquidation. Since December 31, 2021, the Company sold its final remaining property and paid distributions totaling \$1.22 per Unit to the unitholders. The Company's remaining per Unit NAV was \$0.04 as of March 17, 2022, which the Company expects to pay to unitholders after the Company's wind-down is completed, later this year. There can be no certainty regarding the timing or the amount of any future distributions.

Net assets in liquidation decreased by \$914.1 million during the period from July 1, 2020 to December 31, 2020. The reduction is primarily due to liquidating distributions paid to investors totaling \$905.3 million or \$3.45 per share. These distributions were funded from proceeds from the sale of five properties with an aggregate sale price of \$1.1 billion.

Additionally, the estimated value of our real estate investments decreased by \$31.7 million between July 1, 2020 and December 31, 2020, primarily due to market conditions resulting from the Coronavirus pandemic. The estimated liquidation values of the Company's remaining properties as of December 31, 2020 was based on negotiated sale prices or other market conditions and assumptions as of December 31, 2020. The net assets in liquidation at December 31, 2020, presented on an undiscounted basis, includes five real estate investments valued at \$597.2 million.

Lastly, during the period from July 1, 2020 through December 31, 2020, there was a \$22.9 million increase related to the remeasurement of assets and liabilities, including the estimate of costs in excess of income during liquidation.

The remaining undistributed net assets in liquidation was \$549.7 million as of December 31, 2020 or approximately \$2.09 per Unit. This estimate of liquidating distributions included projections of timing and amounts of the future sales, as well as costs and expenses to be incurred during liquidation.

5. INVESTMENT PROPERTY - Going Concern Basis

Recent Dispositions of Real Estate Investments

The Company sold three properties for an aggregate gain of \$68.2 million during the six months ended June 30, 2020, and four properties for an aggregate gain of \$406.3 million during the year ended December 31, 2019. The table below provides information regarding each of the properties sold during the six months ended June 30, 2020, and year ended December 31, 2019, including the acquisition/completed construction price, and contract sales price (in millions).

Property	Date Acquired/ Completed	Acquisition Price/ Construction Cost	Date Sold	Contract Sales Price
Campus at Marlborough	10/2011	\$103.0	6/2020	\$66.0
Perspective Defense ⁽¹⁾	6/2013	\$165.8	2/2020	\$144.9
Riverside Center	3/2013	\$197.1	1/2020	\$235.0
FM Logistic	4/2011	\$70.8	12/2019	\$31.6
The Summit	3/2015	\$316.5	12/2019	\$756.0
550 Terry Francois	8/2012	\$180.0	2/2019	\$342.5
55M	12/2013	\$140.9	1/2019	\$135.3

- (1) The acquisition price for Perspective Defense of approximately €126.5 million was converted to USD based on an exchange rate of \$1.31 per EUR as of the transaction date. The sales price of approximately €129.8 million was converted to USD based on an exchange rate of \$1.12 per EUR as of the transaction date.

Subsequent to the formation of the Liquidation Trust on June 30, 2020, the Company sold two properties in the period from July 1, 2020 to December 31, 2020 for a total of five properties in 2020. The Company sold four properties during the year ended December 31, 2021.

Leases

The Company's leases are generally for terms of 15 years or less and may include multiple options to extend the lease term upon tenant election. The Company's leases typically do not include an option to purchase. Generally, the Company does not expect the value of its real estate assets to be impacted materially at the end of any individual lease term, as the Company is typically able to release the space and real estate assets tend to hold their value over a long period of time. Tenant terminations prior to the lease end date occasionally result in a one-time termination fee based on the remaining unpaid lease payments including variable payments and could be material to the tenant. Many of the Company's leases have increasing minimum rental rates during the terms of the leases through escalation provisions. In addition, the majority of the Company's leases provide for separate billings for variable rent, such as, reimbursements of real estate taxes, maintenance and insurance and may include an amount based on a percentage of the tenants' sales. Total billings related to expense reimbursements from tenants for the six months ended June 30, 2020 was \$20.5 million, which is included in rental revenue on the Consolidated Statements of Operations and Comprehensive Income (Loss).

The Company has entered into non-cancelable lease agreements with tenants for space. As of December 31, 2021, the approximate fixed future minimum rentals for each of the years ending December 31, 2022 through 2026 and thereafter were as follows (in thousands):

	Fixed Future Minimum Rentals	
2022	\$	11,829
2023		11,809
2024		9,501
2025		8,289
2026		6,697
Thereafter		14,201
Total	\$	62,326

During the years ended December 31, 2021, 2020, and 2019, the Company did not earn more than 10% of its total rental revenue from any individual tenant, respectively.

For the six months ended June 30, 2020, there was no amortization expense of in-place leases. Amortization expense of in-place leases was \$9.9 million for the year ended December 31, 2019. For the six months ended June 30, 2020, there was no amortization of out-of-market leases. Amortization of out-of-market leases resulted in an increase to rental revenue of approximately \$2.7 million for the year ended December 31, 2019.

6. DEBT FINANCING

As of December 31, 2020, the Company had one outstanding mortgage loan in the amount of \$65.7 million related to New City. This mortgage loan was assumed by the buyer of the property in November 2021 in conjunction with the sale of the property and subsequently paid off. The Company had no loans outstanding as of December 31, 2021.

7. DISTRIBUTIONS

As described previously, the Company declared distributions of \$0.70 per Unit, per year for the period from October 2009 through December 2011 and \$0.65 per Unit, per year from January 2012 through December 2018 totaling \$6.09 per Unit in aggregate. Approximately \$0.45 per Unit of these distributions declared for the year ended December 31, 2018 were designated as a return of a portion of the investors' invested capital as described further below. Further, on July 17, 2018, in connection with the investor approval of the Plan of Liquidation, the board of directors determined to suspend indefinitely the distribution reinvestment plan effective as of August 31, 2018. As a result of the suspension of the distribution reinvestment plan, all distributions paid after August 31, 2018 have been paid to investors in cash. Additionally, the Company declared special distributions and/or liquidating distributions to date totaling \$9.02 per Unit, each of which is described further below. In aggregate, the Company has paid total distributions of \$15.11 per Unit to our investors from the inception of our fund to date.

From 2018 through March 2022, the Company paid aggregate Return of Capital Distributions or Liquidating Distributions to investors totaling approximately \$9.47 per Unit, which represented a return of a portion of the investors' invested capital. These Return of Capital Distributions reduced the investors' remaining investment in the Company and were made up of the following:

- a \$1.05 per Unit special distribution (the "Special Distribution") declared to all investors of record as of December 30, 2017 and paid in January 2018. The Special Distribution was funded with a portion of the net proceeds received from the strategic sale of six assets during 2017.
- \$0.12 per Unit resulting from a portion of the monthly distributions declared for the months of January 2018 through June 2018, (approximately \$0.02 per Unit, per month), which were designated by the Company's board of directors as a return of a portion of the investors' invested capital and, as such, reduced the investors' remaining investment in the Company.
- Approximately \$0.33 per Unit resulting from the monthly liquidating distributions declared for the months of July 2018 through December 2018 (\$0.0541667 per share, per month), which were designated as liquidating distributions and, as such, reduced the investors' remaining investment in the Company.
- a \$2.50 per Unit designated liquidating distribution declared to all investors of record as of February 13, 2019 and paid in February 2019.
- a \$1.00 per Unit liquidating distribution declared to all investors of record as of July 15, 2020 and paid in July 2020.
- a \$2.45 per Unit special distribution declared to all investors of record as of September 14, 2020 and paid in September 2020.
- a \$0.80 per Unit special distribution declared to all investors of record as of September 29, 2021 and paid in September 2021.
- a \$0.60 per Unit special distribution declared to all investors of record as of January 12, 2022, and paid in January 2022.
- a \$0.62 per Unit special distribution declared to all investors of record as of March 17, 2022, and paid on or around March 22, 2022.

The table below outlines the Company's total distributions declared to investors and noncontrolling interests for the years ended December 31, 2021, 2020 and 2019 (in thousands).

Distributions for Year Ended	Unitholders			Distributions Declared per Unit	Noncontrolling Interests
	Cash Distributions	Distributions Reinvested	Total Declared ⁽¹⁾		Total Declared
December 31, 2021	\$ 209,917	\$ —	\$ 209,917	\$ 0.80	\$ 17
December 31, 2020	\$ 905,266	\$ —	\$ 905,266	\$ 3.45	\$ 254
December 31, 2019	\$ 661,238	\$ —	\$ 661,238	\$ 2.50	\$ 53

(1) Includes Return of Capital Distributions as described above.

8. RELATED PARTY TRANSACTIONS

The table below outlines fees and expense reimbursements incurred that are payable by the Company to Hines and its affiliates for the years ended December 31, 2021, 2020, and 2019 (in thousands):

Type and Recipient	Incurred During the Years Ended December 31,		
	2021	2020	2019
Asset Management Fee- the Advisor and affiliates of Hines	\$ 6,391	\$ 15,859	\$ 26,365
Disposition Fee- the Advisor	\$ 4,410	\$ 11,137	\$ 12,753
Other ⁽¹⁾	\$ 4,859	\$ 7,192	\$ 5,393
Property Management Fee- Hines	\$ 1,169	\$ 1,910	\$ 4,011
Development/ Construction Management Fee- Hines	\$ —	\$ 13	\$ 2,230
Leasing Fee- Hines	\$ 511	\$ 339	\$ 1,479
Expense Reimbursement- Hines (with respect to management and operations of the Company's properties)	\$ 1,829	\$ 3,771	\$ 7,546

(1) Includes amounts the Advisor paid on behalf of the Company such as general and administrative expenses and offering costs. These amounts are generally reimbursed to the Advisor during the month following the period in which they are incurred.

The table below outlines fees and expense reimbursement amounts unpaid by the Company to Hines and its affiliates as of December 31, 2021 and 2020 (in thousands):

Type and Recipient	Unpaid as of December 31,	
	2021	2020
Asset Management Fee- the Advisor and affiliates of Hines	\$ (34)	\$ 777
Disposition Fee- the Advisor	—	—
Other ⁽¹⁾	1,194	1,255
Property Management Fee- Hines	—	38
Development/ Construction Management Fee- Hines	—	—
Leasing Fee- Hines	278	90
Expense Reimbursement- Hines (with respect to management and operations of the Company's properties)	175	276
Due to Affiliates	\$ 1,613	\$ 2,436

(1) Includes amounts the Advisor paid on behalf of the Company such as general and administrative expenses and offering costs. These amounts are generally reimbursed to the Advisor during the month following the period in which they are incurred.

Advisory Agreement

Pursuant to the Advisory Agreement, the Company is required to pay the following fees and expense reimbursements:

Asset Management Fee – For the periods through June 30, 2020, the Advisor received an asset management fee equal to 0.125% per month of the net equity capital invested by the Company in real estate investments as of the end of each month. In connection with the closing of the transactions contemplated by the Liquidating Trust Agreement, the Trust assumed the Company's interest in the Advisory Agreement, dated August 3, 2009 (as amended, the "Advisory Agreement"), by and among the Company, Hines Global REIT Advisors LP (the "Advisor") and Hines Global REIT Properties LP (the "Operating Partnership"). On June 30, 2020, immediately following the completion of the transactions contemplated by the Liquidating Trust Agreement, the Trust, the Advisor and the Operating Partnership entered into an Amended and Restated Advisory Agreement (the "A&R Advisory Agreement"). Pursuant to the A&R Advisory Agreement, the Advisor agreed to reduce the annual asset management fee payable under the Advisory agreement by 25% from 1.50% to 1.125% of net equity invested in real estate investments, reflecting the Advisor's continued commitment to the investors as the Trust works toward completion of the liquidation of the Company's former assets.

Disposition Fee – The Advisor or its affiliates were paid a disposition fee of 1.0% of the sales price of any real estate investments sold or 1.0% of the Company's pro rata share of the sales price with respect to the Company's indirect investments. The Company's disposition fees related to the sales of wholly-owned properties are included in the Gain (loss) on sale of real estate investments in the Consolidated Statement of Operations and Comprehensive Income (loss).

Special OP Units – Hines Global REIT Associates Limited Partnership, an affiliate of Hines, owns the special units of the Operating Partnership ("Special OP Units"), which entitle them to receive distributions in an amount equal to 15% of distributions, including from sales of real estate investments, refinancings and other sources, but only after the Company's investors have received, or are deemed to have received, in the aggregate, cumulative distributions equal to their invested capital plus an 8.0% cumulative, non-compounded annual pre-tax return on such invested capital. It is not expected that this hurdle will be achieved and therefore no distributions will be paid to the holder of the Special OP Units.

The Company reimburses the Advisor for all expenses paid or incurred by the Advisor in connection with the services provided to the Company.

Property Management and Leasing Agreements

The Company paid Hines fees for the management and leasing of some of its properties. Property management fees were equal to a market-based percentage of the gross revenues of the properties managed by Hines or the amount of property management fees recoverable from tenants of the properties managed by Hines under their leases. In addition, if Hines provided leasing services with respect to a property, the Company paid Hines leasing fees which are usual and customary for that type of property in that geographic area. The Company generally was required to reimburse Hines for certain operating costs incurred in providing property management and leasing services pursuant to the property management and leasing agreements. Included in this reimbursement of operating costs was the cost of personnel and overhead expenses related to such personnel located at the property as well as off-site personnel located in Hines' headquarters and regional offices, to the extent the same related to or supported the performance of Hines' duties under the agreement.

From time to time, Hines performed construction management services for the Company for both re-development activities and tenant construction. These fees are considered incremental to the construction effort and were capitalized to the associated real estate project as incurred. Costs related to tenant construction were depreciated over the estimated useful life. Costs related to redevelopment activities were depreciated over the estimated useful life of the associated project. Leasing activities were generally performed by Hines on the Company's behalf. Leasing fees were capitalized and amortized over the life of the related lease. Generally, as compensation for providing development management services, Hines was paid a fee equal to 3% of the development project costs and as compensation for providing construction management services, an affiliate of Hines was paid a contractor's fee of 5% of the total construction costs of the project.

Fees for Other Services

The Company retains certain of the Advisor's affiliates, from time to time, for services relating to the Company's investments or operations, which may include corporate services, statutory services, transaction support services (including but not limited to coordinating with brokers, lawyers, accountants and other advisors, assembling relevant information, conducting financial and market analyses, and coordinating closing procedures) and loan management and servicing, and within one or more such categories, providing services in respect of asset and/or investment administration, accounting, technology, tax preparation, finance (including but not limited to budget preparation and preparation and maintenance of corporate models), treasury, operational coordination, risk management, insurance placement, human resources, legal and compliance, valuation and reporting-related services, as well as services related to mortgage servicing, group purchasing, healthcare, consulting/brokerage, capital markets/credit origination, property, title and/or other types of insurance, management consulting and other similar operational matters. Any fees paid to the Advisor's affiliates for any such services did not reduce the asset management fee otherwise payable to the Advisor. Any such arrangements will be at market rates.

9. FAIR VALUE MEASUREMENTS - Going Concern Basis

Fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access. Fair values determined by Level 2 inputs utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets and inputs other than quoted prices observable for the asset or liability, such as interest rates and yield curves observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. In instances in which the inputs used to measure fair value may fall into different levels of the fair value hierarchy, the level in the fair value hierarchy within which the fair value measurement in its entirety has been determined is based on the lowest level input significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

Financial Instruments Measured on a Recurring Basis

The Company entered into several interest rate contracts as economic hedges against the variability of future interest rates on its variable interest rate borrowings. The valuation of these derivative instruments is determined based on assumptions that management believes market participants would use in pricing, using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. The fair values of interest rate contracts have been determined using the market standard methodology of netting the discounted future fixed cash receipts (or payments) and the discounted expected variable cash payments (or receipts). The variable cash payments (or receipts) are based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves.

Although the Company has determined the majority of the inputs used to value its interest rate contracts fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by the Company and its counterparties, Bank Zachnodni WBK and ING Capital Markets. In adjusting the fair values of its derivative contracts for the effect of nonperformance risk, the Company has considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds and guarantees. However, as of June 30, 2020 and December 31, 2019, the Company assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and determined that the credit valuation adjustments are not significant to the overall valuations of its derivatives. As a result, the Company determined its derivative valuations were classified in Level 2 of the fair value hierarchy.

Additionally, the Company has entered into foreign currency forward contracts as economic hedges against the variability of foreign exchange rates. The valuation of these forward contracts is determined based on assumptions that management believes market participants would use in pricing, using widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including currency exchange rate curves and implied volatilities. The Company has determined its foreign currency forward contracts valuations are classified in Level 2 of the fair value hierarchy, as they are based on observable inputs but are not traded in active markets.

Financial Instruments Measured on a Nonrecurring Basis

Certain long-lived assets are measured at fair value on a non-recurring basis. These assets are not measured at fair value on an ongoing basis, but are subject to fair value adjustments (i.e., impairments) in certain circumstances. The fair value methodologies used to measure long-lived assets are described in Note 2 — Summary of Significant Accounting Policies — Investment Property and Lease Intangibles. The inputs associated with the valuation of long-lived assets are generally included in Level 3 of the fair value hierarchy as discussed below.

Impairment of Investment Property

For the six months ended June 30, 2020, the Company determined that three of its remaining properties were impaired by \$18.6 million based on such assets having carrying values that exceeded their estimated sales price less costs to sell based on the offers received (level 2 inputs).

As a result of the Company's remaining real estate properties meeting the criteria to be classified as held for sale for the year ended December 31, 2019, the Company determined that six of its remaining properties were impaired by \$115.4 million based on such assets having carrying values that exceeded their estimated sales price less costs to sell based on the offers received (level 2 inputs) and third party broker consultations (level 3 inputs), which were obtained in conjunction with its marketing process. Of this amount, \$46.9 million is attributable to the requirement when real estate properties are classified as held for sale to include cumulative foreign currency translation adjustments ("cumulative CTA") in the carrying value for two of the Company's foreign denominated assets within the impairment tests in accordance with ASC 830, Foreign Currency Matters.

Prior to designating its properties as held for sale, investment properties were reviewed for impairment at each reporting period if events or changes in circumstances indicated that the carrying amount may not be recoverable. During the year ended December 31, 2019, the Company determined that one of its properties was impaired by \$7.2 million as a result of deteriorating market conditions and valued it using level 3 inputs.

The changes in assumptions resulted in the net book value of the assets exceeding the projected undiscounted cash flows for the property. As a result, the assets were written down to fair value. The following table summarizes activity for the Company's assets measured at fair value, on a non-recurring basis, for the six months ended June 30, 2020 and year ended December 31, 2019 (in thousands).

During the six months ended	Basis of Fair Value Measurements					
	Description	Fair Value of Assets	Quoted Prices In Active Markets for Identical Items (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Impairment Loss
June 30, 2020	Investment property	\$243,570	\$ —	\$ 243,570	\$ —	\$ 18,591
During the year ended						
December 31, 2019	Investment property	\$544,846	\$ —	\$ 458,828	\$ 86,018	\$ 122,603

The Company's estimated fair value of the investment properties measured using level 3 inputs were based on comparisons of recent market activity and discounted cash flow models, which include estimates of property-specific inflows and outflows over a specific holding period. Significant unobservable quantitative inputs used in determining the fair value of the investment property for the period ended December 31, 2019 include: a discount rate of 8.80%; a capitalization rate of 6.50%; stabilized occupancy rate of 91.7%; and current market rental rates ranging from \$12.00 to \$47.00 per square foot. These inputs are based on the location, type and nature of each property, current and anticipated market conditions, and management's knowledge and expertise in real estate.

10. REPORTABLE SEGMENTS - Going Concern Basis

Prior to the conversion to the Liquidating Trust in June 2020, management viewed each of its real estate investments as an operating segment and aggregated them into four reportable segments based on the location of the segment and the underlying asset class. Subsequent to the conversion to the Liquidating Trust, the Company's business has been, and will continue to be, to sell its assets in an orderly fashion and therefore it determined to no longer make operating decisions or assess performance in separate segments. Accordingly, the Company has only one reporting and operating segment subsequent to June 30, 2020.

Listed below is information regarding the Company's reportable segments for periods prior to the conversion to the Liquidating Trust:

- Domestic other investments (4 investments)
- International office investments (3 investments)

The Company has also owned properties in the Domestic Office and International Other segments in prior periods, which were sold prior to June 30, 2020.

The tables below provide additional information related to each of the Company's segments, geographic location and a reconciliation to the Company's net income (loss), as applicable. "Corporate-Level Accounts" includes amounts incurred by the corporate-level entities which are not allocated to any of the reportable segments (all amounts are in thousands, except for percentages):

	Six Months Ended June 30,	Year Ended December 31,
	2020	2019
Total Revenue		
Domestic office investments	\$ 5,408	\$ 63,537
Domestic other investments	30,327	75,323
International office investments	26,944	50,870
International other investments	—	3,838
Total Revenue	\$ 62,679	\$ 193,568

For the six months ended June 30, 2020, and year ended December 31, 2019, the Company's total revenue was attributable to the following countries:

	Six Months Ended June 30,	Year Ended December 31,
	2020	2019
United States	57 %	72 %
United Kingdom	28 %	15 %
Poland	9 %	5 %
Russia	5 %	5 %
France	1 %	3 %

For the six months ended June 30, 2020, and the year ended 2019, the Company's property revenues in excess of expenses by segment was as follows:

	Six Months Ended June 30, 2020	Year Ended December 31, 2019
Property revenues in excess of expenses ⁽¹⁾		
Domestic office investments	\$ 2,436	\$ 39,350
Domestic other investments	15,648	45,774
International office investments	15,210	26,249
International other investments	(302)	2,714
Total property revenues in excess of expenses	\$ 32,992	\$ 114,087

(1) Revenues less property operating expenses, real property taxes and property management fees.

For the six months ended June 30, 2020, and the year ended December 31, 2019 the Company's reconciliation to the Company's property revenues in excess of expenses is as follows:

	Six Months Ended June 30, 2020	Year Ended December 31, 2019
Reconciliation to property revenues in excess of expenses		
Net income (loss)	\$ 77,323	\$ 300,416
Depreciation and amortization	—	30,566
Asset management and acquisition fees	10,762	26,365
General and administrative expenses	3,904	8,287
Impairment Losses	18,591	122,603
(Gain) loss on derivatives	(20,416)	3,838
(Gain) loss on sale of real estate investments	(68,206)	(406,277)
Foreign currency (gains) losses	4,984	(1,611)
Interest expense	4,319	28,809
Other (income) expenses	(1,191)	(1,595)
(Benefit) provision for income taxes	2,922	2,686
Provision for income taxes related to the sale of real estate	—	—
Total property revenues in excess of expenses	\$ 32,992	\$ 114,087

11. SUPPLEMENTAL CASH FLOW DISCLOSURES - Going Concern Basis

Supplemental cash flow disclosures for the six months ended June 30, 2020 and the year ended December 31, 2019 (in thousands):

	Six Months Ended June 30, 2020	Year Ended December 31, 2019
<i>Supplemental Disclosure of Cash Flow Information</i>		
Cash paid for interest	\$ 4,448	\$ 27,079
Cash paid for income taxes	\$ 770	\$ 2,376
<i>Supplemental Schedule of Non-Cash Activities</i>		
Other receivables	\$ 632	\$ 551
Shares tendered for redemption	\$ —	\$ 699
Assumption of mortgage upon disposition of property	\$ 78,519	\$ —
Accrued capital additions	\$ 280	\$ 4,492
Disposition fee payable to the Advisor	\$ —	\$ 7,976

12. COMMITMENTS AND CONTINGENCIES

The Company may be subject to various legal proceedings and claims that arise in the ordinary course of business. These matters are generally covered by insurance. While the resolution of these matters cannot be predicted with certainty, management believes the final outcome of such matters will not have a material adverse effect on the Company's consolidated financial statements.

13. SUBSEQUENT EVENTS

Minneapolis Retail Center

In March 2022, the Company sold Minneapolis Retail Center for a contract sales price of \$150.0 million. The purchaser is not affiliated with the Company or its affiliates.

Liquidating Distribution

In March 2022, the Company's Trustees declared a liquidating distribution of \$0.62 per Unit, following the sale of Minneapolis Retail Center. As a result of the \$0.62 per Unit liquidating distribution, the per Unit NAV was reduced to \$0.04 as of March 17, 2022.

Item 9. *Changes in and Disagreements With Accountants on Accounting and Financial Disclosure*

Not applicable.

Item 9A. *Controls and Procedures*

Disclosure Controls and Procedures

In accordance with Exchange Act Rules 13a-15 and 15d-15, we carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2021, to provide reasonable assurance that information required to be disclosed in our reports filed or submitted under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and (ii) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal controls over financial reporting. Our system of internal controls over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. Our internal controls over financial reporting includes those policies and procedures that:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management's assessment of the effectiveness of our internal control system as of December 31, 2021 was based on the framework for effective internal control over financial reporting described in the 2013 Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our assessment, as of December 31, 2021, our system of internal control over financial reporting was effective at the reasonable assurance level.

This annual report does not include an attestation report of the Company's independent registered public accounting firm regarding control over financial reporting. Management's report was not subject to attestation by the company's independent registered public accounting firm pursuant to Section 989G of the Dodd-Frank Wall Street and Consumer Protection Act, which exempts non-accelerated filers from the auditor attestation requirement of section 404 (b) of the Sarbanes-Oxley Act.

March 31, 2022

Change in Internal Controls

No changes have occurred in our internal controls over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) during the quarter ended December 31, 2021 that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

Item 9B. *Other Information*

None.

Item 9C. *Disclosure Regarding Foreign Jurisdictions That Prevent Inspections*

Not applicable.

PART III

Item 10. *Trustees, Executive Officers and Corporate Governance*

As noted previously, we currently have no directors. We are administered by our trustees. For the period from January 1, 2020 through June 30, 2020, all of our trustees, with the exception of Mr. Steinbach, were directors of Hines Global REIT, Inc. References to our trustees and our Board in this report mean our trustees and our board of trustees for the periods after June 30, 2020 and mean the directors and the board of directors of Hines Global REIT, Inc. for the period prior to June 30, 2020. As of the date of this report, our trustees, their ages, their year first elected, their business experience and principal occupation, their directorships in public corporations and investment companies are as follows:

Name	Age	Year First Elected	Business Experience and Principal Occupation; Directorships in Public Corporations and Investment Companies
Jeffrey C. Hines, Trustee and Chief Executive Officer	66	2008	Mr. Hines joined Hines in 1982. Mr. Hines is the Co-owner, Chairman and Chief Executive Officer of Hines. He has served as the Chairman of our Board and as Chairman of the managers of the general partner of our Advisor since December 2008. Mr. Hines has served as the Chairman of the board of directors of Hines Global Income Trust, Inc. (“Hines Global Income Trust”) and Chairman of the managers of the general partner of HGIT Advisors LP (“HGIT LP”), the advisor to Hines Global Income Trust, since July 2013 and as the Chief Executive Officer of Hines Global Income Trust and HGIT LP since December 31, 2019. Mr. Hines also served as the Chairman of the board of directors of Hines Real Estate Investment Trust, Inc. (“Hines REIT”) and the Chairman of the managers of the general partner of Hines Advisors Limited Partnership (“HALP”), the advisor to Hines REIT, from August 2003 through the liquidation and dissolution of Hines REIT in August 2018. He also served as a member of the management board of the Hines US Core Office Fund LP (the “Core Fund”) since August 2003 through the liquidation and dissolution of the Core Fund in December 2018. He is also the co-owner and President and Chief Executive Officer (“CEO”) of the general partner of Hines and is a member of Hines’ Executive Committee. Mr. Hines is responsible for overseeing all firm policies and procedures as well as day-to-day operations of Hines. He became President of the general partner of Hines in 1990 and CEO of the general partner of Hines in January 2008 and has overseen a major expansion of the firm’s personnel, financial resources, domestic and foreign market penetration, products and services. He has been a major participant in the development of the Hines domestic and international acquisition program and currently oversees a portfolio of \$83.6 billion in assets under management. Mr. Hines graduated from Williams College with a B.A. in Economics and received his M.B.A. from Harvard Business School.

We believe that Mr. Hines’ career, spanning more than 38 years in the commercial real estate industry, including his leadership of Hines, and the depth of his knowledge of Hines and its affiliates, qualifies him to serve on our Board.

Name	Age	Year First Elected	Business Experience and Principal Occupation; Directorships in Public Corporations and Investment Companies
David L. Steinbach, Trustee	45	2020	<p>Mr. Steinbach joined Hines in 1999 and is a Senior Managing Director - Investment Management, Co-Head of Investment Management and the Global CIO for Hines. Mr. Steinbach has served as a member of our Board since July 2020. Mr. Steinbach served as the CIO for Hines Global REIT, Inc. from July 2014 until June 30, 2020 and as CIO of the general partner of our Advisor since July 2014. Mr. Steinbach has served as a director of Hines Global Income Trust since September 2019 and has also served as the CIO for Hines Global Income Trust and the general partner of HGIT LP since July 2014. In these roles, he is responsible for management of the real estate acquisition program in the U.S. and internationally. He is a member of Hines' Executive and Investment Committees. He previously served as a Managing Director - Investment Management of the general partner of Hines since February 2011 to February 2017 and was responsible for the acquisition of over \$4 billion in assets for various Hines affiliates in the U.S. and internationally. Prior to this role he served in various roles in which he was responsible for acquisitions, asset management and property dispositions on behalf of the Company, Hines REIT, Hines Global Income Trust and the Core Fund, both in the U.S. and internationally. He graduated from Texas A&M University with a Bachelors and Masters in Business Administration.</p>

We believe that Mr. Steinbach's significant experience as an executive at our Company and at Hines qualifies him to serve as one of our trustees. Mr. Steinbach's extensive knowledge of the U.S. and international real estate markets, as well as his considerable institutional knowledge, allow him to provide valuable insight as a trustee.

Name	Age	Year First Elected	Business Experience and Principal Occupation; Directorships in Public Corporations and Investment Companies
Charles M. Baughn, Trustee	67	2008	<p>Mr. Baughn joined Hines in 1984 and retired from Hines in December 2019. Mr. Baughn has served as a member of our Board and as a manager of the general partner of our Advisor since December 2008. Additionally, from July 2013 through September 2019, Mr. Baughn served as a member of the board of directors of Hines Global Income Trust and as a member of the general partner of HGIT LP. In addition, Mr. Baughn was a member of the board of directors of Hines REIT from April 2008 and was a manager of the general partner of HALP from August 2003 until the liquidation and dissolution of Hines REIT in August 2018. He also served as CEO of Hines REIT and the general partner of HALP from August 2003 through April 1, 2008. He has served as the Senior Managing Director of the general partner of Hines since 2012. Additionally, Mr. Baughn served as the CFO of the general partner of Hines from 2012 to 2018. As CFO, Mr. Baughn was responsible for overseeing Hines' business operations, such as balance sheet related activities and bank and other debt financing. Previously, he also has served as an Executive Vice President and CEO-Capital Markets Group of the general partner of Hines from April 2001 through 2012 and, as such, was responsible for overseeing Hines' capital markets group, which raises, places and manages equity and debt for Hines projects in the U.S. and internationally. Mr. Baughn is also a director of Hines Securities, Inc. and was a member of the Hines' Executive Committee until June 2019. Until May 2015, Mr. Baughn also served as the CEO of Hines Securities, Inc. Mr. Baughn also served as a member of the management board of the Core Fund from 2003 until the liquidation and dissolution of the Core Fund in December 2018. During his tenure at Hines, he has contributed to the development or redevelopment of over 9 million square feet of office and special use facilities in the southwestern United States. He graduated from the New York State College of Ceramics at Alfred University with a B.A. and received his M.B.A. from the University of Colorado.</p>

We believe that Mr. Baughn's experience in the commercial real estate industry during his more than 37 year career with Hines, including his familiarity with Hines' financial and investment policies, qualifies him to serve on our Board.

Name	Age	Year First Elected	Business Experience and Principal Occupation; Directorships in Public Corporations and Investment Companies
Jack L. Farley, Independent Trustee	56	2009	<p>Mr. Farley has served as an independent trustee since June 2009. Mr. Farley has served as the President and CEO of Apex Compressed Air Energy Storage LLC, since January 2011, the year the company was launched in order to develop, build, operate, and commercialize utility-scale compressed air energy storage assets. Additionally, since January 2016, he has served as a board member for Live Power Intelligence Company, LLC, which provides real-time power grid information to electric power markets. Prior to that he co-founded Liberty Green Renewables, LLC in June 2008 to pursue development, construction and operation of biomass-to-electricity generation projects in the Midwest and Southeast US. From 2003 to February 2008, Mr. Farley was Senior Vice President of Cinergy Corp., where he was responsible for the Power Trading and Marketing group. During his tenure, the group had approximately \$30 billion of annual physical power sales and ranked in the top 15 in the US. Cinergy Corp. merged with Duke Energy (NYSE: DUK) in 2006. In October 2007, Fortis NV acquired Duke's trading operations as a strategic enhancement to its nascent US banking activities. Prior to joining Cinergy/Duke, Mr. Farley was President of the West Region at Reliant Resources, Inc., where he managed a \$1.1 billion portfolio of power generation assets, and was responsible for the development and construction of two combined-cycle gas turbine projects with a total investment of approximately \$750 million.</p>

We believe that Mr. Farley's extensive leadership experience and understanding of the requirements of managing a public company, acquired during his tenure at Cinergy Corp. and Duke Energy qualify him to serve on our board of trustees. This experience along with Mr. Farley's M.B.A. from The Wharton School and his involvement in the preparation of earnings statements and the compliance process for Sarbanes-Oxley requirements of public companies enable him to provide valuable insight to our Board.

Name	Age	Year First Elected	Business Experience and Principal Occupation; Directorships in Public Corporations and Investment Companies
Thomas L. Mitchell, Independent Trustee	60	2009	<p>Mr. Mitchell has served as an independent trustee since June 2009. He is a strategic finance leader with a record of driving growth in energy business models as the CFO of both large and small companies in the Oil and Gas Industry. He has had a career of strong Fortune 500 experience with exploration and production companies, and broad energy exposure with offshore drilling and midstream gathering and marketing companies. In his last position as EVP and Chief Financial Officer of Devon Energy Corporation from 2014 to 2017, Mr. Mitchell lead the finance and business development organizations, and also helped the company successfully strengthen its asset quality through strategic acquisitions. Previously, Mr. Mitchell served as EVP and Chief Financial Officer and a member of the board of directors of Midstates Petroleum Company, a private equity-funded exploration and production company. While there, Mr. Mitchell led the initial public offering listing of the company on the New York Stock Exchange in April 2012. From November 2006 to September 2011, Mr. Mitchell was the Senior Vice President, Chief Financial Officer of Noble Corporation, a publicly-held offshore drilling contractor for the oil and gas industry. Following his formal education, Mr. Mitchell began his career in public accounting with Arthur Andersen & Co. where he practiced as a CPA (currently inactive), then, in 1989 entered the oil and gas industry at Apache Corporation where he spent eighteen years in various finance and commercial roles the last being Vice President and Controller.</p> <p>Mr. Mitchell currently serves on the boards of Ring Energy, Inc., a public exploration and production company, and EPIC Midstream Holdings GP, LLC, a private midstream crude and NGL infrastructure company. He previously served on the board of directors of Sundance Energy, Inc., a public exploration and production company, EnLink Midstream Partners, LP and EnLink Midstream, LLC. Mr. Mitchell graduated from Bob Jones University with a B.S. in Accounting.</p> <p>We believe Mr. Mitchell’s significant leadership experience at four public companies qualifies him to serve on our Board. In addition, through his previous experience in public accounting, Mr. Mitchell is able to provide valuable insight with respect to financial reporting processes and our system of internal controls.</p>

Name	Age	Year First Elected	Business Experience and Principal Occupation; Directorships in Public Corporations and Investment Companies
John S. Moody, Independent Trustee	73	2009	<p>Mr. Moody has served as an independent trustee since June 2009. Mr. Moody has been President of Parkside Capital, LLC in Houston since January 2006. Parkside Capital, LLC is the general partner and manager of Parkside Capital Land Fund, LTD., a Texas real estate private equity firm which invests in raw land in high growth markets in Texas. From January 2004 to December 2005, Mr. Moody was the President and CEO of HRO Asset Management, LLC, a real estate advisory business headquartered in New York City, where he oversaw the acquisition of \$850 million of real estate assets. From September 2001 to December 2003, he was the President of Marsh & McLennan Real Estate Advisors, Inc., where he developed the real estate strategy for the Marsh & McLennan Companies, including directing the execution of all real estate leases, projects and transactions. Mr. Moody was also the President and CEO of Cornerstone Properties, Inc., a publicly-held equity REIT which acquired, developed and operated large scale Class A office buildings in major metropolitan markets throughout the U.S. During his tenure at Cornerstone, assets grew from \$500 million to \$4.8 billion. From 1991 to 1995, Mr. Moody was the President and CEO of Deutsche Bank Realty Advisors, Inc., where he oversaw a \$2 billion equity and debt portfolio. Mr. Moody has been a member of the board of directors of Huron Consulting Group (NASDAQ: HURN), a publicly-held integrated strategic services provider since October 2005. Since September 2006, he has been a member of the board of directors of Potlatch Corporation (NYSE: PCH), a publicly-held REIT with approximately 1.6 million acres of forestland. He became the Vice Chairman of the board of directors of Potlatch in January 2009. Mr. Moody also has served as the Chairman of the board of directors of Four Corners Property Trust Inc. (NYSE: FCPT) since November 2015. Mr. Moody was a member of the board of directors and Chairman of the Compensation Committee of CRIIMI MAE, Inc., a publicly-held REIT, from January 2004 to January 2006. He was also a member of the board of directors and Chairman of the Compensation Committee of Keystone Property Trust, a publicly-held REIT, from 2001 to 2004. Mr. Moody graduated from Stanford University with a B.S. and received his J.D. with honors from the University of Texas.</p>

We believe that Mr. Moody's significant experience in the commercial real estate industry qualifies him to serve as one of our trustees. Drawing on this experience, Mr. Moody is able to provide valuable insight regarding our investment strategies, internal controls and financial risk exposures. In addition, through his experience serving on the boards of several public companies, Mr. Moody is well-versed in the requirements of serving on a public company board.

Name	Age	Year First Elected	Business Experience and Principal Occupation; Directorships in Public Corporations and Investment Companies
Peter Shaper, Independent Trustee	56	2009	<p>Mr. Shaper has served as an independent trustee since June 2009. He served as a director and member of the audit committee of HMS from May 2012 through October 2020. Since 2012, Mr. Shaper also has served as the Chairman and CEO of Greenwell Energy Solutions, an independent specialty chemical supplier to the upstream oil and gas industry. Additionally, he is a founding partner of Genesis Park LP, a Houston-based private equity firm which was founded in 2000 and primarily focuses on buyouts, partnering strategies with public corporations and growth financing bringing each company capital, commercial execution capabilities and a depth of experience in mergers and acquisitions. Mr. Shaper also was the CEO of Harris CapRock Communications, Inc., a global provider of broadband communications to remote locations via satellite with revenues of over \$300 million from 2002 through June 2011, when he resigned. From 1998 to 2000, Mr. Shaper was the president of Donnelley Marketing, a Division of First Data Corporation, where he was directly responsible for the turnaround and eventual sale of the \$100 million revenue database marketing company to a strategic buyer. In 1996, Mr. Shaper helped found the Information Management Group, (“IMG”), as its Executive Vice President of Operations and CFO. IMG grew to over \$600 million in revenue during Mr. Shaper’s tenure. Prior to joining IMG, Mr. Shaper was with a Dallas-based private equity firm, where he was responsible for investments in numerous technology-oriented companies, as well as assisting those companies with developing long-term strategies and financial structures. Mr. Shaper also has several years’ experience with the international consulting firm McKinsey & Company. Mr. Shaper graduated from Stanford University with a B.S. in industrial engineering and received his M.B.A. from Harvard Business School.</p>

We believe Mr. Shaper’s significant experience as a senior executive officer of sophisticated companies such as Greenwell Energy Solutions, Harris CapRock Communications, Genesis Park and Donnelley Marketing/First Data, as well as his experience founding and leading IMG, qualify him to serve on our Board.

As of the date of this report, our executive officers (other than Mr. Hines, who serves on our Board and is included in the earlier list of our trustees), their ages and their experiences are as follows:

Name and Title	Age	Experience
J. Shea Morgenroth, Chief Financial Officer	46	Mr. Morgenroth has served as CFO for us and the general partner of our Advisor since June 2019. Mr. Morgenroth joined Hines in October 2003, and is a Senior Vice President - Controller and the CFO of Investment Management at Hines, a position he has held since April 2019. Prior to that, he was a Vice President - Controller for Hines since July 2012. Mr. Morgenroth also has served as the CFO of Hines Global Income Trust and the general partner of HGIT LP since June 2019. Since November 2011, Mr. Morgenroth served as the CAO and Treasurer for Hines Global and the general partner of the Advisor. Mr. Morgenroth has served as CAO and Treasurer for Hines Global Income Trust and the general partner of HGIT LP from July 2013 until June 2019. Mr. Morgenroth also served as CAO and Treasurer of Hines REIT and the general partner of HALP from November 2011 through the liquidation and dissolution of Hines REIT in August 2018. In these roles, Mr. Morgenroth has been responsible for the oversight of the treasury, accounting, financial reporting and SEC reporting functions, as well as the Sarbanes-Oxley compliance program in the U.S. and internationally. Prior to his appointment as CAO and Treasurer for Hines Global, Mr. Morgenroth served as a Senior Controller for Hines Global and the general partner of the Advisor from December 2008 until November 2011 and for Hines REIT and the general partner of HALP from January 2008 until November 2011 and as a Controller for Hines REIT and the general partner of HALP from October 2003 to January 2008. In these roles, he was responsible for the management of the accounting, financial reporting and SEC reporting functions. Prior to joining Hines, Mr. Morgenroth was a manager in the audit practices of Arthur Andersen LLP and Deloitte & Touche LLP, serving clients primarily in the real estate industry. He holds a B.B.A. in Accounting from Texas A&M University and is a Certified Public Accountant.
A. Gordon Findlay, Secretary	46	Mr. Findlay has served as Secretary for us and the general partner of our Advisor since March 2020. Mr. Findlay joined Hines in November 2006. Mr. Findlay has served as a Vice President - Controller for Hines since October 2016 and as a Senior Controller for Hines from 2012 until October 2016. In these roles, he has been involved with managing the accounting, financial reporting and SEC reporting functions related to Hines Global, Hines Global Income Trust, and Hines REIT. Mr. Findlay has served as CAO and Treasurer of Hines Global Income Trust, and the general partner of HGIT LP since June 2019. Prior to joining Hines, Mr. Findlay spent six years in the audit practice of Ernst & Young LLP, serving public and private clients in various industries. He holds a Bachelor of Business Administration degree in Accounting from University of Houston - Downtown and is a Certified Public Accountant.

Item 11. Executive Compensation

Trustee Compensation

The following table sets forth information regarding compensation paid to or earned by our trustees during 2021.

2021 Trustee Compensation

Name	Fees Earned or Paid in Cash	Aggregate Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value and Non- Qualified Deferred Compensation Earnings	All Other Compensation	Total Compensation
Jack L. Farley	\$52,000	\$—	\$—	\$—	\$—	\$—	\$52,000
Thomas L. Mitchell	\$52,000	\$—	\$—	\$—	\$—	\$—	\$52,000
John S. Moody	\$52,000	\$—	\$—	\$—	\$—	\$—	\$52,000
Peter Shaper	\$52,000	\$—	\$—	\$—	\$—	\$—	\$52,000
Jeffery C. Hines, Charles M. Baughn, and David L. Steinbach (1)	\$—	\$—	\$—	\$—	\$—	\$—	\$—

(1) Messrs. Hines and Baughn, and Mr. Steinbach, who are employees of Hines, receive no compensation for serving as members of our Board.

We paid our independent trustees an annual retainer of \$50,000, and a fee of \$2,000 for each meeting of the Board attended in person for the year ended December 31, 2021 and a fee of \$1,000 for each Board meeting attended via teleconference, regardless of its length.

Subsequent to the formation of the Liquidating Trust on June 30, 2020, there were no committees of our Board and, accordingly, no additional committee retainers or fees were paid thereafter.

All trustees are reimbursed by us for reasonable out-of-pocket expenses incurred in connection with attendance at Board or committee meetings.

Audit Committee

We do not have an audit committee or other committee that performs similar functions and, consequently, have not designated an audit committee financial expert. Due to our limited operations and level of activity, which primarily consists of the leasing and sale of the remaining assets and the payment of outstanding obligations, our trustees believe that the services of an audit committee financial expert are not warranted.

Trustee Nominations

We currently do not provide any procedure for our investors to recommend nominees to our Board.

Executive Compensation

We have no employees. Our day-to-day management functions are performed by our Advisor and its affiliates. All of our executive officers are employed by and receive compensation from our Advisor or its affiliates, for all of their services to the Hines organization, including their service as our executive officers. The compensation received by our executive officers is not paid or determined by us, but rather by our Advisor or affiliates of our Advisor based on all the services provided by these individuals to the Hines organization, including us. As a result, we do not have and our compensation committee has not considered, a compensation policy or program for our executive officers and have not included a “Compensation Discussion and Analysis,” or “Compensation Committee Report” in this Annual Report on Form 10-K. Please see “Item 13. Certain Relationships and Related Transactions, and Director Independence” for a discussion of fees and expenses payable to our Advisor and its affiliates.

Compensation Committee Interlocks and Insider Participation

Subsequent to the formation of the Liquidating Trust on June 30, 2020, when Hines Global REIT, Inc. transferred all of its assets and liabilities to us, we no longer have a Compensation Committee. The functions of the Compensation Committee are now administered by our independent trustees.

Code of Business Conduct and Ethics

Our board of trustees has adopted a Code of Business Conduct and Ethics, which is applicable to our trustees and officers, including our chief executive officer, chief financial officer, and other persons performing similar functions, whether acting in their capacities as our officers or in their capacities as officers of our Advisor or its general partner. The Code of Business Conduct and Ethics covers topics including conflicts of interest, confidentiality of information, full and fair disclosure, reporting of violations and compliance with laws and regulations. Our Code of Business Conduct and Ethics is available, free of charge, on the Corporate Governance section of our website, www.hinessecurities.com/hgrliquidatingtrust. You may also obtain a copy of this code by writing to: Hines Global REIT Investor Relations, 2800 Post Oak Boulevard, Suite 5000, Houston, Texas 77056-6118. Waivers from our Code of Business Conduct and Ethics are discouraged, but any waivers from the Code of Business Conduct and Ethics that relate to any executive officer or director must be approved by our Nominating and Corporate Governance Committee and will be posted on our website at www.hinessecurities.com/hgrliquidatingtrust within four business days of any such waiver.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Ownership

The following table shows, as of March 26, 2022, the amount of our common units beneficially owned (unless otherwise indicated) by (1) any person who is known by us to be the beneficial owner of more than 5% of our outstanding common units, (2) our trustees, (3) our executive officers, and (4) all of our trustees and executive officers as a group. Except as otherwise indicated, all units are owned directly, and the owner of such units has the sole voting and investment power with respect thereto.

Name of Beneficial Owner ⁽¹⁾	Position	Common Units Beneficially Owned ⁽²⁾	
		Number of Common Units	Percentage of Class
Jeffrey C. Hines	Trustee and Chief Executive Officer	1,111	* ^{(3) (4)}
Charles M. Baughn	Trustee	9,031	*
David L. Steinbach	Trustee	—	
Jack L. Farley	Independent Trustee	17,272	*
Thomas L. Mitchell	Independent Trustee	16,262	*
John S. Moody	Independent Trustee	16,262	*
Peter Shaper	Independent Trustee	16,262	*
J. Shea Morgenroth	Chief Financial Officer	1,667	*
A. Gordon Findlay	Secretary	—	*
All trustees and executive officers as a group		77,867	*

* Amount represents less than 1%

- (1) The address of each person listed is c/o HGR Liquidating Trust, 2800 Post Oak Boulevard, Suite 5000, Houston, Texas 77056-6618.
- (2) For purposes of this table, “beneficial ownership” is determined in accordance with Rule 13d-3 under the Exchange Act, pursuant to which a person is deemed to have “beneficial ownership” of units of our stock that the person has the right to acquire within 60 days. For purposes of computing the percentage of outstanding units of the Company’s stock held by each person or group of persons named in the table, any units that such person or persons have the right to acquire within 60 days of March 26, 2022 are deemed to be outstanding, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other persons.
- (3) Includes 1,111.111 common units owned directly by Hines Global REIT Investor Limited Partnership. Mr. Hines is deemed to be the beneficial owner of the units owned by Hines Global REIT Investor Limited Partnership.
- (4) This amount does not include the (i) 21,111.111 partnership interests (the “OP Units”) in Hines Global REIT Properties LP (the “Operating Partnership”) and (ii) the special partnership interests (the “Special OP Units”) of the Operating Partnership owned by Hines Global REIT Associates Limited Partnership. Limited partners in the Operating Partnership may request repurchase of their OP Units for cash or, at our option, common units on a one-for-one basis, beginning one year after such OP Units were issued. The holder of the Special OP Units is entitled to distributions from the Operating Partnership under certain circumstances. In addition, under the Advisory Agreement, if we are not advised by an entity affiliated with Hines, Hines or its affiliates may cause the Operating Partnership to purchase some or all of the Special OP Units or any other OP Units then held by such entities for cash (or in certain cases, a promissory note) or our units as determined by the seller. Mr. Hines indirectly own and/or control Hines Global REIT Associates Limited Partnership.

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

Our Advisor

We do not have employees. Subject to the supervision of our board of trustees, our day-to-day operations are conducted by our Advisor in accordance with the Advisory Agreement. Our Advisor is an affiliate of Hines and is wholly-owned, indirectly, by, or for the benefit of, Jeffrey C. Hines, one of our trustees. All of our executive officers are employed by, and all of our executive officers actively participate in, the management of our Advisor and its affiliates. Jeffrey C. Hines serves as the Chairman of the Managers of the general partner of our Advisor and Charles M. Baughn and David L. Steinbach serve as Managers of the general partner of our Advisor.

Our executive officers have control and primary responsibility for the management decisions of our Advisor, including the disposition of properties to be recommended to our Board, the negotiations for these dispositions, and the property management and leasing of properties remaining in our portfolio. The Advisory Agreement was entered into as of June 30, 2020, and shall continue in force throughout the duration of our existence and shall terminate as of the date of our termination. The Advisory Agreement may be terminated with cause immediately by us or by our Advisor. For the period from January 1, 2020 through June 30, 2020, the Advisor, the Operating Partnership and Hines Global were parties to the Prior Advisory Agreement, as defined in Part I, Item 1 of this Annual Report on Form 10-K.

The Advisor and its affiliates receive compensation and are reimbursed for certain expenses in connection with services provided to us. These payments are summarized below. In the event the Advisory Agreement is terminated, our Advisor will be paid all earned, accrued and unpaid compensation and expense reimbursements within 30 days. Upon termination, we may also be obligated to purchase certain ownership interests owned by our Advisor or other affiliates of Hines under certain circumstances.

The following summarizes fees our Advisor earned under the Advisory Agreement and the Prior Advisory Agreement during 2021:

- Under the Advisory Agreement, we pay our Advisor a monthly asset management fee equal to 0.09375% of the net equity capital we have invested in real estate investments at the end of each month. The Advisor earned \$6.4 million in asset management fees during the year ended December 31, 2021.
- Under the Advisory Agreement, we pay our Advisor a disposition fee equal to 1.0% of (i) the sales price of any real estate investments sold, held directly by us, or (ii) when we hold investments indirectly through another entity, our pro rata share of the sales price of the real estate investment sold by that entity. The Advisor earned \$4.4 million in disposition fees during the year ended December 31, 2021 related to the sale of four of our properties.
- Likewise, under the Advisory Agreement, we may reimburse our Advisor and its affiliates for certain expenses they incur in connection with administrative and operating services they provide to us. In 2021, our Advisor incurred \$4.9 million in expenses, such as general and administrative expenses, on our behalf, which were reimbursed by us. See “Hines - Property Management Agreements” below for additional information concerning expense reimbursements to Hines.

We also agreed to indemnify our Advisor against losses it incurs in connection with its performance of its obligations under the Advisory Agreement, subject to terms and conditions in the Advisory Agreement.

Hines

Property Management Agreements

Hines or its affiliates managed some of our properties. We paid Hines property management fees, leasing fees, tenant construction fees and other fees customarily paid to a property manager. Hines is wholly-owned by Jeffrey C. Hines.

During the year ended December 31, 2021, Hines earned the following amounts pursuant to property management agreements under which Hines managed some of our properties:

- \$1.2 million in property management fees;
- \$0.5 million in leasing commissions; and

- \$1.8 million for all costs Hines incurred in providing property management and leasing services pursuant to the property management and leasing agreements. Included in this reimbursement of operating costs are the cost of personnel and overhead expenses related to such personnel located at the property as well as off-site personnel located in Hines' headquarters and regional offices, to the extent the same related to or supported the performance of Hines' duties under the agreements.

Ownership Interests

The Operating Partnership

We are the sole general partner of the Operating Partnership and owned a 99.99 % interest in the Operating Partnership at December 31, 2021. Hines Global REIT Associates Limited Partnership, an affiliate of Jeffrey C. Hines, owned a 0.01 % interest in the Operating Partnership at December 31, 2021. An affiliate of Jeffrey C. Hines also owns 1,111.111 shares of our common units.

Policies and Procedures for Review of Related Party Transactions

Potential conflicts of interest exist among us, Hines, our Advisor and other affiliates of Hines in relation to our existing agreements and how we will operate. Currently, four of our seven trustees are independent trustees. The board of trustees reviews and approves all matters it believes may involve conflicts of interest.

The board of trustees also must review and approve any transaction between us and our affiliates, on the one hand, and any trustee (including any independent trustee) or the trustee's affiliates or related persons on the other hand. All related party transactions must be approved by a majority of the disinterested members of the board of trustees. Any related party agreement or arrangements must be on terms no less favorable to us than those available to us in similar agreements or arrangements with unaffiliated third parties.

Trustee Independence

Our board of trustees has determined that each of our independent trustees is independent within the meaning of the applicable (i) provisions set forth in our Agreement and Declaration of Trust, which defines an independent trustee as: a person who is not on the date of determination, and within the two years prior to the date of determination has not been, directly or indirectly associated with the Advisor by virtue of (i) ownership of an interest in the Advisor or any of its affiliates, (ii) employment by the Advisor or any of its affiliates, (iii) service as an officer or director of the Advisor or any of its affiliates, (iv) performance of services, other than as a director or trustee, for Hines Global or the Trust, (v) service as a director or trustee of more than three real estate investment trusts organized by or advised by any affiliate of the Advisor, or (vi) maintenance of a material business or professional relationship with the Advisor or any of its affiliates.

A business or professional relationship is considered "material" if the aggregate gross revenue derived by the trustee from the Advisor and its affiliates exceeds five percent of either the trustee's annual gross revenue during either of the last two years or the trustee's net worth on a fair market value basis. An indirect association with the Advisor shall include circumstances in which a trustee's spouse, parent, child, sibling, mother- or father-in-law, son- or daughter-in-law or brother- or sister-in-law is or has been associated with the Advisor, any of its affiliates, the Trust or Hines Global.

Item 14. *Principal Accounting Fees and Services*

We did not engage independent auditors to perform an audit of the financial statements contained in this Form 10-K for the years ended December 31, 2021 and December 31, 2020.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a)(1) *Financial Statements*

HGR Liquidating Trust Consolidated Financial Statements

Consolidated Financial Statements	
Consolidated Statement of Net Assets, As of December 31, 2021 and 2020	20
Consolidated Statement of Changes in Net Assets, For the Year Ended December 31, 2021 and For the Period from July 1, 2020 through December 31, 2020	21
Consolidated Statements of Operations and Comprehensive Income (Loss), For the Six Months Ended June 30, 2020 and For the Year Ended December 31, 2019	22
Consolidated Statements of Equity, For the Six Months Ended June 30, 2020 and For the Year Ended December 31, 2019	23
Consolidated Statements of Cash Flows, For the Six Months Ended June 30, 2020 and For the Year Ended December 31, 2019	24
Notes to Consolidated Financial Statements	25

Auditor Name	None	Auditor Location	None	Auditor Firm ID	999999
--------------	------	------------------	------	-----------------	--------

(2) *Financial Statement Schedules*

Schedule III — Real Estate Assets and Accumulated Depreciation is set forth beginning on page 61 hereof.

All other schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instructions or are not applicable and therefore have been omitted.

(b) *Exhibits*

Reference is made to the Index beginning on page 64 for a list of all exhibits filed as a part of this report.

Schedule III — Real Estate Assets and Accumulated Depreciation
December 31, 2021

Description ^(a)	Location	Encumbrances	Initial Cost			Costs Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at 12/31/2021			Final Accumulated Depreciation ^(c)	Total	Date of Construction	Date Acquired
			Land	Buildings and Improvements	Total		Land	Buildings and Improvements	Total ^(b)				
Minneapolis Retail Center	Minneapolis, Minnesota	—	30,792	78,711	109,503	23,201	30,792	101,912	132,704	(15,533)	117,171	1974	August - 12 & December - 12
Net Liquidation Adjustment ^(d)											32,829		
		\$ —	\$ 30,792	\$ 78,711	\$ 109,503	\$ 23,201	\$ 30,792	\$ 101,912	\$ 132,704	\$ (15,533)	\$ 150,000		

- (a) Asset is a quality retail property.
- (b) The aggregate cost for federal income tax purposes is \$168.3 million as of December 31, 2021.
- (c) Prior to the held for sale classification, real estate assets were depreciated or amortized using the straight-line method over the useful lives of the assets by class. The estimated useful lives for computing depreciation were generally 10 years for furniture and fixtures, 15-20 years for electrical and mechanical installations and 40 years for buildings. As a result of the held for sale classification, the Company stopped recording depreciation to the assets held for sale as of July 2019.
- (d) Under the Liquidation Basis of Accounting, real estate holdings are carried at their liquidation values. The net liquidation adjustment represents the Company's remeasurement of the property from the carrying value of the property to reflect the estimated liquidation value.

The changes in total real estate assets for the years ended December 31, (in thousands):

	2021	2020	2019
Gross real estate assets			
Balance, beginning of period	\$ 478,313	\$ 1,259,164	\$ 1,942,614
Additions during the period:			
Acquisitions	—	—	—
Other additions	86	10,239	89,138
Disposals of fully-depreciated assets	—	—	—
Costs of real estate sold	(345,695)	(760,740)	(602,822)
Impairment losses	—	(29,418)	(179,194)
Effect of changes in foreign currency exchange rates	—	(932)	9,428
Balance, end of period	<u>\$ 132,704</u>	<u>\$ 478,313</u>	<u>\$ 1,259,164</u>
Accumulated Depreciation			
Balance, beginning of period	\$ (15,605)	\$ (79,394)	\$ (172,659)
Depreciation	—	—	(18,191)
Effect of changes in foreign currency exchange rates	—	741	(1,270)
Disposals of fully-depreciated assets	—	—	—
Impairment losses	—	10,827	59,854
Retirement or sales of assets	72	52,221	52,872
Balance, end of period	<u>\$ (15,533)</u>	<u>\$ (15,605)</u>	<u>\$ (79,394)</u>
Net real estate assets	\$ 117,171	\$ 462,708	\$ 1,179,770
Liquidation adjustment	32,829	134,492	—
Net real estate assets after liquidation adjustment	<u>\$ 150,000</u>	<u>\$ 597,200</u>	<u>\$ 1,179,770</u>

Item 16. Form 10-K Summary

The Company has elected not to include a summary.

* * * * *

INDEX TO EXHIBITS

Exhibit No.	Description
2.1	Plan of Liquidation and Dissolution (filed as Appendix A to the Registrant's Definitive Proxy Statement on Schedule 14A, on May 10, 2018 and incorporated by reference herein)
10.1	Form of Restricted Share Award Agreement (filed as Exhibit 10.1 to the Registrant's Current Report on Form 10-K on March 30, 2018 and incorporated by reference herein)
10.2*	Agreement of Sale and Purchase by and among Galleria Shopping Center, LLC and Galleria Parking Ramp, LLC, and 70th Street Properties, LLC, effective December 23, 2021
10.3*	First Amendment to Agreement of Sale and Purchase by and among Galleria Shopping Center, LLC, and Galleria Parking Ramp, LLC, and 70th Street Properties, LLC, dated February 28, 2022
10.4	Agreement and Declaration of Trust of HGR Liquidating Trust, dated as of June 30, 2020 (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K on July 7, 2020 and incorporated by reference herein)
10.5	Amended and Restated Advisory Agreement, dated as of June 30, 2020, by and among HGR Liquidating Trust, Hines Global REIT Advisors LP and Hines Global REIT Properties LP (filed as Exhibit 10.2 to the Registrant's Current Report on Form 8-K on July 7, 2020 and incorporated by reference herein)
10.6	Second Amended and Restated Agreement of Limited Partnership of Hines Global REIT Properties LP (filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K on July 7, 2020 and incorporated by reference herein)
10.7	Form of Indemnification Agreement entered into between HGR Liquidating Trust and the individuals listed on Schedule A thereto (filed as Exhibit 10.4 to the Registrant's Current Report on Form 8-K on July 7, 2020 and incorporated by reference herein)
10.8	Amendment to Credit Agreement, dated as of March 3, 2020, by and among Hines Global REIT Properties, L.P. and the Lenders party thereto, JP Morgan Chase Bank, National Association, as Administrative Agent, J.P. Morgan Europe Limited, as Administrative Agent for Foreign Currencies, Bank of America, N.A., as Syndication Agent, and Bank of Montreal, Chicago Branch, Regions Bank and U.S. Bank National Association, as Co- Documentation Agents, J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Joint Bookrunners and Joint Lead Arrangers. (filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K on March 9, 2020 and incorporated by reference herein)
21.1*	List of Subsidiaries of HGR Liquidating Trust.
31.1*	Certification
31.2*	Certification
32.1*	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C., Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Pursuant to SEC Release 34-47551 this Exhibit is furnished to the SEC and shall not be deemed to be "filed."
101*	The following materials from Hines Global REIT, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2020, filed on March 31, 2022, are formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations and Comprehensive Income (Loss), (iii) Statements of Equity, (iv) of Cash Flows, and (v) Notes to the Consolidated Financial Statements.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document and contained in Exhibit 101)

* Filed herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized representative.

HGR Liquidating Trust
(registrant)

March 31, 2022 By: /s/ Jeffrey C. Hines
Jeffrey C. Hines
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on March 31, 2022.

Signature	Title	Date
<u>/s/ Jeffrey C. Hines</u> Jeffrey C. Hines	Trustee and Chief Executive Officer (Principal Executive Officer)	March 31, 2022
<u>/s/ J. Shea Morgenroth</u> J. Shea Morgenroth	Chief Financial Officer (Principal Financial Officer)	March 31, 2022
<u>/s/ David L. Steinbach</u> David L. Steinbach	Trustee	March 31, 2022
<u>/s/ Charles M. Baughn</u> Charles M. Baughn	Trustee	March 31, 2022
<u>/s/ Jack L. Farley</u> Jack L. Farley	Trustee	March 31, 2022
<u>/s/ Thomas L. Mitchell</u> Thomas L. Mitchell	Trustee	March 31, 2022
<u>/s/ John S. Moody</u> John S. Moody	Trustee	March 31, 2022
<u>/s/ Peter Shaper</u> Peter Shaper	Trustee	March 31, 2022

AGREEMENT OF SALE AND PURCHASE

BY AND AMONG

**GALLERIA SHOPPING CENTER, LLC,
a Minnesota limited liability company,**

and

**GALLERIA PARKING RAMP, LLC,
a Minnesota limited liability company**

as Sellers

AND

**70th STREET PROPERTIES, LLC,
a Minnesota limited liability company**

as Purchaser

pertaining to

The Galleria, Edina, MN

EXECUTED EFFECTIVE AS OF

December 23, 2021

AGREEMENT OF SALE AND PURCHASE

THIS AGREEMENT OF SALE AND PURCHASE (this “**Agreement**”) is entered into and effective for all purposes as of December 23, 2021 (the “**Effective Date**”), by and among GALLERIA SHOPPING CENTER, LLC, a Minnesota limited liability company (“**Owner LLC**”) and GALLERIA PARKING RAMP, a Minnesota limited liability company (“**Garage LLC**” and together with Owner LLC, the “**Sellers**,” and, each individually, a “**Seller**”), and 70th STREET PROPERTIES, LLC, a Minnesota limited liability company (“**Purchaser**”).

In consideration of the mutual promises, covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sellers and Purchaser agree as follows:

Article I DEFINITIONS

Section 1.1 **Definitions.** For purposes of this Agreement, the following capitalized terms have the meanings set forth in this Section 1.1:

“**Acceptable Estoppel Certificates**” has the meaning ascribed to such term in Section 7.2.

“**Affiliate**” means any person or entity that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with Purchaser or Sellers, as the case may be. For the purposes of this definition, “control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities, by contract or otherwise, and the terms “controlling” and “controlled” have the meanings correlative to the foregoing.

“**Agreement**” has the meaning ascribed to such term in the opening paragraph.

“**Approval Notice**” has the meaning ascribed to such term in Section 5.4.

“**Authorities**” means the various governmental and quasi-governmental bodies or agencies having jurisdiction over Sellers, the Real Property, the Improvements, or any portion thereof.

“**Authorized Qualifications**” has the meaning ascribed to such term in Section 10.8.

“**Blocked Person**” has the meaning ascribed to such term in Section 7.3.

“**Broker**” has the meaning ascribed to such term in Section 11.1.

“**Business Day**” means any day other than a Saturday, Sunday or a day on which national banking associations are authorized or required to close in Minneapolis, Minnesota. In the event that any date or any period provided for in this Agreement shall end on a day other than a Business Day, the applicable date shall be, or the period shall end on, the next Business Day.

“**CERCLA**” means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. § 9601 et seq.), as amended by the Superfund Amendments Reauthorization Act of 1986 (42 U.S.C. § 9601 et seq.), as the same may be amended.

“**Certificate as to Foreign Status**” has the meaning ascribed to such term in Section 10.3(e).

“**Certifying Party**” has the meaning ascribed to such term in Section 4.5.

“**Claims**” has the meaning ascribed to such term in Section 5.6(a).

“**Closing**” means the consummation of the purchase and sale of the Property contemplated by this Agreement, as provided for in Article X.

“**Closing Date**” means the date on which the Closing occurs, which date shall be the later of (i) February 28, 2022 or (ii) the date agreed upon among Sellers and Purchaser after which Owner LLC delivers the requisite number of estoppel certificates in accordance with Section 7.2. No party to this Agreement shall extend the Closing Date without written consent among Sellers and Purchaser, which consent shall not be unreasonably denied, delayed, or conditioned.

“**Closing Documents**” has the meaning ascribed to such term in Section 16.1.

“**Closing Statement**” has the meaning ascribed to such term in Section 10.4(a).

“**Closing Surviving Obligations**” means the covenants, rights, liabilities and obligations set forth in Sections 3.2, 4.7, 4.9, 5.2 (b), 5.2(d), 5.3, 5.5, 5.6, 8.1 (subject to Section 16.1), 8.2, 8.3, 10.4 (subject to the limitations therein), 10.6, 10.7, 11.1, 13.3, 15.1, 16.1, 17.2, 17.14, 17.15 and 17.16.

“**Closing Time**” has the meaning ascribed to such term in Section 10.4(a).

“**Code**” has the meaning ascribed to such term in Section 4.9.

“**Deed**” has the meaning ascribed to such term in Section 10.3(a).

“**Delinquent**” has the meaning ascribed to such term in Section 10.4(b).

“**Delinquent Rental Proration Period**” has the meaning ascribed to such term in Section 10.4(b).

“**Deposit**” has the meaning ascribed to such term in Section 4.1.

“**Deposit Time**” means 12:30 p.m. Central Time on the Closing Date.

“**Documents**” has the meaning ascribed to such term in Section 5.2(a).

“**Due Diligence Items**” has the meaning ascribed to such term in Section 5.4.

“**Earnest Money Deposit**” has the meaning ascribed to such term in Section 4.1.

“**Effective Date**” has the meaning ascribed to such term in the opening paragraph of this Agreement.

“Environmental Laws” means all federal, state and local laws, rules, statutes, directives, binding written interpretations, binding written policies, court decisions, ordinances and regulations, now or hereafter in force and effect and as amended from time to time, issued by any Authorities in any way relating to or regulating human health, safety, industrial hygiene or environmental conditions, or the protection of the environment or pollution or contamination of the air (whether indoor or outdoor), soil gas, soil, surface water or groundwater, including but not limited to CERCLA, the Hazardous Substances Transportation Act (49 U.S.C. § 1802 et seq.), RCRA, the Solid Waste Disposal Act, the Clean Water Act, the Federal Insecticide, Fungicide, and Rodenticide Act, the Endangered Species Act, the Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Safe Drinking Water Act (42 U.S.C. § 300f et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. § 11001 et seq.), the Radon and Indoor Air Quality Research Act (42 U.S.C. § 7401 note, et seq.), the National Environmental Policy Act (42 U.S.C. § 4321 et seq.), the Occupational Safety and Health Act (29 U.S.C. § 651 et seq.), and any and all other comparable state and local equivalents.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Escrow Instructions” has the meaning ascribed to such term in Section 4.2.

“Executive Order” has the meaning ascribed to such term in Section 7.3.

“Final Approval Notice” has the meaning ascribed to such term in Section 5.4.

“Final Contingency Date” means January 18, 2022.

“Final Due Diligence Period” means the period that commences on the expiration of the Initial Due Diligence Period and expires at 5:00 p.m. (Central time) on the Final Contingency Date.

“Final Proration Date” has the meaning ascribed to such term in Section 10.4(a).

“Gap Notice” has the meaning ascribed to such term in Section 6.2(b).

“Garage LLC” has the meaning ascribed to such term in the opening paragraph of this Agreement.

“General Conveyance” has the meaning ascribed to such term in Section 10.3(b).

“Governmental Regulations” means all laws, ordinances, rules and regulations of the Authorities applicable to Sellers or Sellers’ use and operation of the Real Property or the Improvements or any portion thereof.

“Hazardous Substances” means any substance or material that is described as a toxic or hazardous substance, waste or material or a pollutant, effluent, emission, or contaminant, or words of similar import, in any of the Environmental Laws, and includes (a) petroleum (including crude oil or any fraction thereof, natural gas, natural gas liquids, radon gas, liquefied natural gas, or synthetic gas usable for fuel, or any mixture thereof), petroleum-based products and petroleum additives and derived substances, lead-based or lead-containing paint, mold, fungi or bacterial matter, polychlorinated biphenyls (PCBs), radioactive matter, medical waste, and chemicals which may cause cancer or reproductive toxicity, asbestos, asbestos-containing material, electromagnetic waves, urea formaldehyde foam insulation and transformers or other

equipment that contains dielectric fluid containing PCBs, and (b) any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, waste, phosphates, or chlorine.

“Immaterial Events” has the meaning ascribed to such term in Section 10.8.

“Improvements” means all buildings, structures, fixtures, parking areas and improvements owned by Sellers and located on the Real Property, including, without limitation, the parking garage which serves the Real Property and certain adjoining property pursuant to the terms and conditions of the REA.

“Independent Consideration” has the meaning ascribed to such term in Section 3.4.

“Intangible Personal Property” means, to the extent assignable or transferable without the necessity of consent or approval (and if consent or approval is required, to the extent such consent or approval has been obtained), all trade names, trademarks, logos, and service marks, websites, domain names, telephone numbers, accounting software, operating software, and other intellectual property (in each case, if any), utilized solely by either or both Sellers or which Sellers have a right to utilize in connection with the operation of the Real Property and Improvements thereon (other than the names or variations thereof of Hines Interests Limited Partnership (or Hines), Sellers, their Affiliates, the property manager and Tenants), provided however, that the foregoing definition shall specifically exclude all Reserved Company Assets.

“Initial Approval Notice” has the meaning ascribed to such term in Section 5.4.

“Initial Contingency Date” means January 10, 2022.

“Initial Due Diligence Period” means the period that commenced on November 19, 2021 and expires at 5:00 p.m. (Central time) on the Initial Contingency Date.

“Initial Nonrefundable Deposit” has the meaning ascribed to such term in Section 5.4.

“Inspection Agreement” means that certain Inspection Agreement and Confidentiality Agreement, executed prior to the date hereof by Sellers and Purchaser.

“Leasing Costs” means, with respect to any particular Tenant Lease at the Property, all leasing commissions, brokerage commissions, tenant improvement allowances, rent abatements, free rent and similar inducements, capital costs and expenses incurred for capital improvements to satisfy the initial construction obligations under such Tenant Lease, legal and other professional fees, payments made for the purposes of satisfying or buying out the obligations of a Tenant under such Tenant Lease to the landlord of another lease, relocation costs and all other expenditures, in each case, to the extent that the landlord under such Tenant Lease is responsible for the payment of such cost or expense.

“Lender Title Policy” has the meaning ascribed to such term in Section 6.3.

“Licensee Parties” has the meaning ascribed to such term in Section 5.1(a).

“Licenses and Permits” means, collectively, all of Sellers’ right, title, and interest, to the extent assignable without the necessity of consent or assignable only with consent and such consent has been obtained, in and to all licenses, permits, certificates of occupancy, approvals, dedications, subdivision maps and entitlements issued, approved or granted by the

Authorities prior to Closing in connection with the Real Property and the Improvements, together with all renewals and modifications thereof.

“**Major Tenants**” has the meaning ascribed to such term in Section 7.2.

“**Must-Cure Matters**” has the meaning ascribed to such term in Section 6.2(c).

“**New Exception**” has the meaning ascribed to such term in Section 6.2(b).

“**New Tenant Costs**” has the meaning ascribed to such term in Section 10.4(e).

“**OFAC**” has the meaning ascribed to such term in Section 7.3.

“**Official Records**” means the official records of Hennepin County, Minnesota and/or the Official Records of the Office of the Registrar of Titles for Hennepin County, Minnesota, as applicable.

“**Operating Expense Recoveries**” has the meaning ascribed to such term in Section 10.4(c).

“**Other Party**” has the meaning ascribed to such term in Section 4.5.

“**Owner LLC**” has the meaning ascribed to such term in the opening paragraph of this Agreement.

“**Owner Title Policy**” has the meaning ascribed to such term in Section 6.3.

“**Permitted Exceptions**” has the meaning ascribed to such term in Section 6.3.

“**Permitted Outside Parties**” has the meaning ascribed to such term in Section 5.2(b).

“**Personal Property**” means all of Sellers’ right, title and interest in and to the equipment, appliances, tools, supplies, machinery, artwork, furnishings and other tangible personal property attached to, appurtenant to, located in and used in connection with the ownership or operation of the Improvements owned by Sellers, but specifically excluding (i) any items of personal property owned by Tenants of the Improvements, (ii) any items of personal property owned by third parties and leased to Sellers, and (iii) any items of personal property owned or leased by Sellers’ property manager, and (iv) all other Reserved Company Assets.

“**Property**” has the meaning ascribed to such term in Section 2.1.

“**Proration Items**” has the meaning ascribed to such term in Section 10.4(a).

“**Purchase Price**” has the meaning ascribed to such term in Section 3.1.

“**Purchaser**” has the meaning ascribed to such term in the opening paragraph of this Agreement.

“**Purchaser Person**” has the meaning ascribed to such term in Section 8.3(e).

“**RCRA**” means the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), as amended by the Hazardous and Solid Wastes Amendments of 1984, and as further amended.

“**REA**” means that certain Cross Easement, Operation and Maintenance Agreement (2-Dimensional) dated as of September 22, 2006, and recorded on October 12, 2006 as Document No. 4315689 in the Official Records, as amended by First Amendment dated August 17, 2011, recorded February 21, 2012 as Document No. T4929373 in the Official Records and by Second Amendment dated February 21, 2012, recorded February 21, 2012 as Document No. T4929478 in the Official Records, and by Third Amendment dated August 1, 2012, recorded August 2, 2012 as Document No. T4979096 in the Official Records, and that certain Declaration of Restrictive Covenants dated September 22, 2006 and recorded as Document No. 4315685 in the Official Records.

“**Real Property**” means those certain parcels of or interests in the real property located at 3501 Galleria, Edina, Minnesota and commonly known as the Galleria Shopping Center, and those certain parcels of or interests in the real property located at 3210 Galleria, Edina, Minnesota, as more particularly described on **Exhibit A** attached hereto, together with all of Sellers’ right, title and interest, if any, in and to the appurtenances pertaining thereto, including but not limited to Sellers’ right, title and interest in and to the streets, alleys and rights-of-way which abut such real property, and any easement rights, air rights, subsurface rights, development rights and water rights appurtenant to such real property.

“**Rentals**” has the meaning ascribed to such term in Section 10.4(b), and some may be “**Delinquent**” in accordance with the meaning ascribed to such term in Section 10.4(b).

“**Reporting Person**” has the meaning ascribed to such term in Section 4.9(a).

“**Reserved Company Assets**” shall mean the following assets of Sellers as of the Closing Date: all cash, cash equivalents (including certificates of deposit), deposits held by third parties (e.g., utility companies), accounts receivable and any right to a refund or other payment relating to a period prior to the Closing, including any real estate tax refund (subject to the prorations and obligations hereinafter set forth), bank accounts, claims or other rights against any present or prior partner, member, employee, agent, manager, officer or director of each Seller or each Seller’s direct or indirect partners, members, shareholders or affiliates, any refund in connection with termination of each Seller’s existing insurance policies, all contracts between each Seller and any law firm, accounting firm, property manager, leasing agent, broker, environmental consultants and other consultants and appraisers entered into prior to the Closing, any proprietary or confidential materials (including any materials relating to the background or financial condition of a present or prior direct or indirect partner or member of each Seller), the internal books and records of each Seller relating, for example, to contributions and distributions prior to the Closing, any software, the names “Hines”, “Hines Interests Limited Partnership”, and any derivations thereof, and any trademarks, trade names, brand marks, brand names, trade dress or logos relating thereto, any development bonds, letters of credit or other collateral held by or posted with any Authority or other third party with respect to any improvement, subdivision or development obligations concerning the Property or any other real property, and any other intangible property that is not used exclusively in connection with the Property.

“**Sellers**” and “**Seller**” have the meanings ascribed to such terms in the opening paragraph of this Agreement.

“**Seller Certificate**” has the meaning ascribed to such term in Section 7.2(b).

“**Seller Person**” has the meaning ascribed to such term in Section 8.1(j).

“**Seller Released Parties**” has the meaning ascribed to such term in Section 5.6(a).

“**Sellers’ Response**” has the meaning ascribed to such term in Section 6.2(a).

“**Service Contracts**” means all of Sellers’ right, title and interest in service agreements, maintenance contracts, equipment leasing agreements, warranties, guarantees, bonds and other contracts for the provision of labor, services, materials or supplies relating to the Real Property, Improvements or Personal Property owned by Sellers and under which Sellers are currently paying for services rendered in connection with the Property, as listed and described on **Exhibit B** attached hereto, together with all commission agreements listed on **Exhibit D** attached hereto, and together with all renewals, supplements, amendments and modifications thereof, and any new such agreements entered into after the Effective Date, to the extent permitted by Section 7.1(e).

“**Significant Portion**” means damage by fire or other casualty (or loss of value due to condemnation or eminent domain proceedings) to the Real Property and Improvements or a portion thereof (i) requiring repair costs (or resulting in a loss of value) in excess of an amount equal to ten percent (10%) of the Purchase Price as such repair costs or loss of value calculation is reasonably estimated by Sellers in accordance with the terms of Section 9.2 or (ii) that would cause the Property to completely lose access to and from a public street or (iii) that would give a Major Tenant the right to terminate its Tenant Lease.

“**Tenant Deposits**” means all security deposits, paid or deposited by the Tenants to Owner LLC, as landlord, or any other person on Owner LLC’s behalf pursuant to the Tenant Leases, which have not been applied to obligations under Tenant Leases (together with any interest which has accrued thereon, but only to the extent such interest has accrued for the account of the respective Tenants). “**Tenant Deposits**” shall also include all non-cash security deposits, such as letters of credit.

“**Tenant Leases**” means the following pertaining to the Improvements: (i) any and all written leases, rental agreements, occupancy agreements and license agreements (and any and all written renewals, amendments, modifications and supplements thereto) entered into on or prior to the Effective Date, to the extent identified on **Exhibit F** hereto, (ii) any and all new written leases, rental agreements, occupancy agreements and license agreements entered into after the Effective Date, and (iii) any and all new written renewals, amendments, modifications and supplements to any of the foregoing entered into after the Effective Date, and, as to (ii) and (iii) only, to the extent approved by Purchaser pursuant to Section 7.1(d) to the extent such approval is required under Section 7.1(d). Tenant Leases will not include subleases, franchise agreements or similar occupancy agreements entered into by Tenants which, by their nature, are subject to Tenant Leases.

“**Tenant Notice Letters**” has the meaning ascribed to such term in Section 10.7.

“**Tenants**” means all persons or entities leasing, renting or occupying space within the Improvements pursuant to the Tenant Leases, but expressly excludes any subtenants, licensees, concessionaires, franchisees or other persons or entities whose occupancy is derived through Tenants.

“**Termination Notice**” has the meaning ascribed to such term in Section 6.2.

“**Termination Surviving Obligations**” means the rights, liabilities and obligations set forth in Sections 4.5, 4.6, 5.2, 5.3, 5.5, 5.6, 7.3, 11.1, 12.1, 13.3, 14.1, 15.1, Article XIII and Article XVII.

“**Title Company**” means First American Title Company, at its offices located at 121 South 8th Street Suite 1250 Minneapolis, Minnesota, Attn: Nicole Haapala, Telephone No.: 612-305-2014, Facsimile No.: 719-689-7109, Email: nhaapala@firstam.com.

“**Title Notice**” has the meaning ascribed to such term in Section 6.2(a).

“**Title Notice Date**” has the meaning ascribed to such term in Section 6.2(a).

“**Title Policies**” has the meaning ascribed to such term in Section 6.3.

“**To Seller’s Knowledge**” or “**Knowledge**” and similar terms means the present actual (as opposed to constructive or imputed) knowledge solely of Sargent Johnson, without any independent investigation or inquiry whatsoever. Such individual is named in this Agreement solely for the purpose of establishing the scope of Seller’s knowledge. Such individual shall not be deemed to be party to this Agreement nor to have made any representations or warranties hereunder, and no recourse shall be had to such individual for any of Seller’s representations and warranties hereunder (and Purchaser hereby waives any liability of or recourse against such individual).

“**Updated Survey**” has the meaning ascribed to such term in Section 6.1.

“**Updated Title Commitment**” has the meaning ascribed to such term in Section 6.2(a).

Section 1.2 **References; Exhibits and Schedules.** Except as otherwise specifically indicated, all references in this Agreement to Articles or Sections refer to Articles or Sections of this Agreement, and all references to Exhibits or Schedules refer to Exhibits or Schedules attached hereto, all of which Exhibits and Schedules are incorporated into, and made a part of, this Agreement by reference. The words “herein,” “hereof,” “hereinafter” and words and phrases of similar import refer to this Agreement as a whole and not to any particular Section or Article.

Article II

AGREEMENT OF PURCHASE AND SALE

Section 2.1 **Agreement.** Sellers hereby agree to sell, convey and assign to Purchaser, and Purchaser hereby agrees to purchase and accept from Sellers, on the Closing Date and subject to the terms and conditions of this Agreement, all of Sellers’ right, title, and interest in and to the Real Property, together with each of the following attributable to the Real Property:

- (i) the Improvements;
- (ii) the Personal Property;
- (iii) all of the Sellers’ right, title and interest as parties to the REA;
- (iv) all of the Owner LLC’s right, title and interest, as lessor in and to the Tenant Leases in effect on the Closing Date and, subject to the terms of the respective applicable Tenant Leases, the Tenant Deposits;
- (v) all of the Owner LLC’s right, title and interest in and to the promotional fund maintained by Owner LLC for the promotion of the Property;
- (vi) all of the Sellers’ right, title and interest, if any, in, to and under the Service Contracts and the Licenses and Permits in effect on the Closing Date, in each

case to the extent assignable without the necessity of consent or approval and, if consent or approval is required, to the extent any necessary consent or approval has been obtained; and

(vii) all of the Sellers' right, title and interest, to the extent assignable or transferable without the necessity of consent or approval (and if consent or approval is required, to the extent such consent or approval has been obtained), in and to the Intangible Real Property

(collectively with the Real Property, the "**Property**").

Section 2.2 **Indivisible Economic Package**. Purchaser has no right to purchase, and Sellers have no obligation to sell, less than all of the Property, it being the express agreement and understanding of Purchaser and Sellers that, as a material inducement to Sellers and Purchaser to enter into this Agreement, Purchaser has agreed to purchase, and Sellers have agreed to sell, all of the Property, subject to and in accordance with the terms and conditions hereof.

Article III **CONSIDERATION**

Section 3.1 **Purchase Price**. The purchase price for the Property (the "**Purchase Price**") will be One Hundred Fifty Million Dollars (\$150,000,000) in lawful currency of the United States of America, payable as provided in Section 3.3.

Section 3.2 **Assumption of Obligations**. As additional consideration for the purchase and sale of the Property, effective as of Closing, Purchaser will be deemed to have, and by virtue of closing the purchase of the Property Purchaser shall have assumed and agreed to perform or pay, as applicable, (i) all of the covenants and obligations of Owner LLC or Owner LLC's predecessor in title in the Tenant Leases which are to be performed on or subsequent to the Closing Date, (ii) all of the covenants and obligations of Sellers or Sellers' predecessor in title in the Service Contracts, Licenses and Permits, and Intangible Personal Property assigned to Purchaser and which are to be performed on or subsequent to the Closing Date, (iii) all of the covenants and obligations of Sellers under the Service Contracts, the Licenses and Permits, and Intangible Personal Property assigned to Purchaser and relating to the physical or environmental condition of the Property, regardless of whether such obligations arise before or after the Closing Date, and (iv) the Leasing Costs, if any, for which Purchaser is responsible under Section 10.4(e) below.

Section 3.3 **Method of Payment of Purchase Price**. No later than the Deposit Time, Purchaser will deposit in escrow with the Title Company the Purchase Price (subject to adjustments described in Section 10.4 and any credit for the Earnest Money Deposit being applied to the Purchase Price), together with all other costs and amounts to be paid by Purchaser at Closing pursuant to the terms of this Agreement, by Federal Reserve wire transfer of immediately available funds to an account to be designated by the Title Company. No later than 1:00 p.m. Central time on the Closing Date, and subject to the satisfaction of all of Purchaser's conditions to close: (a) Purchaser will cause the Title Company to (i) pay to Sellers by Federal Reserve wire transfer of immediately available federal funds to an account to be designated by Sellers, the Purchase Price (subject to adjustments described in Section 10.4 and any credit for the Earnest Money Deposit being applied to the Purchase Price), less any costs or other amounts to be paid by Sellers at Closing pursuant to the terms of this Agreement, and (ii) pay to all appropriate payees the other costs and amounts to be paid by Purchaser at Closing pursuant to the terms of this Agreement, and (b) Sellers will direct the Title Company to pay to the appropriate payees out of the proceeds of Closing payable to Sellers, all costs and amounts to be paid by Sellers at Closing pursuant to the terms of this Agreement.

Section 3.4 **Independent Consideration.** The sum of One Hundred Dollars (\$100.00) (the “**Independent Consideration**”) out of the Deposit is independent of any other consideration provided hereunder, shall be fully earned by Sellers upon the Effective Date hereof, and is not refundable to Purchaser under any circumstances. Accordingly, if this Agreement is terminated for any reason by either party, the Independent Consideration shall be paid by the Title Company to Sellers.

Article IV

EARNEST MONEY DEPOSIT AND ESCROW INSTRUCTIONS

Section 4.1 **Earnest Money Deposit.** Within three (3) Business Days after the Effective Date, and as an express condition to the effectiveness of this Agreement, Purchaser shall deposit with the Title Company, in immediately available federal funds, the sum of Four Million Dollars (\$4,000,000) (the “**Deposit**”), which will be held in escrow by the Title Company pursuant to the terms of this Agreement. The Deposit (plus all interest earned thereon), less the Independent Consideration, shall be the “**Earnest Money Deposit**” for the purposes of this Agreement. If Purchaser fails to deposit the Deposit within the time period described above, this Agreement shall automatically terminate.

Section 4.2 **Escrow Instructions.** Article IV of this Agreement constitutes the escrow instructions of Sellers and Purchaser to the Title Company with regard to the Earnest Money Deposit and the Closing (the “**Escrow Instructions**”). By its execution of the joinder attached hereto, the Title Company agrees to be bound by the provisions of this Article IV. If any requirements relating to the duties or obligations of the Title Company hereunder are not acceptable to the Title Company, or if the Title Company requires additional instructions, the parties agree to make such deletions, substitutions and additions to the Escrow Instructions as Purchaser and Sellers hereafter mutually approve in writing and which do not substantially alter this Agreement or its intent. In the event of any conflict between this Agreement and such additional escrow instructions, this Agreement will control.

Section 4.3 **Documents Deposited into Escrow.** On or before the Deposit Time, and subject to the satisfaction of Purchaser’s conditions to close, (a) Purchaser will cause the difference between the Purchase Price and the Earnest Money Deposit and interest thereon (subject to the prorations provided for in Section 10.4 and with the addition of all Closing costs to be paid by Purchaser) to be transferred to the Title Company’s escrow account, in accordance with the timing and other requirements of Section 3.3, (b) Purchaser will deliver in escrow to the Title Company the documents described and provided for in Section 10.2, and (c) Sellers will deliver in escrow to the Title Company the documents described and provided for in Section 10.3.

Section 4.4 **Close of Escrow.** Provided that the Title Company has not received from Sellers or Purchaser any written termination notice as described and provided for in Section 4.5 (or if such a notice has been previously received, the Title Company has received a withdrawal of such notice), when Purchaser and Sellers have delivered the documents required by Section 4.3, and Title Company has received from Sellers and Purchaser final authorization to close this transaction, the Title Company will:

(a) If applicable and when required, file with the Internal Revenue Service (with copies to Purchaser and Sellers) the reporting statement required under Section 6045(e) of the Internal Revenue Code and Section 4.9;

(b) Insert the applicable Closing Date as the date of any document delivered to the Title Company undated, and assemble counterparts into single instruments;

(c) Disburse to Sellers, by wire transfer to Sellers of immediately available federal funds, in accordance with wiring instructions to be obtained by the Title Company from Sellers, all sums to be received by Sellers from Purchaser at the Closing, consisting of the Purchase Price as adjusted in accordance with the provisions of this Agreement;

(d) Deliver the Deed to Purchaser by agreeing to cause the same to be recorded in the Official Records and agreeing to obtain conformed copies of the recorded Deed for delivery to Purchaser and to Sellers following recording;

(e) Issue to Purchaser the Owner Title Policy required by Section 6.3 of this Agreement;

(f) Deliver to Sellers, in addition to Sellers' Closing proceeds, all documents deposited with the Title Company for delivery to Sellers at the Closing; and

(g) Deliver to Purchaser (i) all documents deposited with the Title Company for delivery to Purchaser at the Closing and (ii) any funds deposited by Purchaser in excess of the amount required to be paid by Purchaser pursuant to this Agreement.

Section 4.5 **Termination Notices.** If at any time prior to the expiration of the Initial Due Diligence Period, the Title Company receives a notice from Purchaser that Purchaser has exercised its termination right under Section 5.4, or if Purchaser does not timely deliver its Initial Approval Notice under Section 5.4, the Title Company, within three (3) Business Days after the receipt of such notice or after the Initial Contingency Date, as applicable, will deliver the Earnest Money Deposit to Purchaser. If at any time prior to the expiration of the Final Due Diligence Period, the Title Company receives a notice from Purchaser that Purchaser has exercised its termination right under Section 5.4, or if Purchaser does not timely deliver its Final Approval Notice under Section 5.4, the Title Company, within three (3) Business Days after the receipt of such notice or after the Final Contingency Date, as applicable, will deliver the Initial Nonrefundable Deposit and the Independent Consideration to Sellers, and the remainder of the Earnest Money Deposit to Purchaser. If at any time, except as provided in the preceding two sentences, the Title Company receives a certificate from Sellers or from Purchaser (for purposes of this Section 4.5, the "**Certifying Party**") stating that: (a) the Certifying Party is entitled to receive the Earnest Money Deposit pursuant to the terms of this Agreement, and (b) a copy of the certificate was delivered as provided herein to the other party (for purposes of this Section 4.5, the "**Other Party**") prior to or contemporaneously with the giving of such certificate to the Title Company, then, the Title Company shall notify the Other Party in writing of the Title Company's receipt of such certificate. Unless the Title Company has then previously received, or receives within three (3) Business Days after such written notification to the Other Party of the Title Company's receipt of the Certifying Party's certificate, contrary instructions from the Other Party, the Title Company, within one (1) Business Day after the expiration of the foregoing three (3) Business Day period, will deliver the Earnest Money Deposit to the Certifying Party, and thereupon the Title Company will be discharged and released from any and all liability hereunder. If the Title Company receives contrary instructions from the Other Party within three (3) Business Days following such written notification to the Other Party of the Title Company's receipt of said certificate, the Title Company will not so deliver the Earnest Money Deposit, but will continue to hold the same pursuant hereto, subject to Section 4.6.

Section 4.6 **Joint Indemnification of Title Company; Conflicting Demands on Title Company.** If this Agreement or any matter relating hereto (other than the Updated Title Commitment or the Title Policies) becomes the subject of any litigation or controversy, Purchaser and Sellers jointly and severally, will hold Title Company free and harmless from any loss or expense, including reasonable attorneys' fees, that may be suffered by it by reason thereof other than as a result of Title Company's gross negligence or willful misconduct. In the event

conflicting demands are made or notices served upon Title Company with respect to this Agreement, or if there is uncertainty as to the meaning or applicability of the terms of this Agreement or the Escrow Instructions, Purchaser and Sellers expressly agree that the Title Company will be entitled to file a suit in interpleader and to obtain an order from the court requiring Purchaser and Sellers to interplead and litigate their several claims and rights among themselves. Upon the filing of the action in interpleader and the deposit of the Earnest Money Deposit into the registry of the court, the Title Company will be fully released and discharged from any further obligations imposed upon it by this Agreement after such deposit.

Section 4.7 **Maintenance of Confidentiality by Title Company.** Except as may otherwise be required by law or by this Agreement or as reasonably necessary in the due course of Title Company fulfilling its obligations under this Agreement, the Title Company will maintain in strict confidence and not disclose to anyone the existence of this Agreement, the identity of the parties hereto, the amount of the Purchase Price, the provisions of this Agreement or any other information concerning the transactions contemplated hereby, without the prior written consent of Purchaser and Sellers in each instance.

Section 4.8 **Investment of Earnest Money Deposit.** Title Company will invest and reinvest the Earnest Money Deposit, at the instruction and sole election of Purchaser, only in (a) bonds, notes, Treasury bills or other securities constituting direct obligations of, or guaranteed by the full faith and credit of, the United States of America, and in no event maturing beyond the Closing Date, or (b) an interest-bearing account at a commercial bank mutually acceptable to Sellers, Purchaser and Title Company. The investment of the Earnest Money Deposit will be at the sole risk of Purchaser and no loss on any investment will relieve Purchaser of its obligations to pay to Sellers as liquidated damages the original amount of the Earnest Money Deposit as provided in Article XIII, or of its obligation to pay the Purchase Price. All interest earned on the Earnest Money Deposit will be the property of Purchaser and will be reported to the Internal Revenue Service as income until such time as Sellers are entitled to the Earnest Money Deposit pursuant to this Agreement. Purchaser will provide the Title Company with a taxpayer identification number and will pay all income taxes due by reason of interest accrued on the Earnest Money Deposit.

Section 4.9 **Designation of Reporting Person.** In order to assure compliance with the requirements of Section 6045 of the Internal Revenue Code of 1986, as amended (for purposes of this Section 4.9, the “**Code**”), and any related reporting requirements of the Code, the parties hereto agree as follows:

(a) The Title Company (for purposes of this Section 4.9, the “**Reporting Person**”), by its execution hereof, hereby assumes all responsibilities for information reporting required under Section 6045(e) of the Code.

(b) Sellers and Purchaser each hereby agree:

(i) to provide to the Reporting Person all information and certifications regarding such party, as reasonably requested by the Reporting Person or otherwise required to be provided by a party to the transaction described herein under Section 6045 of the Code; and

(ii) to provide to the Reporting Person such party’s taxpayer identification number and a statement (on Internal Revenue Service Form W-9 or an acceptable substitute form, or on any other form the applicable current or future Code sections and regulations might require and/or any form requested by the Reporting Person), signed under penalties of perjury, stating that the taxpayer identification number supplied by such party to the Reporting Person is correct.

(c) Each party hereto agrees to retain this Agreement for not less than four (4) years from the end of the calendar year in which Closing occurred, and to produce it to the Internal Revenue Service upon a valid request therefor.

(d) The addresses for Sellers and Purchaser are as set forth in Section 14.1 hereof, and the real estate subject to the transfer provided for in this Agreement is described in **Exhibit A**.

Article V **INSPECTION OF PROPERTY**

Section 5.1 Entry and Inspection.

(a) From and after the Effective Date and through the earlier of the end of the Final Due Diligence Period or the termination of this Agreement, Purchaser and its agents, representatives, contractors and consultants shall have the right to inspect and investigate the Property and shall have the right to conduct such tests, evaluations and assessments of the Property as Purchaser deems necessary, appropriate or prudent in any respect and for all purposes in connection with Purchaser's acquisition of the Property and the consummation of the transaction contemplated by this Agreement. Subject to the provisions of this Section 5.1 and subject to the obligations set forth in Section 5.3 below, Sellers will permit Purchaser and its authorized agents and representatives (collectively, the "**Licensee Parties**") the right to enter upon the Real Property and Improvements, at all reasonable times, during normal business hours, to perform inspections of the Property and communicate with Tenants and service providers; provided, however, Purchaser shall not have the right to communicate with Tenants unless interviews and communications are coordinated through Owner LLC and Owner LLC shall have the right to participate in any such communications. Purchaser will provide to Sellers written notice of the intention of Purchaser or the other Licensee Parties to enter the Real Property or Improvements at least twenty-four (24) hours prior to such intended entry and specify the intended purpose therefor and the inspections and examinations contemplated to be made. At Sellers' option, Sellers may be present for any such entry, inspection and communication with any Tenants and service providers. Purchaser shall have the right to conduct a Phase I Environmental Assessment to the extent the same is to be completed by a reputable, bonded and insured consultant licensed in the State in which the Property is located carrying the insurance required under Section 5.3 below; provided, however, that no physical or invasive testing or sampling (including, without limitation, a Phase II environmental assessment) shall be conducted during any such entry by Purchaser or any Licensee Party upon the Real Property without Sellers' specific prior written consent, which consent may be withheld, delayed or conditioned in Sellers' sole and absolute discretion; and provided, further, that prior to giving any such approval, Sellers shall be provided with a written sampling plan in reasonable detail in order to allow Sellers a reasonable opportunity to evaluate such proposal. If Purchaser or the other Licensee Parties undertake any borings or other disturbances of the soil, the soil shall be recompacted to its condition as existed immediately before any such borings or other disturbances were undertaken.

(b) Subject to the obligations set forth in Section 5.3 below, the Licensee Parties shall have the right to communicate directly with the Authorities for any good faith reasonable purpose in connection with this transaction contemplated by this Agreement; provided, however, Purchaser, except with respect to routine requests for information, shall provide Sellers at least twenty-four (24) hours prior written notice of Purchaser's intention to communicate with any Authorities and Sellers shall have the right to participate in any such communications.

Section 5.2 Document Review.

(a) Sellers have previously made available, and until the expiration of the Final Due Diligence Period, Sellers shall continue to make available, either via electronic virtual data room, by delivery of materials to Purchaser's representatives, by access to the Title Company's data room, or by being made available at the office of the Property's property manager, the following, to the extent in Sellers' possession or control, to Purchaser and its authorized agents or representatives for review, inspection, examination, analysis and verification: (i) all existing environmental reports and studies of the Property issued on behalf of Sellers; (ii) assessments (special or otherwise), ad valorem and personal property tax bills, covering the three (3) years preceding the Effective Date; (iii) Owner LLC's most currently available rent roll; (iv) operating statements for the stub period of the current calendar year plus the prior two calendar years; (v) copies of Tenant Leases, Service Contracts, and Licenses and Permits; (vi) a current inventory of the Personal Property; (vii) engineering, mechanical and other drawings, blueprints and specifications and similar documentation relating to the Property (including the Updated Survey); (viii) A/R aging report (including any Delinquent Rentals as of the date of the report); (ix) an accurate report of any existing deferred rent amounts documented by Owner LLC and Tenants in amendments to Tenant Leases which relate to periods prior to the Effective Date but are not due and payable until after the anticipated Closing Time; (x) any documents which contain information pertaining to any claim or dispute related to the Property that Purchaser may have liability for following Closing, if any; and (xi) copies of any notices pertaining to the Property from Authorities, including but not limited to any notices of violation of, or noncompliance with, applicable laws (collectively, the "**Documents**"). Purchaser acknowledges that it has received copies of all the Tenant Leases listed on Exhibit F, and the Service Contracts listed on Exhibit B, including the commission agreements listed on Exhibit D. "**Documents**" shall not include (and Sellers shall have no obligation to provide written materials requested by Purchaser that constitute) (1) any document or correspondence which would be subject to the attorney-client privilege or covered by the attorney work product doctrine; (2) any document or item which Sellers are contractually or otherwise bound to keep confidential; (3) any documents pertaining to the marketing of the Property for sale to prospective purchasers; (4) any internal memoranda, reports or assessments of Sellers or Sellers' Affiliates to the extent relating to Sellers' valuation of the Property; (5) any appraisals of the Property, whether prepared internally by Sellers or Sellers' Affiliates or externally; (6) any documents or items which Sellers consider proprietary (such as Sellers' or their property managers' operation manuals, software programs or other electronic media or services that are subject to licenses or other agreements that are personal to Sellers or their property manager); (7) organizational, financial and other documents relating to Sellers or their Affiliates (other than evidence of due authorization and organization as may be required under this Agreement); or (8) any materials projecting or relating to the future performance of the Property (but excluding materials related to anticipated schedules for repairs, maintenance and replacements pertaining to the Improvements). Except for the representations expressly made in Sections 8.1 and 8.2 hereof, Sellers make no other representation or warranty as to the accuracy or completeness of any of the Documents.

(b) Purchaser acknowledges that any and all of the Documents may be proprietary and confidential in nature and shall be made available to Purchaser solely to assist Purchaser in determining the feasibility of purchasing the Property. Purchaser agrees not to disclose the contents of the Documents, or any of the provisions, terms or conditions contained therein, to any party outside of Purchaser's organization other than its attorneys, partners, accountants, consultants, advisors, lenders (including such lender's legal counsel, accountants, consultants, and officers) or investors (collectively, for purposes of this Section 5.2(b), the "**Permitted Outside Parties**"). Purchaser further agrees that within its organization, or as to Permitted Outside Parties, the Documents will be disclosed and exhibited only to those persons within Purchaser's organization or to those Permitted Outside Parties who reasonably need to know such information in order to advise Purchaser or provide Purchaser reports, surveys, studies or plans in connection with the feasibility of Purchaser's acquisition of the Property. Purchaser further acknowledges that the Documents and other information relating to the leasing

arrangements between Owner LLC and the Tenants or prospective tenants are proprietary and confidential in nature. Purchaser agrees not to divulge the contents of such Documents and other information except in strict accordance with the confidentiality standards set forth in Article XII and this Section 5.2. In permitting Purchaser and the Permitted Outside Parties to review the Documents or information to assist Purchaser, Sellers have not waived any privilege or claim of confidentiality with respect thereto, and no third party benefits or relationships of any kind, either express or implied, have been offered, intended or created by Sellers and any such claims are expressly rejected by Sellers and waived by Purchaser and the Permitted Outside Parties, for whom, by its execution of this Agreement, Purchaser is acting as an agent with regard to such waiver. Purchaser shall be responsible for any breaches of confidentiality under this Agreement by any of the Permitted Outside Parties.

(c) Purchaser shall use best efforts to destroy all copies Purchaser has made of any Documents containing confidential information before or after the execution of this Agreement (and computer files of same), not later than ten (10) Business Days following the time this Agreement is terminated for any reason, and provide Sellers with a certified notice of the completion of such destruction. Notwithstanding the above, Purchaser shall be permitted to retain copies of Documents consistent with its internal document retention policies subject to the terms and conditions of this Agreement.

(d) Purchaser acknowledges that some of the Documents may have been prepared by third parties and may have been prepared prior to Sellers' ownership of the Property. Purchaser hereby acknowledges that, except as expressly provided in Sections 8.1 and 8.2, Sellers have not made and do not make any representation or warranty regarding the truth, accuracy or completeness of the Documents or the sources thereof (whether prepared by Sellers, Sellers' Affiliates or any other person or entity). Sellers have not undertaken any independent investigation as to the truth, accuracy or completeness of the Documents and are providing the Documents solely as an accommodation to Purchaser.

(e) Notwithstanding any provision of this Agreement to the contrary, no termination of this Agreement will terminate Purchaser's obligations pursuant to this Section 5.2.

Section 5.3 **Entry and Inspection Obligations.**

(a) Purchaser agrees that in entering upon and inspecting or examining the Property and communicating with any Tenants, Purchaser and the other Licensee Parties will not: disturb the Tenants or interfere with their use of the Property pursuant to their respective Tenant Leases; interfere with the operation and maintenance of the Property; damage any part of the Property or any personal property owned or held by any Tenant or any other person or entity; injure or otherwise cause bodily harm to Sellers or any Tenant, or to any of their respective agents, guests, invitees, contractors and employees, or to any other person or entity; permit any liens to attach to the Property by reason of the exercise of Purchaser's rights under this Article V; communicate with the Tenants or service providers except in accordance with this Article V; or reveal or disclose any information obtained concerning the Property and the Documents to anyone outside Purchaser's organization and the Permitted Outside Parties, and only in accordance with the confidentiality standards set forth in Section 5.2(b). Purchaser will: (i) maintain and cause those entering the Property under the auspices of Purchaser to maintain commercial general liability (occurrence) insurance in an amount not less than Three Million and No/100 Dollars (\$3,000,000.00) and on terms (including coverage for an "insured contract" with respect to the indemnity in Section 5.3(b)) satisfactory to Sellers covering any accident arising in connection with the presence or activities of Purchaser or the other Licensee Parties on the Property, and deliver to Sellers a certificate of insurance verifying such coverage and Sellers and their property manager (Hines Interests Limited Partnership) being named as additional insureds on such coverage prior to entry upon the Property; (ii) promptly pay when due the costs of all

inspections, entries, samplings and tests conducted by Purchaser and/or any Licensee Parties and examinations done with regard to the Property; and (iii) promptly restore the Property to its condition as existed immediately prior to any such inspection, investigations, examinations, entries, samplings and tests, but in no event later than ten (10) days after the damage occurs. Nothing contained in this Section 5.3 shall be deemed or construed as Sellers' consent to any further physical testing or sampling with respect to the Property after the Final Due Diligence Period.

(b) Purchaser hereby indemnifies, defends and holds Sellers and their members, partners, agents, officers, directors, employees, successors, assigns and Affiliates harmless from and against any and all liens, claims, causes of action, damages, liabilities, demands, suits, and obligations, together with all losses, penalties, actual out-of-pocket costs and expenses relating to any of the foregoing (including but not limited to court costs and reasonable attorneys' fees) arising out of any inspections, investigations, examinations, entries, samplings or tests conducted by Purchaser or any Licensee Party, whether prior to or after the date hereof, with respect to the Property or any violation of the provisions of this Section 5.3; provided that the foregoing indemnity shall not apply to any claims, damages or other costs arising by virtue of the mere discovery of any pre-existing condition at the Property in connection with any inspections, investigations, examinations, entries, samplings or tests conducted by Purchaser or any Licensee Party, but only to the extent such parties do not exacerbate such pre-existing condition.

(c) Notwithstanding any provision of this Agreement to the contrary, neither the Closing nor a termination of this Agreement will terminate Purchaser's obligations pursuant to this Section 5.3, which shall survive Closing or termination.

(d) Notwithstanding anything in this Agreement to the contrary, the Inspection Agreement shall not be merged into this Agreement at Closing or otherwise.

Section 5.4 **Due Diligence Period.**

(a) Between the Effective Date and 5:00p.m. (Central time) on the Final Contingency Date, Purchaser shall have the right to review and investigate the Property and the items set forth in Sections 5.1 and 5.2 above (collectively, the "**Due Diligence Items**"). Purchaser, in Purchaser's sole and absolute discretion, may determine whether or not the Property is acceptable to Purchaser within the Initial Due Diligence Period and/or the Final Due Diligence Period. If Purchaser determines to proceed with the purchase of the Property in accordance with this Agreement during the Initial Due Diligence Period, then Purchaser shall, prior to 5:00 p.m. (Central time) on the Initial Contingency Date, notify Sellers in writing (the "**Initial Approval Notice**") that Purchaser has approved the matters described in Sections 5.1 and 5.2 above, which determination shall be made by Purchaser in its sole and absolute discretion. If Purchaser fails to timely deliver an Initial Approval Notice pursuant to the foregoing, this Agreement shall automatically terminate. Purchaser shall pay any cancellation fees or charges of Title Company, and except for Purchaser's indemnity and confidentiality obligations under this Agreement which expressly survive termination of this Agreement, the parties shall have no further rights or obligations to one another under this Agreement. If Purchaser delivers the Initial Approval Notice, this Agreement shall continue in force and effect and a portion of the Deposit equal to Two Million Dollars (\$2,000,000) (the "**Initial Nonrefundable Deposit**") shall become non-refundable to Purchaser, except in the event the Earnest Money Deposit is expressly refundable to Purchaser hereunder.

(b) If Purchaser determines to proceed with the purchase of the Property in accordance with this Agreement during the Final Due Diligence Period, then Purchaser shall, prior to 5:00 p.m. (Central time) on the Final Contingency Date, notify Sellers in writing (the

“Final Approval Notice”) that Purchaser has approved the matters described in Sections 5.1 and 5.2 above, which determination shall be made by Purchaser in its sole and absolute discretion. If Purchaser fails to timely deliver a Final Approval Notice pursuant to the foregoing, this Agreement shall automatically terminate. Purchaser shall pay any cancellation fees or charges of Title Company, and except for Purchaser’s indemnity and confidentiality obligations under this Agreement which expressly survive termination of this Agreement, the parties shall have no further rights or obligations to one another under this Agreement. If Purchaser delivers the Final Approval Notice, this Agreement shall continue in force and effect and the entire Earnest Money Deposit shall become non-refundable to Purchaser, except in the event it is expressly refundable to Purchaser hereunder.

Section 5.5 **Sale “As Is”**. THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT HAS BEEN NEGOTIATED BETWEEN SELLERS AND PURCHASER, THIS AGREEMENT REFLECTS THE MUTUAL AGREEMENT OF SELLERS AND PURCHASER, AND PURCHASER HAS CONDUCTED (OR WILL CONDUCT PRIOR TO THE EXPIRATION OF THE FINAL DUE DILIGENCE PERIOD) ITS OWN INDEPENDENT EXAMINATION OF THE PROPERTY. OTHER THAN ANY SPECIFIC MATTERS REPRESENTED IN SECTIONS 8.1 AND 8.2 HEREOF (AS MAY BE LIMITED HEREIN, INCLUDING BY SECTION 16.1 OF THIS AGREEMENT), BY WHICH ALL OF THE FOLLOWING PROVISIONS OF THIS SECTION 5.5 ARE LIMITED, PURCHASER HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY REPRESENTATION OR WARRANTY OF SELLERS OR ANY OF SELLERS’ AFFILIATES, AGENTS OR REPRESENTATIVES, AND PURCHASER HEREBY ACKNOWLEDGES THAT NO SUCH REPRESENTATIONS OR WARRANTIES HAVE BEEN MADE. SELLERS SPECIFICALLY DISCLAIM, AND NEITHER SELLERS NOR ANY OF SELLERS’ AFFILIATES NOR ANY OTHER PERSON IS MAKING, ANY REPRESENTATION, WARRANTY OR ASSURANCE WHATSOEVER TO PURCHASER AND, EXCEPT AS SET FORTH IN SECTIONS 8.1 AND 8.2 HEREOF, NO WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EITHER EXPRESS OR IMPLIED, ARE MADE BY SELLERS OR RELIED UPON BY PURCHASER WITH RESPECT TO THE STATUS OF TITLE TO OR THE MAINTENANCE, REPAIR, CONDITION, DESIGN OR MARKETABILITY OF THE PROPERTY, OR ANY PORTION THEREOF, INCLUDING BUT NOT LIMITED TO (A) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, (B) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, (C) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS, (D) ANY RIGHTS OF PURCHASER UNDER APPROPRIATE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION, (E) ANY CLAIM BY PURCHASER FOR DAMAGES BECAUSE OF DEFECTS, WHETHER KNOWN, OR UNKNOWN, OR LATENT, WITH RESPECT TO ANY REAL PROPERTY, IMPROVEMENTS OR THE PERSONAL PROPERTY, (F) THE FINANCIAL CONDITION OR PROSPECTS OF THE PROPERTY OR THE TENANTS AND (G) THE COMPLIANCE OR LACK THEREOF OF ANY REAL PROPERTY OR THE IMPROVEMENTS WITH GOVERNMENTAL REGULATIONS (INCLUDING, WITHOUT LIMITATION, ALL LAWS AND REGULATIONS PERTAINING TO ENVIRONMENTAL MATTERS), IT BEING THE EXPRESS INTENTION OF SELLERS AND PURCHASER THAT, EXCEPT AS EXPRESSLY SET FORTH TO THE CONTRARY IN SECTIONS 8.1 AND 8.2 HEREOF (AS LIMITED BY SECTION 16.1 OF THIS AGREEMENT), THE PROPERTY WILL BE CONVEYED AND TRANSFERRED TO PURCHASER IN ITS PRESENT CONDITION AND STATE OF REPAIR, “AS IS” AND “WHERE IS”, WITH ALL FAULTS.

FURTHER AND WITHOUT IN ANY WAY LIMITING ANY OTHER PROVISION OF THIS AGREEMENT, SELLERS MAKE NO WARRANTY WITH RESPECT TO THE PRESENCE ON OR BENEATH THE REAL PROPERTY (OR ANY PARCEL IN PROXIMITY

THERETO) OF HAZARDOUS MATERIALS. BY ACCEPTANCE OF THIS AGREEMENT AND THE DEED, PURCHASER ACKNOWLEDGES THAT PURCHASER'S OPPORTUNITY FOR INSPECTION AND INVESTIGATION OF SUCH REAL PROPERTY (AND OTHER PARCELS IN PROXIMITY THERETO) HAS BEEN ADEQUATE TO ENABLE PURCHASER TO MAKE PURCHASER'S OWN DETERMINATION WITH RESPECT TO THE PRESENCE ON OR BENEATH THE REAL PROPERTY (AND OTHER PARCELS IN PROXIMITY THERETO) OF SUCH HAZARDOUS MATERIALS. FURTHERMORE, PURCHASER'S CLOSING HEREUNDER SHALL BE DEEMED TO CONSTITUTE AN EXPRESS WAIVER OF PURCHASER'S AND ITS SUCCESSORS' AND ASSIGNS' RIGHTS TO SUE SELLERS OR ANY OF SELLERS' AFFILIATES AND OF PURCHASER'S RIGHT TO CAUSE SELLERS OR ANY OF SELLERS' AFFILIATES TO BE JOINED IN AN ACTION BROUGHT UNDER ANY FEDERAL, STATE OR LOCAL LAW, RULE, ACT, OR REGULATION NOW EXISTING OR HEREAFTER ENACTED OR AMENDED WHICH PROHIBITS OR REGULATES THE USE, HANDLING, STORAGE, TRANSPORTATION OR DISPOSAL OF HAZARDOUS MATERIALS OR WHICH REQUIRES REMOVAL OR REMEDIAL ACTION WITH RESPECT TO SUCH HAZARDOUS MATERIALS, SPECIFICALLY INCLUDING BUT NOT LIMITED TO FEDERAL "CERCLA", "RCRA", AND "SARA" ACTS.

Purchaser represents that it is a knowledgeable, experienced and sophisticated purchaser of real estate, and that it is relying solely on its own expertise and that of Purchaser's consultants in purchasing the Property. Upon expiration of the Final Due Diligence Period, Purchaser shall be deemed to have conducted such inspections, investigations and other independent examinations of the Property and related matters as Purchaser deems necessary, including but not limited to the physical and environmental conditions thereof, and will rely upon same and not upon any statements of Sellers (excluding the limited specific matters represented by Sellers herein as limited by Section 16.1 of this Agreement) or of any Affiliate, officer, director, employee, agent or attorney of Sellers. Purchaser acknowledges that all information obtained by Purchaser was obtained from a variety of sources and, except as set forth in this Agreement, Sellers will not be deemed to have represented or warranted the completeness, truth or accuracy of any of the Documents or other such information heretofore or hereafter furnished to Purchaser. Upon Closing, Purchaser will assume the risk that adverse matters, including, but not limited to, adverse physical and environmental conditions, may not have been revealed by Purchaser's inspections and investigations. Purchaser further hereby assumes the risk of changes in applicable Environmental Laws relating to past, present and future environmental health conditions on, or resulting from the ownership or operation of, the Property. Purchaser acknowledges and agrees that upon Closing, Sellers will sell and convey to Purchaser, and Purchaser will accept the Property, "**AS IS, WHERE IS,**" with all faults. Purchaser further acknowledges and agrees that there are no oral agreements, warranties or representations, collateral to or affecting the Property, by Sellers, an Affiliate of Sellers, any agent of Sellers or any third party. Sellers are not liable or bound in any manner by any oral or written statements, representations or information pertaining to the Property furnished by any real estate broker, agent, employee, servant or other person, unless the same are specifically set forth or referred to herein. Purchaser acknowledges that the Purchase Price reflects the "**AS IS, WHERE IS**" nature of this sale and any faults, liabilities, defects or other adverse matters that may be associated with the Property. Purchaser, with Purchaser's counsel, has fully reviewed the disclaimers and waivers set forth in this Agreement, and understands the significance and effect thereof. Purchaser acknowledges and agrees that the disclaimers and other agreements set forth herein are an integral part of this Agreement, and that Sellers would not have agreed to sell the Property to Purchaser for the Purchase Price without the disclaimer and other agreements set forth in this Agreement. The terms and conditions of this Section 5.5 will expressly survive the Closing and will not merge with the provisions of any Closing Documents.

Section 5.6 **Purchaser's Release of Sellers.**

(a) Sellers Released From Liability. Purchaser, on behalf of itself and its partners, officers, directors, agents, controlling persons and Affiliates, hereby releases Sellers and Sellers' Affiliates and their respective partners, members, owners, officers, directors, agents, representatives and controlling persons (collectively, the "**Seller Released Parties**") from any and all liability, responsibility, penalties, fines, suits, demands, actions, losses, damages, expenses, causes of action, proceedings, judgments, executions, costs of any kind or nature whatsoever and claims (collectively, "**Claims**") arising out of or related to any matter or any nature relating to the Property or its condition (including, without limitation, the presence in the soil, soil gas, air, structures and surface and subsurface waters, of any Hazardous Substances or any chemical, material or substance that may in the future be determined to be toxic, hazardous, undesirable or subject to regulation and/or that may need to be specially treated, handled and/or removed from the Property under current or future federal, state and local laws, regulations or guidelines, any latent or patent construction defects, errors or omissions, compliance with law matters, any statutory or common law right Purchaser may have for property damage Claims, bodily injury Claims, contribution or cost recovery Claims or any other Claims under Environmental Laws and/or to receive disclosures from Sellers, including, without limitation, any disclosures as to the Property's location within areas designated as subject to flooding, fire, seismic or earthquake risks by any federal, state or local entity, the need to obtain flood insurance, the certification of water heater bracing and/or the advisability of obtaining title insurance, or any other condition or circumstance affecting the Property, its financial viability, use of operation, or any portion thereof), valuation, salability or utility of the Property, or its suitability for any purpose. Without limiting the foregoing, to the fullest extent permitted by applicable law, Purchaser specifically releases Sellers and the Seller Released Parties from any claims Purchaser may have against Sellers and/or the other Seller Released Parties now or in the future arising from the environmental condition of the Property or the presence of Hazardous Substances or contamination on or emanating from the Property, including any rights of contribution or indemnity. The foregoing waivers and releases by Purchaser shall survive the Closing and shall not be deemed merged into the provisions of any Closing Documents. In the event of any termination of this Agreement, Purchaser acknowledges that it shall have no interest in the Property from and after any such termination.

(b) Purchaser's Waiver of Objections. Purchaser acknowledges that it has (or shall have prior to the expiration of the Final Due Diligence Period) inspected the Property, observed its physical characteristics and existing conditions and had the opportunity to conduct such investigations and studies on and off said Property and adjacent areas as it deems or deemed necessary, and Purchaser hereby waives any and all objections to or complaints (including but not limited to actions based on federal, state or common law and any private right of action under CERCLA, RCRA or any other state and federal law to which the Property are or may be subject, including any rights of contribution or indemnity) against Sellers, their Affiliates, or their respective officers, directors, partners, members, owners, employees or agents regarding physical characteristics and existing conditions, including without limitation structural and geologic conditions, subsurface soil and water conditions and solid and hazardous waste and Hazardous Substances on, under, adjacent to or otherwise affecting the Property or related to prior uses of the Property.

(c) Purchaser Assumes Risks of Change in Laws. Purchaser further hereby assumes the risk of changes in applicable laws and regulations relating to past, present and future environmental, safety or health conditions on, or resulting from the ownership or operation of, the Property, and the risk that adverse physical characteristics and conditions, including without limitation the presence of Hazardous Substances or other substances, may not be revealed by its investigation.

(d) Flood Hazard Zone. Purchaser acknowledges that if the Real Property is located in an area which the Secretary of the Department of Housing and Urban Development

has found to have special flood hazards, then pursuant to the National Flood Insurance Program, Purchaser will be required to purchase flood insurance in order to obtain a loan secured by the Real Property from a federally regulated financial institution or a loan insured or guaranteed by an agency of the United States government. Sellers shall have no responsibility to determine whether the Real Property is located in an area which is subject to the National Flood Insurance Program.

(e) Survival. The provisions of this Section 5.6 shall survive (i) the Closing and shall not be deemed merged into the provisions of any Closing Documents, or (ii) any termination of this Agreement.

Article VI

TITLE AND SURVEY MATTERS

Section 6.1 Survey. Prior to the execution and delivery of this Agreement, Sellers have, at their own cost, delivered to Purchaser a copy of that certain ALTA survey of the Real Property, issued on August 5, 2021, revised on December 1, 2021, and prepared by Sambatek, Inc. (the “**Updated Survey**”).

Section 6.2 Title and Survey Review.

(a) Prior to the execution and delivery hereof, Sellers have, at their own cost, caused the Title Company to furnish or otherwise make available to Purchaser a preliminary title commitment for the Real Property having an effective date of November 9, 2021 (the “**Updated Title Commitment**”) and copies of all underlying title documents described in the Updated Title Commitment. Purchaser shall have until the date which is ten (10) Business Days following the Effective Date (the “**Title Notice Date**”) to provide written notice (the “**Title Notice**”) to Sellers and Title Company of any title matters shown on the Updated Title Commitment and/or the Updated Survey which are not satisfactory to Purchaser. If Sellers have not received such written notice from Purchaser by the Title Notice Date, Purchaser shall be deemed to have unconditionally approved of the condition of title to the Property set forth in the Updated Title Commitment and the Updated Survey, subject to Sellers’ obligations set forth in Section 6.2(c) below. Except as expressly provided herein, Sellers shall have no obligation whatsoever to expend or agree to expend any funds, to undertake or agree to undertake any obligations, or otherwise to cure or agree to cure any title objections. To the extent Purchaser timely delivers a Title Notice, then Sellers shall deliver, no later than the date which is five (5) days following receipt of the Title Notice, written notice to Purchaser and Title Company identifying which disapproved items, if any, Sellers shall undertake to cure (by either having the same removed or by obtaining affirmative insurance over the same as part of the final Owner Title Policy) (“**Sellers’ Response**”). If Sellers do not deliver Sellers’ Response prior to such date, Sellers shall be deemed to have elected to not remove or otherwise cure any exceptions disapproved by Purchaser. If Sellers elect, or are deemed to have elected, not to remove or otherwise cure an exception disapproved in Purchaser’s Title Notice, Purchaser shall have until the Final Contingency Date to (i) deliver a written notice (a “**Termination Notice**”) to Sellers and Title Company terminating this Agreement as set forth in Section 5.4 above, or (ii) waive any such objection to title to the Real Property (whereupon such objections shall be deemed Permitted Exceptions for all purposes hereof). If Sellers and Title Company have not received written notice from Purchaser by the Final Contingency Date, such failure shall be deemed Purchaser’s waiver of all such objections to the Updated Title Commitment and the Updated Survey.

(b) Purchaser may, at or prior to Closing, notify Sellers in writing (the “**Gap Notice**”) of any objections to title issues (i) raised by the Title Company between the expiration of the Final Due Diligence Period and the Closing, (ii) not disclosed in writing by the Title Company to Purchaser prior to the expiration of the Final Due Diligence Period, and (iii) not

disclosed in writing by Sellers to Purchaser and the Title Company prior to the expiration of the Final Due Diligence Period (“**New Exceptions**”); provided that Purchaser must notify Sellers of any objection to any such New Exception prior to the date which is the earlier to occur of (x) four (4) Business Days after being made aware of the existence of such New Exception and (y) prior to the Closing Date. If Purchaser fails to deliver to Sellers a notice of objections on or before such date, Purchaser will be deemed to have waived any objection to the New Exceptions, and the New Exceptions will be included as Permitted Exceptions. Sellers will have two (2) days from the receipt of Purchaser’s notice (and, if necessary, Sellers may extend the Closing Date to provide for such two (2) day period and for two (2) days following such period for Purchaser’s response), within which time Sellers may, but are under no obligation to, remove or otherwise obtain affirmative insurance over the objectionable New Exceptions, or commit to remove or otherwise obtain affirmative insurance over the same at or prior to Closing. If, within the two (2) day period, Sellers do not remove or otherwise obtain affirmative insurance reasonably acceptable to Purchaser over the objectionable New Exceptions, then Purchaser may terminate this Agreement upon delivering a Termination Notice to Sellers in accordance with Section 5.4 above no later than the Closing Date, in which case Purchaser shall be entitled to return of the Earnest Money Deposit. If Purchaser fails to terminate this Agreement in the manner set forth above, the New Exceptions (except those Sellers have removed or otherwise affirmatively insured over, or committed to do the same as set forth above) will be included as Permitted Exceptions.

(c) Notwithstanding any provision of this Section 6.2 to the contrary, Sellers will be obligated to cure exceptions to title to the Real Property and Improvements relating to (or, as to (ii) and (iii) below, cure or cause deletion from the Owner Title Policy or affirmative title insurance over) (i) liens and security interests securing any loan to either Seller or both Sellers, (ii) any mechanics’ or supplier liens on the Real Property created by or through the actions of either Seller or both Sellers (which shall not include liens described in clause (v) of Section 6.3 hereof), and (iii) any other liens or security interests created by documents executed by either Seller or both Sellers to secure monetary obligations, other than liens for ad valorem taxes and assessments for the current calendar year (collectively, the “**Must-Cure Matters**”).

Section 6.3 **Title Insurance**. Purchaser’s obligation to close shall be expressly conditioned upon the Title Company’s irrevocable commitment to issue to Purchaser at Closing, an ALTA extended coverage Owner’s Policy of Title Insurance (the “**Owner Title Policy**”) with liability in the amount of the Purchase Price, showing title to the Real Property vested in the Purchaser, with such endorsements as Purchaser shall request and Title Company shall have agreed to issue prior to the expiration of the Final Due Diligence Period, subject only to: (i) the pre-printed standard exceptions in such Owner Title Policy, (ii) exceptions approved or deemed approved by Purchaser pursuant to Section 6.2 above, (iii) the Tenant Leases, (iv) any taxes and assessments for the year of Closing and for any other year if not yet due and payable as of the Closing, (v) any liens or claims of liens for work, service, labor or materials performed or supplied by, for or on behalf of any Tenant under the Tenant Leases, (vi) all matters shown on the Updated Survey, or any updates thereto, (vii) any matters which have been removed or affirmatively insured over (in a manner reasonably acceptable to Purchaser), and (viii) any exceptions arising from Purchaser’s actions (collectively, the “**Permitted Exceptions**”). It is understood that Purchaser intends to work with the Title Company to arrange issuance of an ALTA Lender’s Policy in form acceptable to Purchaser’s lender (the “**Lender Title Policy**,” and together with the Owner Title Policy, the “**Title Policies**”) and that Purchaser may request a number of endorsements to the Title Policies, but the issuance of the Lender Title Policy and any such endorsements shall not be conditions to Closing.

Article VII
INTERIM OPERATING COVENANTS AND ESTOPPELS

Section 7.1 **Interim Operating Covenants.** Sellers covenant to Purchaser, that Sellers will:

(a) **Operations.** From the Effective Date until Closing, continue to operate, manage and maintain the Improvements in the ordinary course of Sellers' business and substantially in accordance with Sellers' present practice, subject to ordinary wear and tear and Article IX of this Agreement.

(b) **Maintain Insurance.** From the Effective Date until Closing, maintain fire and extended coverage insurance on the Improvements which is at least equivalent in all material respects to Sellers' insurance policies covering the Improvements as of the Effective Date.

(c) **Personal Property.** From the Effective Date until Closing, not transfer or remove any Personal Property from the Improvements except for the purpose of repair or replacement thereof. Any items of Personal Property replaced after the Effective Date will be installed prior to Closing and will be of substantially similar quality of the item of Personal Property being replaced.

(d) **Leases.** From the Effective Date until Closing, not enter into any new lease or any amendments, expansions or renewals of Tenant Leases, or terminate any Tenant Lease, without the prior written consent of the material terms thereof by Purchaser, which consent will not be unreasonably withheld, delayed or conditioned. Furthermore, nothing herein shall be deemed to require Purchaser's consent to any expansion or renewal which Owner LLC, as landlord, is required to honor pursuant to any Tenant Lease.

(e) **Service Contracts.** From the Effective Date until Closing, not enter into, or renew the term of, any service contract, other than in the ordinary course of business, unless such service contract is terminable on thirty (30) days (or less) prior notice without penalty or unless Purchaser consents thereto in writing, which approval will not be unreasonably withheld, delayed or conditioned.

(f) **Notices.** To the extent received by Sellers, from the Effective Date until Closing, promptly deliver to Purchaser copies of written default notices, notices of lawsuits and notices of violations affecting the Property.

(g) **Encumbrances.** Without Purchaser's prior approval in its sole discretion, Sellers shall not voluntarily subject the Property to any additional liens, encumbrances, covenants or easements, which would not constitute Permitted Exceptions, unless released prior to Closing.

Whenever in this Section 7.1 Sellers are required to obtain Purchaser's approval with respect to any transaction described therein, Purchaser shall, within three (3) Business Days after receipt of Sellers' request therefor, notify Sellers of its approval or disapproval of same and, if Purchaser fails to notify Sellers of its approval within said three (3) Business Day period, Purchaser shall be deemed to have disapproved same.

Section 7.2 **Tenant Lease Estoppels.**

(a) It will be a condition to Closing that Owner LLC obtains and delivers to Purchaser, from each of the major tenants listed on **Exhibit C-1** ("**Major Tenants**"), and from such other Tenants leasing space at the Improvements, which when added to the Major Tenants

aggregates at least eighty percent (80%) of the rentable square footage leased at the Improvements, executed Acceptable Estoppel Certificates. “**Acceptable Estoppel Certificates**” are estoppel certificates in substantially the form of the estoppel certificate attached hereto as **Exhibit C-2**, which shall not contain any material modifications or inconsistencies with respect to the rent roll and the Tenant Leases and which shall not disclose any alleged material default or unfulfilled material obligation on the part of the landlord not previously disclosed in writing to Purchaser; provided that an estoppel certificate executed by a Tenant: (x) in the form expressly prescribed by its Tenant Lease or (y) with respect to a regional or national Tenant, in the standard form generally used by such Tenant, shall constitute an Acceptable Estoppel Certificate if it is otherwise consistent with this Section 7.2 and the factual information contained in the estoppels distributed to such Tenants pursuant to the provisions of this Section 7.2, and provided further that an estoppel certificate modified by a Tenant to omit paragraph 6 on **Exhibit C-2** shall constitute an Acceptable Estoppel Certificate if it is otherwise consistent with this Section 7.2 and the factual information contained in the estoppels distributed to such Tenants pursuant to the provisions of this Section 7.2. Notwithstanding anything contained herein to the contrary, in no event shall Owner LLC’s failure to obtain the required number of Acceptable Estoppel Certificates in accordance with the provisions of this Section 7.2 constitute a default by Sellers under this Agreement. Purchaser’s sole and exclusive remedy for a failure of the condition to obtain the required number of Acceptable Estoppel Certificates shall be to terminate this Agreement and receive a refund of the Earnest Money Deposit. Prior to delivery of the forms of estoppel certificates to the Major Tenants (but not any other Tenants), Owner LLC will deliver to Purchaser completed forms of estoppel certificates, in the form attached hereto as **Exhibit C-2** or such forms as required by the applicable Major Tenant Tenant Lease and containing the information contemplated thereby, for only Major Tenants. Within two (2) Business Days following Purchaser’s receipt thereof, Purchaser will send to Sellers notice either (i) approving such forms as completed by Owner LLC or (ii) setting forth in detail all changes to such forms which Purchaser reasonably believes to be appropriate to make the completed forms of estoppel certificates accurate and complete. Owner LLC will make such changes to the extent Owner LLC agrees such changes are appropriate, except that Owner LLC will not be obligated to make any changes which request more expansive information than is contemplated by **Exhibit C-2** or the form required by the applicable Major Tenant Tenant Lease. Purchaser’s failure to respond within such two (2) Business Day period shall be deemed approval of such proposed form of estoppel certificate.

(b) Sellers, at their sole option, may elect to satisfy part of the requirements under Section 7.2(a) by delivering a representation certificate from Owner LLC in the form attached hereto as **Exhibit C-3** (a “**Seller Certificate**”) for up to ten percent (10%) of the rentable area at the Improvements, but not for any Major Tenant. If Sellers subsequently obtain an estoppel certificate meeting the requirements of Section 7.2(a) hereof from a Tenant for which Owner LLC has delivered a Seller Certificate, the delivered Seller Certificate will be null and void, and Purchaser will accept such estoppel certificate in its place.

Section 7.3 **OFAC**. Pursuant to United States Presidential Executive Order 13224 (“**Executive Order**”), Sellers are required to ensure that Sellers do not transact business with persons or entities determined to have committed, or to pose a risk of committing or supporting, terrorist acts and those persons (i) described in Section 1 of the Executive Order or (ii) listed in the “Alphabetical Listing of Blocked Persons, Specially Designated Nationals, Specially Designated Terrorists, Specially Designated Global Terrorists, Foreign Terrorist Organizations, and Specially Designated Narcotics Traffickers” published by the United States Office of Foreign Assets Control (“**OFAC**”), 31 C.F.R. Chapter V, Appendix A, as in effect from time to time (as to (i) and (ii), a “**Blocked Person**”). If Sellers learn that Purchaser is, becomes, or appears to be a Blocked Person, Sellers may delay the sale contemplated by this Agreement pending its conclusion of its investigation into the matter of Purchaser’s status as a Blocked Person. If Sellers determine that Purchaser is or becomes a Blocked Person, Sellers shall have

the right to immediately terminate this Agreement and take all other actions necessary, or in the opinion of Sellers, appropriate to comply with applicable law and Purchaser shall receive a return of the Earnest Money Deposit. The provisions of this Section 7.3 will survive termination of this Agreement.

Article VIII

REPRESENTATIONS AND WARRANTIES

Section 8.1 **Representations and Warranties of Sellers.** The following (along with the representations and warranties in Section 8.2) constitute the sole representations and warranties of Sellers with respect to the purchase and sale of the Property contemplated hereby. Subject to the limitations set forth in Article XVI of this Agreement, each Seller represents and warrants to Purchaser the following as of the Effective Date:

(a) **Status.** Each Seller is a limited liability company validly existing and in good standing under the laws of the State of Minnesota.

(b) **Authority; Enforceability.** The execution, delivery, and performance of this Agreement (including execution of the Closing Documents) by such Seller has been or will be duly authorized by all requisite limited liability company action. This Agreement constitutes the legal, valid, and binding obligation of such Seller, enforceable against such Seller in accordance with its terms, subject to equitable principles and principles governing creditors' rights generally.

(c) **Non-Contravention.** The execution and delivery of this Agreement by such Seller and the performance by such Seller of its obligations under this Agreement will not violate any judgment, order, injunction, decree, regulation or ruling of any court or Authority or conflict with, result in a breach of, or constitute a default under the organizational documents of such Seller, any note or other evidence of indebtedness, any mortgage, deed of trust or indenture (except for such approvals needed from any current mortgage lender in order to secure the release of any mortgage lien on the Property as part of Closing), or any lease or other material agreement or instrument to which such Seller is a party or by which it is bound.

(d) **Suits and Proceedings, No Violation Notices.** As of the Effective Date, except as listed in **Exhibit E**, there are no legal actions, suits or similar proceedings pending and served, or to such Seller's Knowledge, threatened (in writing) against the Property, such Seller relating to the Property, or such Seller's ownership or operation of the Property, including without limitation, condemnation, takings by an Authority or similar proceedings, which individually or in the aggregate would have a material adverse effect on the Property.

(e) **No Bankruptcy.** Such Seller has not made a general assignment for the benefit of creditors, filed any voluntary petition in bankruptcy, admitted in writing its inability to pay its debts as they come due, or made an offer of settlement, extension or composition to its creditors generally. To such Seller's Knowledge there has been no (i) filing of any involuntary petition by such Seller's creditors, (ii) appointment of a receiver to take possession of all, or substantially all, of such Seller's assets, or (iii) attachment or other judicial seizure of all, or substantially all, of such Seller's assets. Such Seller has not received written notice of the occurrence of any events described in items (i), (ii) or (iii) of the immediately preceding sentence.

(f) **Non-Foreign Entity.** Such Seller is not a "**foreign person**" or "**foreign corporation**" as those terms are defined in the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

(g) Service Contracts. The Documents made available to Purchaser pursuant to Section 5.2(a) hereof include copies of all Service Contracts listed on **Exhibit B** under which such Seller is currently paying for services rendered in connection with the Property, other than the commission agreements listed on **Exhibit D**. As of the Effective Date, **Exhibit B** is a true and correct list of the Service Contracts in effect as of the date hereof and such Seller has delivered or made available to Purchaser for review, true and complete copies of all Service Contracts, as set forth on **Exhibit B**. Except as disclosed on **Exhibit B**, such Seller has not received written notice of any uncured material default by any party under any Service Contract.

(h) Available Environmental Reports. To such Seller's Knowledge, such Seller has provided or made available to Purchaser all third-party reports commissioned by such Seller within the last five (5) years that pertain to the analysis of Hazardous Substances at the Property.

(i) Employee Matters. Such Seller has no employees at the Property.

(j) Prohibited Persons. Neither such Seller, nor any Affiliate of such Seller nor any Person that directly or indirectly owns 10% or more of the outstanding equity in such Seller (collectively, the "**Seller Persons**"), is, or has been determined by the U.S. Secretary of the Treasury to be acting on behalf of, a Blocked Person, or has otherwise been designated as a Person (i) with whom an entity organized under the laws of the United States is prohibited from entering into transactions or (ii) from whom such an entity is prohibited from receiving money or other property or interests in property, pursuant to the Executive Order or otherwise. In addition, no Seller Person is located in, or operating from, a country subject to U.S. economic sanctions administered by OFAC.

Section 8.2 **Owner LLC's Representations and Warranties**. Subject to the limitations set forth in Article XVI of this Agreement, Owner LLC represents and warrants to Purchaser the following:

(a) Tenant Leases and Tenants. As of the Effective Date, the list of Tenants set forth on **Exhibit F** attached hereto constitutes all of the Tenants under Tenant Leases affecting the Real Property and Improvements that were entered into by Owner LLC and, to its Knowledge, all of the Tenants under Tenant Leases affecting the Real Property and Improvements that were entered into prior to Owner LLC's acquisition of the Property. As of the Effective Date, there are no written leases or occupancy agreements affecting the Real Property and Improvements executed by Owner LLC or, to Owner LLC's Knowledge, by which Owner LLC is bound other than the Tenant Leases listed on **Exhibit F**. The copies of the Tenant Leases executed by Owner LLC that have been provided or made available to Purchaser are true, correct and complete in all material respects, and, to Owner LLC's Knowledge, the copies of the other Tenant Leases that have been provided or made available to Purchaser are true, correct and complete in all material respects. Except as disclosed on **Exhibit F**, Owner LLC has not received written notice of any uncured material default by any party under any Tenant Lease.

(b) Leasing Costs. Except as set forth on **Exhibit G** attached hereto, there are no unpaid Leasing Costs currently due and payable with respect to any Tenant Leases.

(c) Commission Agreements. As of the Effective Date, **Exhibit D** is a true and correct list of the commission agreements in effect as of the date hereof and Owner LLC has delivered or made available to Purchaser for review, true and complete copies of all commission agreements set forth on **Exhibit D**.

Section 8.3 **Purchaser's Representations and Warranties**. Purchaser represents and warrants to Sellers the following:

(a) Status. Purchaser is a limited liability company duly organized and validly existing under the laws of the State of Minnesota.

(b) Authority; Enforceability. The execution and delivery of this Agreement and the performance of Purchaser's obligations hereunder have been or will be duly authorized by all necessary action on the part of Purchaser and its constituent owners and/or beneficiaries and this Agreement constitutes the legal, valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, subject to equitable principles and principles governing creditors' rights generally.

(c) Non-Contravention. The execution and delivery of this Agreement by Purchaser and the consummation by Purchaser of the transactions contemplated hereby will not violate any judgment, order, injunction, decree, regulation or ruling of any court or Authority or conflict with, result in a breach of, or constitute a default under the organizational documents of Purchaser, any note or other evidence of indebtedness, any mortgage, deed of trust or indenture, or any lease or other material agreement or instrument to which Purchaser is a party or by which it is bound.

(d) Consents. No consent, waiver, approval or authorization is required from any person or entity in connection with the execution and delivery of this Agreement by Purchaser that has not already been obtained or the performance by Purchaser of the transactions contemplated hereby that has not either already been obtained or that will have been obtained by the expiration of the Final Diligence Period.

(e) Prohibited Persons. Neither Purchaser, nor any Affiliate of Purchaser nor any Person that directly or indirectly owns 10% or more the outstanding equity in Purchaser (collectively, the "**Purchaser Persons**"), is, or has been determined by the U.S. Secretary of the Treasury to be acting on behalf of, a Blocked Person, or has otherwise been designated as a Person (i) with whom an entity organized under the laws of the United States is prohibited from entering into transactions or (ii) from whom such an entity is prohibited from receiving money or other property or interests in property, pursuant to the Executive Order or otherwise. In addition, no Purchaser Person is located in, or operating from, a country subject to U.S. economic sanctions administered by OFAC.

(f) ERISA. Purchaser is not an "employee benefit plan," as defined in Section 3(3) of ERISA. None of the transactions contemplated herein (including those transactions occurring after the Closing) shall constitute a "prohibited transaction" within the meaning of Section 4975(c) of the Code or Section 406 of ERISA, which transaction is not exempt under Section 4975(d) of the Code or Section 408 of ERISA.

Article IX

CONDEMNATION AND CASUALTY

Section 9.1 Significant Casualty. If, prior to the Closing Date, all or any portion of the Real Property and the Improvements is destroyed or damaged by fire or other casualty, Sellers will notify Purchaser of such casualty. Purchaser will have the option, in the event all or any Significant Portion of the Real Property and the Improvements is so destroyed or damaged, to terminate this Agreement upon notice to Sellers given not later than ten (10) days after receipt of Sellers' notice. If this Agreement is terminated, the Earnest Money Deposit will be returned to Purchaser upon Purchaser's compliance with Section 4.5 and thereafter neither Sellers nor Purchaser will have any further rights or obligations to the other hereunder except with respect to the Termination Surviving Obligations. If Purchaser does not elect to terminate this Agreement, Sellers will not be obligated to repair such damage or destruction, but (a) Sellers will assign and turn over to Purchaser all of the insurance proceeds net of reasonable collection

costs (or, if such have not been awarded, all of its right, title and interest therein) payable with respect to such fire or other casualty (excluding any proceeds of insurance that are payable on account of any business interruption, rental insurance or similar coverage intended to compensate Sellers for loss of rental or other income from the Property attributable to periods prior to the Closing), and (b) the parties will proceed to Closing pursuant to the terms hereof without abatement of the Purchase Price, except that Purchaser will receive a credit against cash due at Closing for the amount of the deductible on such insurance policy less any amounts expended by Sellers to collect any such insurance proceeds or to make such repairs or to remedy any unsafe conditions at the Property, other than repairs which are the responsibility of Tenants under Tenant Leases as reasonably estimated by Owner LLC.

Section 9.2 Casualty of Less Than a Significant Portion. If less than a Significant Portion of the Real Property and the Improvements are damaged as aforesaid, Purchaser shall not have the right to terminate this Agreement and Sellers will not be obligated to repair such damage or destruction, but (a) Sellers will assign and turn over to Purchaser all of the insurance proceeds net of reasonable collection costs (or, if such have not been awarded, all of its right, title and interest therein) payable with respect to such fire or other casualty (excluding any proceeds of insurance that are payable on account of any business interruption, rental insurance or similar coverage intended to compensate Sellers for loss of rental or other income from the Property attributable to periods prior to the Closing), and (b) the parties will proceed to Closing pursuant to the terms hereof without abatement of the Purchase Price, except that Purchaser will receive a credit against cash due at Closing for the amount of the deductible on such insurance policy less any amounts expended by Sellers to collect any such insurance proceeds or to make such repairs or to remedy any unsafe conditions at the Property, other than repairs which are the responsibility of Tenants under Tenant Leases as reasonably estimated by Owner LLC.

Section 9.3 Condemnation of Property. In the event of condemnation or sale in lieu of condemnation of all or any Significant Portion of the Real Property and the Improvements, or if Sellers shall receive an official notice from any governmental authority having eminent domain power over a Property and the Improvements thereon of its intention to take, by eminent domain proceeding, all or any Significant Portion of the Real Property and Improvements, prior to the Closing, Purchaser will have the option, by providing Sellers written notice within ten (10) days after receipt of Sellers' notice of such condemnation or sale, of terminating Purchaser's obligations under this Agreement or electing to have this Agreement remain in full force and effect. In the event Purchaser does not terminate this Agreement pursuant to the preceding sentence or Purchaser does not have the right to terminate this Agreement pursuant to this Section 9.3, Sellers will assign to Purchaser any and all claims for the proceeds of such condemnation or sale to the extent the same are applicable to the Property and the Improvements, and Purchaser will take title to the Property with the assignment of such proceeds and subject to such condemnation and without reduction of the Purchase Price. Should Purchaser elect to terminate Purchaser's obligations under this Agreement under the provisions of this Section 9.3, the Earnest Money Deposit will be returned to Purchaser upon Purchaser's compliance with Section 4.5 and neither Sellers nor Purchaser will have any further obligation under this Agreement except for the Termination Surviving Obligations. Notwithstanding anything to the contrary herein, if any eminent domain or condemnation proceeding is instituted (or notice of same is given) solely for the taking of any subsurface rights for utility easements or for any right-of-way easement, and the surface may, after such taking, be used in substantially the same manner as though such rights have not been taken, Purchaser will not be entitled to terminate this Agreement as to any part of the applicable Property, but any award resulting therefrom will be assigned to Purchaser at Closing and will be the exclusive property of Purchaser upon Closing.

Article X

CLOSING

Section 10.1 **Closing**. The Closing of the sale of the Property by Sellers to Purchaser will occur on the Closing Date, TIME BEING OF THE ESSENCE, through the escrow established with the Title Company. At Closing, the events set forth in this Article X will occur, it being understood that the performance or tender of performance of all matters set forth in this Article X are mutually concurrent conditions which may be waived by the party for whose benefit they are intended.

Section 10.2 **Purchaser's Closing Obligations**. On or before the Deposit Time, Purchaser, at its sole cost and expense, will deliver the following items in escrow with the Title Company pursuant to Section 4.3, for delivery to Sellers at Closing as provided herein:

(a) The Purchase Price, after all adjustments are made at the Closing as herein provided, by Federal Reserve wire transfer of immediately available funds, in accordance with the timing and other requirements of Section 3.3;

(b) Four (4) counterparts of the General Conveyance, duly executed by Purchaser;

(c) One (1) counterpart of each of the Tenant Notice Letters, duly executed by Purchaser;

(d) Evidence reasonably satisfactory to Sellers that the person executing the Closing Documents on behalf of Purchaser has full right, power, and authority to do so; and

(e) Such other documents as may be reasonably necessary or appropriate to effect the consummation of the transactions which are the subject of this Agreement, including, without limitation, the "**Closing Statement**" as that term is defined in Section 10.4 below, duly executed and delivered.

(f) Such other transfer and tax forms, if any, as may be required by state and local Authorities as part of the transfer of the Property.

Section 10.3 **Sellers' Closing Obligations**. Sellers, at their sole cost and expense, will deliver (i) the following items (a), (b), (c), (d), (e), (f), (j), and (k) in escrow with the Title Company pursuant to Section 4.3 on or before the Deposit Time, and (ii) upon receipt of the Purchase Price, Sellers shall deliver items (g), (h) and (i) to Purchaser at the Property:

(a) A limited warranty deed substantially in the form attached hereto as **Exhibit I**, duly executed and acknowledged by Sellers conveying to Purchaser the Real Property and the Improvements (the "**Deed**"), which Deed shall be delivered to Purchaser by the Title Company agreeing to cause same to be recorded in the Official Records;

(b) Four (4) counterparts of the general conveyance substantially in the form attached hereto as **Exhibit H** (the "**General Conveyance**") duly executed by Sellers;

(c) Four (4) counterparts of the form of Tenant Notice Letters, duly executed by Owner LLC;

(d) Evidence reasonably satisfactory to Title Company that the person executing the Closing Documents on behalf of Sellers has full right, power and authority to do

so, and evidence that each Seller is duly organized and authorized to execute all other documents required to be executed by Sellers hereunder;

(e) A certificate in the form attached hereto as **Exhibit J** (“**Certificate as to Foreign Status**”) from each Seller certifying that such Seller is not a “foreign person” as defined in Section 1445 of the Internal Revenue Code of 1986, as amended;

(f) an Owner’s affidavit, duly executed by Sellers or a representative of each Seller, in form and content reasonably satisfactory to the Title Company and sufficient for the Title Company to issue the Owner Title Policy, it being understood that Sellers will induce the Title Company to insure over any “gap” period, if any, resulting from any delay in recording of documents or later dating the title insurance file;

(g) The Tenant Deposits, at Owner LLC’s option, either (i) in the form of a cashier’s check issued by a bank reasonably acceptable to Purchaser, or (ii) as part of an adjustment to the Purchase Price. With respect to those Tenant Leases for which Owner LLC or its lender are holding letters of credit as security deposits, there shall not be any credit to, or adjustment in, the Purchase Price, and Owner LLC shall deliver such original letters of credit to Purchaser at Closing, together with all necessary transfer documentation, so that Purchaser and the applicable Tenants can arrange to have the letters of credit reissued in favor of, or endorsed to, Purchaser. Owner LLC agrees to cooperate with Purchaser post-Closing in connection with the reissuance or endorsement of any letters of credit and act at the reasonable discretion of Purchaser with respect thereto, until the letters of credit are re-issued or endorsed to Purchaser, provided Purchaser shall pay all transfer and/or other fees relating to such transfers of letters of credit;

(h) The Personal Property for the Property;

(i) All original Licenses and Permits, Service Contracts and Tenant Leases for the Property in Sellers’ possession and control;

(j) All keys to the Improvements which are in Sellers’ possession for the Property;

(k) Such other documents as may be reasonably necessary or appropriate to effect the consummation of the transactions which are the subject of this Agreement, including, without limitation, the Closing Statement duly executed and delivered (provided the same do not increase in any material respect the costs to, or liability or obligations of, Sellers in a manner not otherwise provided for herein); provided, however, that in no event shall Sellers be required to indemnify the Title Company, Purchaser, or any other party pursuant to any such documents, or undertake any other material liability not expressly contemplated in this Agreement, unless Sellers elect to do so in their sole discretion; and

(l) Such other transfer and tax forms, if any, as may be required by state and local Authorities as part of the transfer of the Property.

Section 10.4 **Prorations.**

(a) Sellers and Purchaser agree to adjust, as of 12:01 a.m. on the Closing Date (the “**Closing Time**”), the following (collectively, the “**Proration Items**”) real estate and personal property taxes and assessments for the year in which Closing occurs, utility bills (except as hereinafter provided), collected Rentals (subject to the terms of (b) below) and operating expenses payable by the owner of the Property (on the basis of a 365 day year, actual days elapsed). Sellers will be charged and credited for the amounts of all of the Proration Items

relating to the period up to and including the Closing Time, and Purchaser will be charged and credited for all of the Proration Items relating to the period after the Closing Time. Such preliminary estimated Closing prorations shall be set forth on a preliminary closing statement to be prepared by Sellers and submitted to Purchaser for Purchaser's approval (which approval shall not be unreasonably withheld) at least two (2) days prior to the Closing Date (the "**Closing Statement**"). The Closing Statement, once agreed upon, shall be signed by Purchaser and Sellers and delivered to the Title Company for purposes of making the preliminary proration adjustment at Closing subject to the final cash settlement provided for below. The preliminary proration shall be paid at Closing by Purchaser to Sellers (if the preliminary prorations result in a net credit to Sellers) or by Sellers to Purchaser (if the preliminary prorations result in a net credit to Purchaser) by increasing or reducing the cash to be delivered by Purchaser in payment of the Purchase Price at the Closing. If the actual amounts of the Proration Items are not known as of the Closing Time, the prorations will be made at Closing on the basis of the best evidence then available; thereafter, when actual figures are received, re-prorations will be made on the basis of the actual figures, and a final cash settlement will be made between Sellers and Purchaser. No prorations will be made in relation to insurance premiums (except to the extent covered by the proration of Operating Expense Recoveries), and Sellers' insurance policies will not be assigned to Purchaser. Final readings and final billings for utilities will be made if possible as of the Closing Time, in which event no proration will be made at the Closing with respect to utility bills (except to the extent covered by the proration of Operating Expense Recoveries). Sellers will be entitled to all deposits presently in effect with the utility providers, and Purchaser will be obligated to make its own arrangements for deposits with the utility providers. A final reconciliation of Proration Items shall be made by Purchaser and Sellers on or before June 30, 2022 (herein, the "**Final Proration Date**"). The provisions of this Section 10.4 (excluding subsection (e) which is governed by Section 3.2 above), will survive the Closing until Final Proration Date, and in the event any items subject to proration hereunder are discovered prior to Final Proration Date, the same shall be promptly prorated by the parties in accordance with the terms of this Section 10.4.

(b) Purchaser will receive a credit on the Closing Statement for the prorated amount (as of the Closing Time) of all Rentals previously paid to and collected by Owner LLC and attributable to any period following the Closing Time. After the Closing, Owner LLC will cause to be paid or turned over to Purchaser all Rentals, if any, received by Owner LLC after Closing and properly attributable to any period following the Closing Time. "**Rentals**" includes fixed monthly rentals, parking rentals and charges, additional rentals, percentage rentals, escalation rentals (which include such Tenant's proportionate share of building operation and maintenance costs and expenses as provided for under the applicable Tenant Lease, to the extent the same exceeds any expense stop specified in such Tenant Lease), retroactive rentals, administrative charges, utility charges, tenant or real property association dues, storage rentals, special event proceeds, temporary rents, telephone receipts, locker rentals, vending machine receipts and other sums and charges payable to the landlord under the Tenant Lease or from other occupants or users of the Property, excluding specific tenant billings which are governed by Section 10.4(d). Rentals are "**Delinquent**" if they were due prior to the Closing Time and payment thereof has not been made on or before the Closing Time; provided, however, that deferred rent amounts documented by Owner LLC and Tenants in amendments to Tenant Leases which relate to periods prior to the Closing Time but are not due and payable until after the Closing Time (i) shall not be considered Delinquent Rentals, (ii) shall not be payable to Owner LLC as and when received by Purchaser following Closing and (iii) shall become the sole property of Purchaser at the Closing. Delinquent Rentals will not be prorated. Until the earlier to occur of (i) the date that is six (6) months after Closing or (ii) June 30, 2022, Purchaser agrees to use good faith collection procedures with respect to the collection of any Delinquent Rentals, but Purchaser will have no liability for the failure to collect any such amounts and will not be required to conduct lock-outs or take any other legal action to enforce collection of any such amounts owed to Owner LLC by Tenants of the Property. Owner LLC shall have the right to

pursue Delinquent Rentals after Closing. With respect to any Delinquent Rentals received by Purchaser prior to the Final Proration Date (the “**Delinquent Rental Proration Period**”), Purchaser shall pay to Owner LLC any rent or payment actually collected during the Delinquent Rental Proration Period properly attributable to the period prior to the Closing Time. All sums collected by Purchaser during the Delinquent Rental Proration Period from such Tenants (excluding Tenant payments for Operating Expense Recoveries attributable to the period prior to the Closing Time and tenant specific billings for tenant work orders and other specific services as described in and governed by Section 10.4(d) below, all of which shall be payable to and belong to Owner LLC in all events, notwithstanding anything herein to the contrary) will be applied first to amounts currently owed by such Tenants to Purchaser (including Delinquent Rentals attributable to the period after the Closing Time), then any collection costs of Purchaser related to such Tenants, and then to prior delinquencies owed by such Tenants to Owner LLC. Owner LLC shall be entitled to institute legal actions to pursue Delinquent Rental after Closing, but in no event shall Sellers be permitted to institute eviction proceedings against any Tenant. Any sums collected by Purchaser and due to Owner LLC will be promptly remitted to Owner LLC, and any sums collected by Owner LLC and due to Purchaser will be promptly remitted to Purchaser.

(c) Owner LLC will prepare a reconciliation as of the Closing Time of the amounts of all billings and charges for operating expenses and taxes (collectively, “**Operating Expense Recoveries**”) for calendar year 2022. If less amounts have been collected from Tenants for Operating Expense Recoveries for calendar year 2022 than would have been owed by Tenants under the Tenant Leases if the reconciliations under such Tenant Leases were completed as of the Closing Time based on the operating expenses and taxes incurred by Owner LLC for calendar year 2022 up to the Closing Time (as prorated pursuant to Section 10.4(a) above), Purchaser will pay such difference to Owner LLC at Closing as an addition to the Purchase Price. If more amounts have been collected from Tenants for Operating Expense Recoveries for calendar year 2022 than would have been owed by Tenants under the Tenant Leases if the reconciliations under the Tenant Leases were completed as of the Closing Time based on the operating expenses and taxes incurred by Owner LLC for calendar year 2022 up to the Closing Time (as prorated pursuant to Section 10.4(a) above), Owner LLC will pay to Purchaser at Closing as a credit against the Purchase Price such excess collected amount. Purchaser and Owner LLC agree that such proration of Operating Expense Recoveries at Closing for calendar year 2022 will fully relieve Owner LLC from any responsibility to Tenants or Purchaser for such matters subject to Owner LLC’s and Purchaser’s right and obligation to finalize prorations prior to the Final Proration Date, solely to make adjustments necessary to the extent estimates used in the calculation of such reconciliation at Closing differ from actual bills received after Closing for those items covered by such reconciliation at Closing or to correct any errors. In this regard, subject to Section 10.4(b) dealing with Delinquent Rentals, the foregoing proration will fully relieve Owner LLC from any responsibility to Tenants or Purchaser for such matters and Purchaser will be solely responsible, from and after Closing, for (i) collecting from Tenants the amount of any outstanding Operating Expense Recoveries for calendar year 2022 for periods before and after Closing, and (ii) reimbursing Tenants for amounts attributable to Operating Expense Recoveries for calendar year 2022, as may be necessary based on annual reconciliations for Operating Expense Recoveries for such calendar year.

(d) With respect to specific tenant billings for work orders, special items performed or provided at the request of a Tenant or other specific services, which are collected by Purchaser or Owner LLC after the Closing Time but expressly state they are for such specific services rendered by Owner LLC or its property manager prior to the Closing Time, Purchaser shall cause such collected amounts to be paid to Owner LLC, or Owner LLC may retain such payment if such payment is received by Owner LLC after the Closing Time.

(e) (i) Owner LLC shall pay only those Leasing Costs incurred in connection with the lease of space in the Property identified on **Exhibit G** attached hereto to the extent unpaid as of the Closing Date; (ii) Purchaser will be solely responsible for and shall pay all Leasing Costs (“**New Tenant Costs**”) incurred or to be incurred in connection with any new Tenant Lease, or the renewal, expansion, or modification of any Tenant Lease executed on or after the Effective Date (the material terms of which have been approved, if applicable, by Purchaser in accordance with Section 7.1(d)); (iii) to the extent Leasing Costs described in clause (i) above remain unpaid as of Closing, Purchaser shall receive a credit from Sellers therefor at Closing and Purchaser shall be responsible after Closing for paying any Leasing Costs for which Purchaser received such a credit; and (iv) Purchaser will be solely responsible for and shall pay all New Tenant Costs and all other Leasing Costs (whether arising before or after Closing).

Section 10.6 Delivery of Real Property. Upon completion of the Closing, Sellers will deliver to Purchaser possession of the Real Property and Improvements, subject to the Tenant Leases and the Permitted Exceptions.

Section 10.6 Costs of Title Company and Closing Costs. Costs of the Title Company and other Closing costs incurred in connection with the Closing will be allocated as follows:

(a) Purchaser will pay (i) all premium and other incremental costs for obtaining the Title Policies and all endorsements thereto, (ii) Purchaser’s attorney’s fees, (iii) the costs of any update or re-certification of the Updated Survey, (iv) 1/2 of all of the Title Company’s escrow and closing fees, if any, and (v) any mortgage recording tax.

(b) Sellers will pay (i) the cost of the Updated Title Commitment and the Updated Survey, (ii) 1/2 of all of the Title Company’s escrow and closing fees, (iii) Sellers’ attorneys’ fees, (iv) all transfer and excise taxes (including, without limitation, for any city, county and state, and specifically including the applicable deed registration tax), (v) prepayment penalties or premiums incurred by Sellers with respect to prepaying the Property’s existing mortgage indebtedness at Closing (if any), (vi) the recording fees, and (vii) all costs incurred to repay any liens on the Property created by Sellers.

(c) Any other costs and expenses of Closing not provided for in this Section 10.6 shall be allocated between Purchaser and Sellers in accordance with the custom in the county in which the Real Property is located.

(d) If the Closing does not occur for any reason whatsoever, the costs incurred through the date of termination will be borne by the party incurring same.

Section 10.7 Post-Closing Delivery of Tenant Notice Letters. Immediately following Closing, Purchaser will deliver to each Tenant (via messenger or FedEx) a written notice executed by Purchaser and Owner LLC (i) acknowledging the sale of the Property to Purchaser, (ii) acknowledging that Purchaser has received and is responsible for the Tenant Deposits (specifying the exact amount of the Tenant Deposits) and (iii) indicating that rent should thereafter be paid to Purchaser and giving instructions therefor (the “**Tenant Notice Letters**”). Purchaser shall provide to Owner LLC a copy of each Tenant Notice Letter promptly after delivery of same, and proof of delivery of same promptly after such proof is available. This Section 10.7 shall survive Closing.

Section 10.8 General Conditions Precedent to Purchaser’s Obligations Regarding the Closing. In addition to the conditions to Purchaser’s obligations set forth above in this Article X, the obligation of Purchaser to Close the sale/purchase transaction hereunder shall be conditioned upon the satisfaction of the following conditions, any of which may be waived by written notice from Purchaser to Sellers, and all of which shall be deemed waived upon Closing:

(a) Sellers shall have performed in all material respects each of the obligations of Sellers set forth in Section 10.3 as of the Closing Date;

(b) The Title Company shall be irrevocably committed to issue the Owner Title Policy as provided in Section 6.3;

(c) Purchaser shall have received the Acceptable Estoppel Certificates to the extent required under Section 7.2; and

(d) Sellers' representations and warranties made in Sections 8.1 and 8.2 shall be true and correct in all material respects as of the Closing as if remade on the Closing Date, except for those representations and warranties that speak as of a certain date, which representations and warranties shall have been true as of such prior date, and except with respect to Authorized Qualifications and Immaterial Events.

The term "**Authorized Qualifications**" shall mean any qualifications to the representations and warranties made by Sellers in Section 8.1 and 8.2 to reflect (i) new Tenant Leases, Tenant Lease amendments, new Service Contracts, and/or Service Contract amendments, executed by Sellers in accordance with this Agreement, (ii) any action taken by Sellers in accordance with any Tenant Leases, Service Contracts, or Permitted Exceptions not prohibited by this Agreement, and (iii) a Tenant Lease default or a Tenant insolvency occurring after the Effective Date. The term "**Immaterial Events**" shall mean facts or events that do not result in a loss of value, damage, claim or expense in excess of \$100,000, in the aggregate. Authorized Qualifications and Immaterial Events shall not constitute a default by Sellers or a failure of a condition precedent to Closing. If between the Effective Date and the Closing Date, facts not theretofore known to Sellers are discovered by Sellers or events occur, such facts or events are not Authorized Qualifications or Immaterial Events, and such facts or events would result in a failure of the condition set forth in Section 10.8(d) above, but which do not result from defaults by Sellers under this Agreement, such failure shall not constitute a breach of this Agreement, and following Sellers' notice to Purchaser, Purchaser's sole remedies in such event shall be to either: (i) waive the condition and proceed to Closing; or (ii) terminate this Agreement (by delivering written notice thereof to Sellers); provided, however, if Purchaser does not exercise its right to terminate this Agreement on or before the earlier of (1) Closing or (2) the date that is five (5) Business Days after Purchaser becomes aware of such facts or events, then Purchaser shall be deemed to have elected to waive the condition and proceed to Closing. If Purchaser terminates this Agreement pursuant to this Section 10.8, then, the Earnest Money Deposit shall be returned to Purchaser and the parties shall have no further obligations or liabilities hereunder, except for the Termination Surviving Obligations.

Section 10.9 General Conditions Precedent to Sellers' Obligations Regarding the Closing. In addition to the conditions to Sellers' obligations set forth in this Article X, the obligations and liabilities of Sellers hereunder to close the transaction hereunder shall in all respects be conditioned upon the satisfaction of each of the following conditions, any of which may be waived by written notice from Sellers to Purchaser and all of which shall be deemed waived upon Closing:

(a) Purchaser shall have complied in all material respects with and otherwise performed in all material respects each of the covenants and obligations of Purchaser set forth in Section 10.2 of this Agreement, as of the Closing Date.

(b) The representations and warranties of Purchaser made in Section 8.3 shall be true and correct in all material respects.

Section 10.10 **Failure of Condition**. If any condition precedent to Sellers' obligation to effect the Closing (as set forth in Section 10.9) is not satisfied, then Sellers shall be entitled to terminate this Agreement by notice thereof to Purchaser and Title Company. If any condition precedent to Purchaser's obligation to effect the Closing (as set forth in Section 10.8) is not satisfied by the Closing Date, then Purchaser shall be entitled to terminate this Agreement by notice thereof to Sellers and Title Company. If this Agreement is so terminated, then Purchaser shall be entitled to receive the Earnest Money Deposit (and all accrued interest thereon) and neither Sellers nor Purchaser shall have any further obligations hereunder, except for Termination Surviving Obligations. Notwithstanding the foregoing, if the applicable conditions precedent are not satisfied due to a default by Sellers or Purchaser hereunder, then Article XIII shall govern and this Section 10.10 shall not apply.

Article XI **BROKERAGE**

Section 11.1 **Brokers**. Sellers agree to pay to JLL ("**Broker**") a real estate commission at Closing (but only in the event of Closing in strict compliance with this Agreement) pursuant to a separate agreement. Broker acknowledges that the payment of the commission by Sellers to Broker will fully satisfy the obligations of the Sellers for the payment of a real estate commission hereunder. Other than as stated in the first sentence of this Section 11.1, Purchaser represents and warrants to Sellers, and Sellers represent and warrant to Purchaser, that no real estate brokers, agents or finders' fees or commissions are due or will be due or arise in conjunction with the execution of this Agreement or consummation of this transaction by reason of the acts of such party, and Purchaser will indemnify, defend and hold Sellers harmless, and Sellers will indemnify, defend and hold Purchaser harmless, from any brokerage or finder's fee or commission claimed by any person asserting his entitlement thereto at the alleged instigation of the indemnifying party for or on account of this Agreement or the transactions contemplated hereby. The provisions of this Article XI will survive any Closing or termination of this Agreement.

Article XII **CONFIDENTIALITY**

Section 12.1 **Confidentiality**. Sellers and Purchaser all expressly acknowledge and agree that, unless and until the Closing occurs, this Agreement, the transactions contemplated by this Agreement, and the terms, conditions, and negotiations concerning the same will be held in confidence by Purchaser and will not be disclosed by Purchaser except to its respective legal counsel, accountants, consultants, officers, investors, clients, partners, directors, members, shareholders and any lenders (including such lender's legal counsel, accountants, consultants, and officers) and except and only to the extent that such disclosure may be reasonably necessary for their respective purposes or performances hereunder or as otherwise required by applicable law. Purchaser further acknowledges and agrees that, until the Closing occurs, all information obtained by Purchaser in connection with the Property will not be disclosed by Purchaser to any third persons other than those described above without the prior written consent of Sellers. Nothing contained in this Article XII will preclude or limit any party to this Agreement from disclosing or accessing any information otherwise deemed confidential under this Article XII in connection with that party's enforcement of its rights following a disagreement hereunder, or in response to lawful process or subpoena or other valid or enforceable order of a court of competent jurisdiction or any filings with governmental authorities required by reason of the transactions provided for herein pursuant to an opinion of counsel; provided, however, in the event such disclosure is required pursuant to a subpoena or court order, the applicable party shall promptly notify the other party or parties thereof so that the other party or parties may seek a protective order, waive compliance with this Article XII, and/or take any other action mutually agreed upon by the parties. Notwithstanding the foregoing to the contrary, Purchaser

acknowledges and agrees that Sellers, and entities which directly or indirectly own the equity interests in Sellers, may disclose in press releases, SEC and other filings and governmental authorities, financial statements and/or other communications such information regarding the transactions contemplated hereby and any such information relating to the sale of the Property as may be necessary or advisable under federal or state securities law, rules or regulations (including U.S. Securities and Exchange Commission ("SEC") rules and regulations, "generally accepted accounting principles" or other accounting rules or procedures or in accordance with Sellers and such direct or indirect owners' prior custom, practice or procedure. One or more of such owners will be required to publicly disclose the possible transactions contemplated hereby and file this Agreement with the SEC promptly after the execution of the same by the parties or as soon as required by law. The provisions of this Article XII will survive any termination of this Agreement.

Article XIII

REMEDIES

Section 13.1 Default by Sellers.

If Closing of the purchase and sale transaction provided for herein does not occur as herein provided by reason of any default of Sellers, Purchaser may, as Purchaser's sole and exclusive remedies, elect by written notice to Sellers within five (5) days following the scheduled Closing Date, to either (a) terminate this Agreement, in which event Purchaser will receive from the Title Company the Earnest Money Deposit, whereupon Sellers and Purchaser will have no further rights or obligations under this Agreement, except with respect to the Termination Surviving Obligations, or (b) pursue specific performance of this Agreement, so long as any action or proceeding commenced by Purchaser against Sellers shall be filed and served within ninety (90) days of the scheduled Closing Date, and, in either event, Purchaser hereby waives all other remedies, including without limitation, any claim against Sellers for damages of any type or kind including, without limitation, consequential or punitive damages. Unless otherwise expressly required pursuant to this Agreement, in no event shall Sellers be obligated to undertake any of the following (A) change the condition of the Property or restore the same after any fire or casualty; (B) expend money or post a bond to remove or insure over anything other than a Must-Cure Matter or to correct any matter shown on a survey of the Property; (C) secure any permit, approval, or consent with respect to the Property or Sellers' conveyance thereof; or (D) expend any money to repair, improve or alter the Improvements or any portion thereof. Notwithstanding the foregoing, nothing contained in this Section 13.1 will limit Purchaser's remedies at law, in equity or as herein provided in the event of a breach by Sellers of any of the Closing Surviving Obligations after Closing or the Termination Surviving Obligations after termination, subject to the terms and provisions of this Agreement.

Section 13.2 DEFAULT BY PURCHASER. IN THE EVENT THE CLOSING AND THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED HEREIN DO NOT OCCUR AS PROVIDED HEREIN (TIME BEING OF THE ESSENCE) BY REASON OF ANY DEFAULT OF PURCHASER, PURCHASER AND SELLERS AGREE IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO FIX THE DAMAGES WHICH SELLERS MAY SUFFER. PURCHASER AND SELLERS HEREBY AGREE THAT (i) AN AMOUNT EQUAL TO THE EARNEST MONEY DEPOSIT, TOGETHER WITH ALL INTEREST ACCRUED THEREON, IS A REASONABLE ESTIMATE OF THE TOTAL NET DETRIMENT SELLERS WOULD SUFFER IN THE EVENT PURCHASER DEFAULTS AND FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY, AND (ii) SUCH AMOUNT SHALL BE PAID TO SELLERS AND WILL BE THE FULL, AGREED AND LIQUIDATED DAMAGES FOR PURCHASER'S DEFAULT AND FAILURE TO COMPLETE THE PURCHASE OF THE PROPERTY, AND WILL BE SELLERS' SOLE AND EXCLUSIVE REMEDY (ALONG WITH SELLERS' CANCELLATION OF THIS

AGREEMENT IN ACCORDANCE WITH MINNESOTA LAW)(WHETHER AT LAW OR IN EQUITY) FOR ANY DEFAULT OF PURCHASER RESULTING IN THE FAILURE OF CONSUMMATION OF THE CLOSING, WHEREUPON THIS AGREEMENT WILL TERMINATE AND SELLERS AND PURCHASER WILL HAVE NO FURTHER RIGHTS OR OBLIGATIONS HEREUNDER, EXCEPT WITH RESPECT TO THE TERMINATION SURVIVING OBLIGATIONS. NOTWITHSTANDING THE FOREGOING, NOTHING CONTAINED IN THIS SECTION 13.2 HEREIN WILL LIMIT SELLERS' REMEDIES AT LAW, IN EQUITY OR AS HEREIN PROVIDED IN THE EVENT OF A BREACH BY PURCHASER OF ANY OF THE CLOSING SURVIVING OBLIGATIONS OR THE TERMINATION SURVIVING OBLIGATIONS.

Section 13.3 **Consequential and Punitive Damages.** Sellers waive any right to sue Purchaser, and Purchaser waives any right to sue Sellers, for any consequential or punitive damages for matters arising under this Agreement (it being understood that each of Owner LLC, Garage LLC and Purchaser has waived the right to obtain incidental, special, exemplary or consequential damages in connection with any default of Purchaser or Sellers respectively, or otherwise, which, in the case of Purchaser, include, without limitation, loss of profits or inability to secure lenders, investors or buyers). This Section 13.3 shall survive Closing or termination of this Agreement.

Article XIV **NOTICES**

Section 14.1 **Notices.** All notices or other communications required or permitted hereunder will be in writing, and will be given by (a) personal delivery, or (b) professional expedited delivery service with proof of delivery, or (c) electronic mail (received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), sent to the intended addressee at the address set forth below, or to such other address or to the attention of such other person as the addressee will have designated by written notice sent in accordance herewith and will be deemed to have been given either at the time of personal delivery, or, in the case of expedited delivery service, as of the date of first attempted delivery on a Business Day at the address or in the manner provided herein, or, in the case of electronic mail transmission, upon receipt if on a Business Day and, if not on a Business Day, on the next Business Day. Unless changed in accordance with the preceding sentence, the addresses for notices given pursuant to this Agreement will be as follows:

To Purchaser: 70th Street Properties, LLC
6175 Ridge Road
Excelsior, MN 55331
attn: Peter Haeg
Email: p.o.haeg@gmail.com

with copy to: Maslon LLP
3300 Wells Fargo Center
90 South Seventh Street
Minneapolis, MN 55402
Attn: Martin Rosenbaum
Email: Martin.Rosenbaum@maslon.com

To Sellers: Galleria Shopping Center, LLC and
Galleria Parking Ramp, LLC
c/o Hines Interests Limited Partnership
2800 Post Oak Boulevard, Suite 4800

Attn: Janice Walker
Email: janice.walker@hines.com

with copy to: Galleria Shopping Center, LLC and
Galleria Parking Ramp, LLC
c/o Hines Advisors Limited Partnership
2800 Post Oak Boulevard, Suite 4800
Houston, Texas 77056
Attn: Lisa Metts
Email: lisa.metts@hines.com

with copy to: Baker Botts L.L.P.
910 Louisiana Street
Houston, Texas 77002
Attn: Connie Simmons Taylor
Email: connie.simmons.taylor@bakerbotts.com

Article XV **ASSIGNMENT AND BINDING EFFECT**

Section 15.1 **Assignment; Binding Effect**. Purchaser will not have the right to assign this Agreement without the prior written consent of Sellers, to be given or withheld in Sellers' sole and absolute discretion. Notwithstanding the foregoing, Purchaser may assign its rights under this Agreement to a wholly-owned and controlled Affiliate of such assigning party without the consent of the non-assigning party, provided that any such assignment does not relieve the assigning party of its obligations hereunder. This Agreement will be binding upon and inure to the benefit of Sellers and Purchaser and their respective successors and permitted assigns, and no other party will be conferred any rights by virtue of this Agreement or be entitled to enforce any of the provisions hereof. Whenever a reference is made in this Agreement to Sellers or Purchaser, such reference will include the successors and permitted assigns of such party under this Agreement.

Article XVI **PROCEDURE FOR INDEMNIFICATION AND LIMITED SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS**

Section 16.1 Survival of Representations, Warranties and Covenants.

(a) Notwithstanding anything to the contrary contained in this Agreement, the representations, warranties and covenants of Sellers set forth in this Agreement and Sellers' liability under any provision of this Agreement, any Seller Certificate, and under any Closing Document (as defined below), will survive the Closing until June 30, 2022. Notwithstanding the immediately preceding sentence or any other provision herein to the contrary, if Owner LLC obtains an estoppel certificate meeting the requirements of Section 7.2(a) hereof from a Tenant before or after Closing, then all representations and warranties made by Owner LLC that are covered in such estoppel certificate shall be null and void, and Purchaser shall accept such estoppel certificate in its place. Purchaser shall not have any right to bring any action against Sellers as a result of (i) any untruth, inaccuracy or breach of such representations and warranties under this Agreement, any Seller Certificate, or any Closing Document, or (ii) the failure of Sellers to perform their obligations under any other provision of this Agreement, any Seller Certificate, or under any other document or agreement executed in connection with this Agreement, including all documents and agreements executed at Closing ("**Closing Documents**"), unless and until the aggregate amount of all liability and losses arising out of all

such untruths, inaccuracies, breaches and failures exceeds \$100,000, and then only to the extent of such excess. In addition, in no event will Sellers' liability for all such untruths, inaccuracies, breaches, and/or failures under Sections 8.1 and 8.2, any other provision of this Agreement, any Seller Certificate, or under any Closing Documents (including Sellers' liability for attorneys' fees and costs in connection with such untruths, inaccuracies, breaches and/or failures) exceed, in the aggregate, one and one-half percent (1.5%) of the Purchase Price.

(b) Sellers shall have no liability with respect to any of Sellers' representations, warranties and covenants herein if, prior to the Closing, Purchaser has actual knowledge (which shall mean the actual knowledge of the individual who has executed this Agreement on behalf of Purchaser) of any breach of a representation, warranty or covenant of Sellers herein, or Purchaser obtains knowledge (from whatever source, including, without limitation, any tenant estoppel certificates, as a result of Purchaser's review of the Due Diligence Items and its due diligence tests, investigations and inspections of the Property, or written disclosure by Sellers or Sellers' agents and employees) that contradicts any of Sellers' representations, warranties or covenants herein, and Purchaser nevertheless consummates the transaction contemplated by this Agreement.

(c) The Closing Surviving Obligations will survive Closing without limitation unless a specified period is otherwise provided in this Agreement. All other representations, warranties, covenants and agreements made or undertaken by Sellers under this Agreement, unless otherwise specifically provided herein, will not survive the Closing Date but will be merged into the Closing Documents delivered at the Closing. The Termination Surviving Obligations shall survive termination of this Agreement without limitation unless a specified period is otherwise provided in this Agreement. The limitations on Sellers' liability contained in this Article XVI are in addition to, and not limitation of, any limitation on liability provided elsewhere in this Agreement or by law or any other contract, agreement or instrument.

Article XVII

MISCELLANEOUS

Section 17.1 **Waivers; Amendments**. No waiver of any breach of any covenant or provisions contained herein will be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision contained herein. No extension of time for performance of any obligation or act will be deemed an extension of the time for performance of any other obligation or act. This Agreement may not be amended except in a writing signed by both Sellers and Purchaser.

Section 17.2 **Recovery of Certain Fees**. In the event a party hereto files any action or suit against another party hereto by reason of any breach of any of the covenants, agreements or provisions contained in this Agreement, then in that event the prevailing party will be entitled to have and recover of and from the other party all attorneys' fees and costs resulting therefrom, subject, however, in the case of Sellers, to the limitations set forth in Section 16.1 above. For purposes of this Agreement, the term "attorneys' fees" or "attorneys' fees and costs" shall mean all court costs and the fees and expenses of counsel to the parties hereto, which may include printing, photostating, duplicating and other expenses, air freight charges, and fees billed for law clerks, paralegals and other persons not admitted to the bar but performing services under the supervision of an attorney, and the costs and fees incurred in connection with the enforcement or collection of any judgment obtained in any such proceeding. The provisions of this Section 17.2 shall survive the entry of any judgment, and shall not merge, or be deemed to have merged, into any judgment.

Section 17.4 **Time of Essence**. Sellers and Purchaser hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and

provision hereof. Without limiting the foregoing, Purchaser acknowledges that Purchaser may only extend the Closing Date upon receipt of written approval by the Sellers, which approval will not be unreasonably denied.

Section 17.4 **Construction.** Headings at the beginning of each article and section are solely for the convenience of the parties and are not a part of this Agreement. Whenever required by the context of this Agreement, the singular will include the plural and the masculine will include the feminine and vice versa. This Agreement will not be construed as if it had been prepared by one of the parties, but rather as if both parties had prepared the same. All exhibits and schedules referred to in this Agreement are attached and incorporated by this reference, and any capitalized term used in any exhibit or schedule which is not defined in such exhibit or schedule will have the meaning attributable to such term in the body of this Agreement. In the event the date on which any party is required to take any action under the terms of this Agreement is not a Business Day, the action will be taken on the next succeeding Business Day.

Section 17.5 **Counterparts; Electronic Signatures Binding.** To facilitate execution of this Agreement, this Agreement may be executed in multiple counterparts, each of which, when assembled to include an original, faxed or electronic mail (in .PDF or similar file) signature for each party contemplated to sign this Agreement, will constitute a complete and fully executed agreement. All such fully executed original, faxed or electronic mail (in .PDF or similar file) counterparts will collectively constitute a single agreement, and such signatures shall be legally binding upon the party sending the signature by such electronic means immediately upon being sent by such party.

Section 17.6 **Severability.** If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any rule of law or public policy, all of the other conditions and provisions of this Agreement will nevertheless remain in full force and effect, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any adverse manner to either party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the parties hereto will negotiate in good faith to modify this Agreement so as to reflect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

Section 17.7 **Entire Agreement.** This Agreement is the final expression of, and contains the entire agreement between, the parties with respect to the subject matter hereof, and supersedes all prior understandings (oral or written) with respect thereto. This Agreement may not be modified, changed, supplemented or terminated, nor may any obligations hereunder be waived, except by written instrument, signed by the party to be charged or by its agent duly authorized in writing, or as otherwise expressly permitted herein.

Section 17.8 **Governing Law and Venue.** THIS AGREEMENT WILL BE CONSTRUED, PERFORMED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED. THE PARTIES AGREE THAT ANY ACTION IN CONNECTION WITH THIS AGREEMENT SHALL BE BROUGHT AND MAINTAINED IN THE STATE OR FEDERAL COURTS THAT ARE SEATED IN THE CITY AND COUNTY IN WHICH THE REAL PROPERTY IS LOCATED, AND THE PARTIES HEREBY CONSENT AND AGREE TO THE JURISDICTION OF SUCH COURTS.

Section 17.9 **No Recording.** The parties hereto agree that neither this Agreement nor any affidavit concerning it will be recorded.

Section 17.10 **Further Actions**. The parties agree to execute such instructions to the Title Company and such other instruments and to do such further acts as may be reasonably necessary to carry out the provisions of this Agreement.

Section 17.11 **No Other Inducements**. The making, execution and delivery of this Agreement by the parties hereto have been induced by no representations, statements, warranties or agreements other than those expressly set forth herein.

Section 17.12 **Exhibits**. **Exhibits A** through **J**, inclusive, are incorporated herein by reference.

Section 17.13 **No Partnership**. Notwithstanding anything to the contrary contained herein, this Agreement shall not be deemed or construed to make the parties hereto partners or joint venturers, it being the intention of the parties to merely create the relationship of Sellers and Purchaser with respect to the Property to be conveyed as contemplated hereby.

Section 17.15 **Limitations on Benefits**. It is the explicit intention of Purchaser and Sellers that no person or entity other than Purchaser and Sellers and their permitted successors and assigns is or shall be entitled to bring any action to enforce any provision of this Agreement against any of the parties hereto, and the covenants, undertakings and agreements set forth in this Agreement shall be solely for the benefit of, and shall be enforceable only by, Purchaser and Sellers or their respective successors and assigns as permitted hereunder. Nothing contained in this Agreement shall under any circumstances whatsoever be deemed or construed, or be interpreted, as making any third party (including, without limitation, Broker or any Tenant) a beneficiary of any term or provision of this Agreement or any instrument or document delivered pursuant hereto, and Purchaser and Sellers expressly reject any such intent, construction or interpretation of this Agreement.

Section 17.16 **Exculpation**. In no event whatsoever shall recourse be had or liability asserted against any of Owner LLC's or Garage LLC's partners, members, shareholders, employees, agents, directors, officers or other owners of each Seller or their respective constituent members, partners, shareholders, employees, agents directors, officers or other owners. Each Seller's direct and indirect shareholders, partners, members, beneficiaries and owners and their respective trustees, officers, directors, employees, agents and security holders, assume no personal liability for any obligations entered into on behalf of Sellers under this Agreement and the Closing Documents. Similarly, in no event whatsoever shall recourse be had or liability asserted against any of Purchaser's partners, members, shareholders, employees, agents, directors, officers or other owners of Purchaser or their respective constituent members, partners, shareholders, employees, agents, directors, officers or other owners. Purchaser's direct and indirect shareholders, partners, members, beneficiaries and owners and their respective trustees, officers, directors, employees, agents and security holders, assume no personal liability for any obligations entered into on behalf of Purchaser under this Agreement and the Closing Documents.

Section 17.16 **Waiver of Jury Trial**. THE PARTIES HERETO KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT TO A TRIAL BY JURY OF ANY DISPUTE ARISING UNDER OR RELATING TO THIS AGREEMENT AND AGREE THAT ANY SUCH DISPUTE SHALL BE TRIED BEFORE A JUDGE SITTING WITHOUT A JURY.

IN WITNESS WHEREOF, Sellers and Purchaser have respectively executed this Agreement to be effective as of the date first above written.

PURCHASER:

70th STREET PROPERTIES, LLC,
a Minnesota limited liability company

By:
Name:
Title:

SELLERS:

GALLERIA SHOPPING CENTER, LLC
a Minnesota limited liability company

By: Hines Global REIT Minnesota Retail I LLC,
a Delaware limited liability company,
its sole member

By: _____
Name: _____
Title: _____

GALLERIA PARKING RAMP, LLC
a Minnesota limited liability company

By: Hines Global REIT Minnesota Retail I LLC,
a Delaware limited liability company,
its sole member

By: _____
Name: _____
Title: _____

JOINDER BY TITLE COMPANY

First American Title Company, referred to in this Agreement as the “Title Company,” hereby acknowledges that it received this Agreement executed by Sellers and Purchaser on the ____ day of December, 2021, and accepts the obligations of the Title Company as set forth herein. The Title Company hereby agrees to hold and distribute the Earnest Money Deposit, when and if made, and interest thereon, and Closing proceeds in accordance with the terms and provisions of this Agreement. It further acknowledges that it hereby assumes all responsibilities for information reporting required under Section 6045(e) of the Internal Revenue Code.

FIRST AMERICAN TITLE COMPANY

By:
Printed Name:
Title:

JOINDER BY BROKER

The undersigned Broker joins herein to evidence such Broker's agreement to the provisions of Section 11.1 and to represent to Sellers and Purchaser that such Broker (i) knows of no other brokers, salespersons or other parties entitled to any compensation for brokerage services arising out of this transaction other than those whose names appear in this Agreement, (ii) has not made any of the representations or warranties specifically disclaimed by Sellers in Article V and (iii) is duly licensed and authorized to do business in the State in which the Property is located.

JLL

Date: December __, 2021

By:
Printed Name:
Title:

Address: _____

License No.: _____
Tax ID. No.: _____

EXHIBIT A
LEGAL DESCRIPTION

Real property in the City of Edina, County of Hennepin, State of Minnesota, described as follows:

Parcel 1: (Certificate of Title No. 1231430):

Tracts A, B and C, [Registered Land Survey No. 1796](#), Hennepin County, Minnesota.

Parcel 2: (Certificate of Title No. 1191388):

Tract C, [Registered Land Survey No. 1774](#), Hennepin County, Minnesota.

Parcel 3:

Non-exclusive easements over parts of Tracts C and F, [Registered Land Survey No. 1792](#), as contained in the following:

- (a) Cross Easement, Operation and Maintenance Agreement (2-Dimensional), dated September 22, 2006, recorded October 12, 2006, in the office of the Registrar of Titles as Doc. No. [4315689](#);
- (b) First Amendment to Cross Easement, Operation and Maintenance Agreement (2-Dimensional), dated August 17, 2011, recorded February 21, 2012, as Doc. No. [4929373](#);
- (c) Second Amendment to Cross Easement, Operation and Maintenance Agreement (2-Dimensional), dated February 21, 2012, recorded February 21, 2012, as Doc. No. [4929478](#);
- (d) Third Amendment to Cross Easement, Operation and Maintenance Agreement (2-Dimensional), dated August 1, 2012, recorded August 2, 2012, as Doc. No. [4979096](#);
- (e) Fourth Amendment to Cross-Easement, Operation and Maintenance Agreement (2-Dimensional), dated February 12, 2016, recorded December 14, 2016, as Doc. No. [5406428](#); and
- (f) Fifth Amendment to Cross Easement, Operation and Maintenance Agreement (2-Dimensional), dated January 1, 2017, recorded June 27, 2017, as Doc. No. [5454048](#).

EXHIBIT B

SERVICE CONTRACTS

VENDOR NAME	SERVICE
5Q Partners	
ABM Janitorial Services	Cleaning - Janitorial
Adams Pest Control, Inc.	Pest Control
AlivePromo	Digital Advertising/Kiosks
AllWeather Roof, Inc.	Roofing Repairs
Ambience Radio	Music System
Archetype	Signs
Aspen Waste	Trash Service
Atomic Recycling	Trash Service
Bachman's	Interior Plantings & Floral Experience Show.
Bachman's Floral Experience	Event Production and Installation
Barthold Recycling & Roll Off	Food Recycling
Bituminous Roadways	Asphalt
Bobby & Steve's Auto World LLP	Vehicle Repairs & Service
Braun Intertec	Environmental Services
Brin Northwestern	Glass services
Building Consulting Group	Consulting Services
CD Tile and Stone	Flooring Contractor
Centerpoint Energy	Utility Company-Gas
Century Fence	Fencing Contractor
City of Edina	Utilities, Water/Sewer
CKC Construction	Concrete Work
Cunningham Group Architecture	Architectural Services
Davey Tree	Tree work
Digital Winter	Network Services
Door Services Company, Inc.	Door Repairs and Supplies
Egan Company	Mechanical and electrical contractor
Emerald Builders, Inc.	Mall Repairs and Construction
Event Lab LLC	Holiday Décor Install and Removal
Floyd Total Security/SRSI/Permor	Life Safety System Monitoring, Testing, & Repair
Fraser Morris Electric Co	Electrical Contractor
Garda World	Security Service
Gilbert Mechanical Contractors	HVAC/Plumbing/Electrical Services
GPR	Ground sonar
Hatch Data Inc.	Energy Monitoring

Iconosquare	Social Media Analytics Platform
Infrared Consulting Service	Electrical Contractor
Interstate Power Systems	Generator maintenance
Keller Fence	Fencing Contractor
Kraus Anderson	General contractor
LAB MPLS	Event Services
McDonough's Waterjetting & Drain Cleaning	Sewer Services
Mint Roofing	Roofing Repairs
MSP Outdoor Services	Landscaping
Nordquist Sign Co	Signage Contractor
Northland Paving, L.L.C.	Asphalt
Ohland Commercial/Wolff	Snow Removal - Parking Lots
Overhead Door Company	Door Repairs and Supplies
Parsons Electric	Electrical Contractor
Preferred Striping	Lot Striping
Recycle Technology	Recycling Service
Reidy Metal	Metal Refinishing
Reliable Property Services, LLC	Sidewalk Snow Removal
Restoration Systems Inc	Concrete Work
Retail Consultants, Inc.	Retail Consulting and Events Coordinator
Roessler Public Relations	Public Relations Services
Roy C	Door Repairs and Supplies
Schindler Elevator Corp	Elevator Service
Sebco	Concrete Work
Service Lighting, Inc.	Supplies Light Bulbs & Ballasts
Shopper Trak	Shopper Tracking Services
Sign Pro	Signage Contractor
Southview Designs	Exterior Landscaping
SquareSpace	Website Platform/Hosting
Squeegee Squad	
Steinkraus Plumbing Inc	Electrical
Summit Fire Protection, Inc.	Fire Monitoring/Sprinkler Systems
Superior Painting	Interior Painting
Tangletown Gardens	Landscaping
Tennant	Sweeper repair
Treat & Company	Advertising Agency
Tri-State Bobcat	Equipment Service
Twin Cities Fountain Service	Fountain Cleaning
UniFirst	Uniforms
U.S. Water Services	Cooling System Chemical Provider

UHL Company	Building Management Systems
Unparalleled Parking	Valet services
Voss	Lighting Vendor
Xanadu	Social Media Management & Content
XCEL Energy	Utility Provider- Electricity
Whelan Security Co	Security Service

EXHIBIT C-1

MAJOR TENANTS

1. Rypen
2. Crate & Barrel
3. Barnes & Noble
4. Design within Reach
5. Pottery Barn
6. Rejuvenation
7. Arhaus

EXHIBIT C-2

FORM OF TENANT ESTOPPEL CERTIFICATE

[All blanks will be completed by Owner LLC prior to delivery of Estoppel Certificate to the Tenant.]

From:

_____("Tenant")

To:

_____("Purchaser")

and

Galleria Shopping Center, LLC

Lease: Lease dated _____, _____ between Landlord and Tenant, covering the Premises (as defined below), as modified, altered or amended (as further described in Paragraph 1 below) (the "Lease"). All capitalized terms used and not otherwise defined herein shall have the meanings assigned thereto in the Lease.

Premises: Suite _____, consisting of a total of _____ rentable square feet (as set forth in the Lease) (the "Premises"), located in the building having an address of 3501 Galleria, Edina, Minnesota.

Tenant hereby certifies to Landlord, Purchaser, and any lender to Purchaser as follows:

1. Tenant is the current Tenant under the Lease. The Lease is in full force and effect and is the only lease, agreement or understanding between Landlord and Tenant affecting the Premises and any rights to parking. The Lease has not been modified, altered or amended, except by the documents listed on Annex I attached hereto.

2. The Commencement Date of the Lease occurred on _____, and the Expiration Date of the Lease will occur on _____.

3. Tenant commenced payment of Rent under the Lease on _____. The annual [**Net Rent**] under the Lease for the current Lease Year is \$ _____ per square foot of net rentable area per year, or \$ _____ per month. Tenant is also responsible to pay: (i) Tenant's [**Proportionate Share of Common Area Maintenance**] (as defined in the Lease), which for the current year consists of \$ _____ per month, (ii) Tenant's [**HVAC charges**], which for the current year consists of \$ _____ per month, (iii) Tenant's [**Proportionate Share of Real Estate Taxes**], which for the current year consists of \$ _____ per month and (iv) Percentage Rent in the amount of _____ % of Gross Sales which exceed [\$ _____] [**the natural breakpoint**]. Tenant has fully paid all Net Rent, Additional Rent and other sums due and payable under the Lease on or before the date of this Certificate and Tenant has not paid any Rent more than one month in advance.

4. As of the date of this Certificate, (i) to Tenant's knowledge, Landlord is not in default under any of the terms, conditions or covenants of the Lease to be performed or complied with by Landlord, and no event has occurred and no circumstance exists which, with the passage of time or the giving of notice by Tenant, or both, would constitute such a default,

and (ii) Tenant is not in default under any of the terms, conditions or covenants of the Lease to be performed or complied with by Tenant, and no event has occurred and no circumstance exists which, with the passage of time or the giving of notice by Landlord, or both, would constitute such a default.

5. As of the date of this Certificate, to Tenant's knowledge, Tenant has no existing defenses, offsets or credits against the payment of Rent and other sums due or to become due under the Lease or against the performance of any other of Tenant's obligations under the Lease.

6. Tenant has no right or claim under the Lease arising from any pandemic or any pandemic-related governmental mandates or regulations.

7. Except as set forth in the Lease, Tenant is not entitled to any concession, rebate, allowance, or free rent for any period after this Certificate.

8. Tenant has accepted and is presently occupying the Premises, and, to Tenant's knowledge, the Premises have been completed in accordance with the terms of the Lease.

9. Tenant has no option or right of first refusal to purchase the Premises. Tenant has no right to lease additional or different space in the Property except as provided in the Lease.

10. Tenant has paid to Landlord a security deposit in the amount of \$_____. Tenant has delivered to Landlord a security deposit in the form of a letter of credit in the amount of \$_____.

11. Tenant has not entered into any sublease, assignment or other agreement transferring any of its interest in the Lease or the Premises, except _____.

12. Tenant has no right to extend the term of the Lease or expand the Premises except as provided in the Lease.

13. Tenant understands that this Certificate is required in connection with Purchaser's acquisition of the Property, and Tenant agrees that Purchaser and its assigns (including any parties providing financing for the Property) will, and will be entitled to, rely on the truth of this Certificate.

14. The party executing this document on behalf of Tenant represents that he/she has been authorized to do so on behalf of Tenant.

EXECUTED on this _____ day of _____, 201____.

“TENANT”

By: _____
Name: _____
Title: _____

EXHIBIT C-3

SELLER'S ESTOPPEL CERTIFICATE

Property Name: _____, _____, _____

Tenant: _____

[If applicable, Seller will complete this Seller's Certificate consistent with respective tenant Estoppel Certificates previously prepared by Seller.]

TO: _____ ("Purchaser")

RE: Property Address: _____, _____, _____

Lease Date: _____

Between _____ ("Landlord")

And _____ ("Tenant")

Square Footage Leased: _____

Suite Number _____, Floor Number _____ ("Premises")

Galleria Shopping Center, LLC ("Seller") hereby certifies to Purchaser the following with respect to the above-referenced lease (which together with all documents described in paragraph 1 below are collectively referred to as the "Lease"):

1. The Lease has not been canceled, modified, extended or amended except as follows: _____.

2. Rent has been paid to _____. There is no prepaid rent, except _____. The amount of security deposit is \$_____.

3. The current rent is \$_____ per month which does (not) include the Tenant's share of operating expenses. The Tenant is currently in occupancy of the Premises.

4. Tenant has no option or right of first refusal to purchase the Premises or building of which it is a part.

5. All work to be performed for Tenant under the Lease has been performed as required; and Tenant does not have any unused improvement allowance., in each case except as follows: _____

6. The Lease is in full force and effect. To the best of Landlord's knowledge, Tenant is not in default under any of the provisions of the Lease pertaining to Tenant, and no event has occurred and no circumstance exists, which with the passage of time or the giving of notice by Landlord, or both, would constitute a default.

7. To the best of Landlord's knowledge, Landlord is not in default under any of the provisions of the Lease pertaining to Landlord, and no event has occurred and no circumstances exist which, with the passage of time or the giving of notice by Tenant, or both, would constitute such a default.

8. The Lease is the only lease, agreement or understanding between Landlord and Tenant affecting the Premises and any rights to parking.

9. Landlord has no knowledge that Tenant has entered into any sublease, assignment or other agreement transferring any of the interests in the Lease or Premises, except

10. Landlord understands that this Certificate is required in connection with Purchaser's acquisition of the Property and Landlord agrees that Purchaser and its successors and assigns (including any parties providing financing for the Property or any portion thereof) will, and will be entitled to, rely on the truth and accuracy of this Certificate.

The undersigned is a duly appointed signatory of the Seller authorized to sign this Certificate.

EXECUTED on this _____ day of _____, 2022.

GALLERIA SHOPPING CENTER, LLC
a Minnesota limited liability company

By: Hines Global REIT Minnesota Retail I LLC,
a Delaware limited liability company,
its sole member

By:
Name:
Title:

EXHIBIT D

COMMISSION AGREEMENTS

Agreements with brokers related to Tenant Leases with the following Tenants:

1. Interior Define
2. Madewell
3. Parachute
4. Rothy's
5. Sweet Green

EXHIBIT E

LAWSUITS

1. Lawsuit filed by Bollenbach, regarding a slip and fall.
2. Lawsuit filed by Nelson, regarding a slip and fall.

EXHIBIT F-1

LIST OF TENANTS AND TENANT LEASES

1. Allen Edmonds Shoe Corporation
2. Allure Intimate Apparel
3. Ampersand Shops
4. Arhaus
5. Bachman's (Temp)
6. Barnes & Noble
7. Big Bowl
8. Bluemercury
9. Chico's FAS
10. Coach Stores
11. Cole Haan Company Store
12. COV
13. Crate & Barrel
14. Crave
15. David Yurman
16. Design Within Reach
17. Eileen Fisher
18. Elina's Design & Tailoring
19. Face Foundrie Edina
20. Fawbush's Galleria
21. Fifth Avenue Optical
22. Filson (C.C. Filson Co.)
23. Free People
24. Good Earth

25. H.O.B.O.
26. Hammer Made
27. Interior Define
28. Invision Optical
29. J. Jill
30. J. McLaughlin
31. Jaxon Grey
32. Johnny Was
33. JW Hulme (Temp)
34. Kate Spade
35. L 'Occitane
36. Legacy Toys (Temp)
37. Lili Salon / Tonic Barber
38. Louis Vuitton USA
39. Lululemon
40. Madewell
41. Marmi (Wolff-ST)
42. Melly
43. Nic + Zoe
44. Northface
45. Origins LLC
46. Paper Source - to be replaced by Rothys
47. Parachute
48. PB Teen (Williams Sonoma)

49. Peloton Interactive
50. Pittsburgh Blue
51. Pottery Barn
52. Pottery Barn Kids
53. Pumpz & Company
54. Rejuvenation
55. Rypen
56. Shinola Detroit
57. Soft Surroundings (Triad Retail)
58. Sotheby's International Realty
59. St. Croix Knits (Temp)
60. Starbucks Coffee Company
61. Suit Supply
62. Sundance
63. Sweet Green (in lease)
64. Tiffany & Company
65. Tory Burch
66. Trail Mark
67. Tumi
68. Twill By Scott Dayton
69. Vineyard Vines
70. Warby Parker
71. Williams-Sonoma

EXHIBIT F-2

LIST OF TENANTS AND TENANT SECURITY DEPOSITS

None.

EXHIBIT F-3

LIST OF TENANTS AND TENANT LETTER OF CREDIT

None.

EXHIBIT G

SELLER'S LEASING COSTS

Leasing costs related to the Tenant Leases with the following Tenants (amounts to be added prior to PSA execution):

1. Interior Define
2. Madewell
3. Parachute
4. Rothys
5. Sweet Green

EXHIBIT H

GENERAL CONVEYANCE, BILL OF SALE, ASSIGNMENT AND ASSUMPTION

GALLERIA SHOPPING CENTER, LLC, a Minnesota limited liability company and **GALLERIA PARKING RAMP, LLC**, a Minnesota limited liability company, (collectively, the “**Sellers**,” and, each individually, a “**Seller**”), for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration to Sellers paid by _____, a _____ (“**Purchaser**”), the receipt of which is hereby acknowledged, hereby bargains, sells, transfers, conveys and assigns to Purchaser the following described property:

(a) Sellers’ right, title, and interest in and to all equipment, appliances, tools, supplies, machinery, furnishings and other tangible personal property, attached to, appurtenant to, located in the improvements (the “**Improvements**”) located on the real property described on **Exhibit A** attached hereto and made a part hereof for all purposes (the “**Real Property**”) and used exclusively in connection with the ownership or operation of the Improvements, including, without limitation, the items listed on **Exhibit B** attached hereto (the “**Personal Property**”), but specifically excluding (i) items of personal property owned by tenants (each a “**Tenant**”) of the Improvements, (ii) any items of personal property owned by third parties and leased to Sellers, (iii) any items of personal property owned or leased by Sellers’ property manager, and (iv) all other Reserved Company Assets (as defined in the Purchase Agreement defined below);

(c) All of Sellers’ right, title and interest, as lessor, under all leases, rental agreements or occupancy agreements, and all amendments, modifications and supplements thereto (“**Tenant Leases**”) with the Tenants set forth on **Exhibit C** attached hereto;

(d) All of Sellers’ right, title, and interest under all service contracts, maintenance contracts, equipment leasing agreements, warranties, guaranties, bonds, leasing agreements, leasing commission agreements, and other contracts for the provision of labor, services, materials or supplies relating to the Real Property and Improvements set forth on **Exhibit D** attached hereto (the “**Service Contracts**”);

(e) Any and all of Sellers’ right, title and interest in and to all licenses, permits, certificates of occupancy, approvals, dedications, subdivision maps, development rights and entitlements issued, approved or granted in connection with the Real Property and the Improvements, to the extent assignable without the necessity of consent or assignable only with consent and such consent has been obtained (the “**Licenses and Permits**”); and

(f) Any and all of Sellers’ right, title and interest in and to all assignable and transferable trade names, trademarks, logos and service marks (in each case, if any) owned by Sellers and utilized by Sellers solely in connection with the operation of the Real Property and Improvements (other than the names or variations thereof of Hines Interests Limited Partnership (or Hines), each Seller and their affiliates, the property manager and Tenants) to the extent assignable without the necessity of consent or assignable only with consent and such consent has been obtained (the “**Intangible Property Rights**”), excluding all Reserved Company Assets.

The Personal Property, Tenant Leases, Tenant Deposits, Service Contracts, Licenses and Permits and Intangible Property Rights are hereinafter collectively referred to as the “**Property**.”

Sellers have executed this General Conveyance, Bill of Sale, Assignment and Assumption (this “**General Conveyance**”) and BARGAINED, SOLD, TRANSFERRED,

CONVEYED and ASSIGNED the Property and Purchaser has accepted this General Conveyance and purchased the Property AS IS AND WHEREVER LOCATED, WITH ALL FAULTS AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES OF WHATSOEVER NATURE, EXPRESS, IMPLIED, OR STATUTORY, EXCEPT AS EXPRESSLY SET FORTH IN THE AGREEMENT OF SALE AND PURCHASE BETWEEN SELLERS AND PURCHASER DATED _____, 2021, REGARDING THE PROPERTY (the “**Purchase Agreement**”) AND THE WARRANTIES SET FORTH HEREIN, IT BEING THE INTENTION OF SELLERS AND PURCHASER TO EXPRESSLY NEGATE AND EXCLUDE ALL WARRANTIES WHATSOEVER, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS, ANY RIGHTS OF PURCHASER UNDER APPROPRIATE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION, ANY CLAIM BY PURCHASER FOR DAMAGES BECAUSE OF DEFECTS, WHETHER KNOWN OR UNKNOWN WITH RESPECT TO THE PROPERTY, WARRANTIES CREATED BY AFFIRMATION OF FACT OR PROMISE AND ANY OTHER WARRANTIES CONTAINED IN OR CREATED BY THE UNIFORM COMMERCIAL CODE AS NOW OR HEREAFTER IN EFFECT IN THE STATE IN WHICH THE REAL PROPERTY IS LOCATED, OR CONTAINED IN OR CREATED BY ANY OTHER LAW.

Purchaser accepts the foregoing bargain, sale, transfer, conveyance and assignment and assumes and agrees to be bound by and to perform and observe (i) all of the obligations and covenants of Sellers under the Service Contracts, Tenant Leases, Licenses and Permits, and Intangible Property Rights, assigned to Purchaser, which are to be performed or observed on or subsequent to the date hereof, (ii) all obligations and covenants of Sellers under the Tenant Leases, Service Contracts, and the Licenses and Permits and Intangible Property Rights, assigned to Purchaser relating to the physical or environmental condition of the Real Property, Improvements and Assigned Property, regardless of whether such obligations arise before or after the date hereof, and (iii) all leasing commissions, brokerage commissions, tenant improvement allowances, legal fees and other expenditures incurred in connection with the lease of space in the Real Property and improvements (“**Leasing Costs**”) entered into on or subsequent to the Effective Date of the Purchase Agreement, and (iv) those Leasing Costs for which Purchaser has received a credit against the purchase price of the Property on the date hereof.

To facilitate execution of this General Conveyance, this General Conveyance may be executed in multiple counterparts, each of which, when assembled to include an original signature for each party contemplated to sign this General Conveyance, will constitute a complete and fully executed original. All such fully executed original counterparts will collectively constitute a single agreement. The obligations of Sellers under this General Conveyance are limited by the provisions of Section 16.1 of the Purchase Agreement.

EXECUTED as of the _____ day of _____, 2022.

SELLERS:

GALLERIA SHOPPING CENTER, LLC

a Minnesota limited liability company

By: Hines Global REIT Minnesota Retail I LLC,
a Delaware limited liability company,
its sole member

By:
Name:
Title:

GALLERIA PARKING RAMP, LLC

a Minnesota limited liability company

By: Hines Global REIT Minnesota Retail I LLC,
a Delaware limited liability company,
its sole member

By:
Name:
Title:

PURCHASER:

a _____,

By:
Name:
Title:

EXHIBIT I

FORM OF DEED

FORM OF LIMITED WARRANTY DEED

(Top 3 inches reserved for recording data)

LIMITED WARRANTY DEED
Business Entity to Business Entity

Based upon Minnesota Uniform Conveyancing Blanks
Form 10.2.9 (2013)

eCRV number: _____
DEED TAX DUE: \$ _____

DATE: _____

FOR VALUABLE CONSIDERATION, _____, a Minnesota limited liability company (“**Grantor**”), hereby conveys and quitclaims to _____, a _____ (“**Grantee**”), real property in Hennepin County, Minnesota, legally described as follows:

[insert legal]

Check here if all or part of the described real property is Registered (Torrens) ☒

Together with and subject to all rights and interest described in or arising under the agreements identified on Exhibit B attached hereto and made a part hereof;

together with all hereditaments and appurtenances.

This Deed conveys after-acquired title. Grantor warrants that Grantor has not done or suffered anything to encumber the property, EXCEPT:

See Exhibit A attached hereto and made a part hereof.

Check applicable box:

- ☒ The Seller certifies that the Seller does not know of any wells on the described real property.
- ☐ A well disclosure certificate accompanies this document.
- ☐ I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

SIGNATURE PAGE TO LIMITED WARRANTY DEED

GRANTOR:

GALLERIA SHOPPING CENTER, LLC

a Minnesota limited liability company

By: Hines Global REIT Minnesota Retail I LLC,
a Delaware limited liability company,
its sole member

By:
Name:
Title:

State of Minnesota, County of _____

This instrument was acknowledged before me on _____, 2022, by
_____, as _____, of
_____ LLC, a Minnesota limited liability company.

(Stamp)

(signature of notarial officer)

Title

(and

Rank) _____

My

Commission

expires: _____

(date/month/year)

GRANTOR:

GALLERIA PARKING RAMP, LLC

a Minnesota limited liability company

By: Hines Global REIT Minnesota Retail I LLC,
a Delaware limited liability company,
its sole member

By:
Name:
Title:

State of Minnesota, County of _____

This instrument was acknowledged before me on _____, 2022, by
_____, as _____, of
_____ LLC, a Minnesota limited liability company.

(Stamp)

(signature of notarial officer)

Title

(and

Rank) _____

My

Commission

expires: _____

(date/month/year)

THIS INSTRUMENT WAS DRAFTED BY:

TAX STATEMENTS FOR THE REAL
PROPERTY DESCRIBED IN THIS
INSTRUMENT SHOULD BE SENT
TO:

EXHIBIT A TO EXHIBIT I
PERMITTED EXCEPTIONS

EXHIBIT J

NON-FOREIGN ENTITY CERTIFICATION

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including Section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. The owner of the subject property is [Galleria Shopping Center, LLC/Galleria Parking Ramp, LLC], a Minnesota limited liability company ("Galleria LLC"), and Galleria LLC is a disregarded entity as defined in Section 1.1445-2(b)(2)(iii) of the Income Tax Regulations. Hines Global REIT Minnesota Retail I LLC, a Delaware limited liability company ("Minnesota Retail LLC"), the sole member of Galleria LLC, is also a disregarded entity as defined in Section 1.1445-2(b)(2)(iii) of the Income Tax Regulations. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by Galleria LLC, HINES GLOBAL REIT PROPERTIES LP, a Delaware limited partnership (the "Transferor"), the sole member of Minnesota Retail LLC, hereby certifies the following:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);
2. Transferor is not a disregarded entity as defined in Section 1.1445-2(b)(2)(iii);
3. Transferor's U.S. employer identification number is _____; and
4. Transferor's office address is
c/o Hines Interests Limited Partnership
2800 Post Oak Boulevard
Houston, Texas 77056

Transferor understands that this certification may be disclosed to the Internal Revenue Service and that any false statement made within this certification could be punished by fine, imprisonment, or both.

Under penalties of perjury the undersigned declares that he has examined this certification and that to the best of his knowledge and belief it is true, correct and complete, and the undersigned further declares that he has the authority to sign this document on behalf of the Transferor.

TRANSFEROR:

HINES GLOBAL REIT PROPERTIES LP,
a Delaware limited partnership

By: HGR Liquidating Trust,
a Maryland statutory trust,
as successor to Hines Global REIT, Inc.

By: _____
Name: _____
Title: _____

FIRST AMENDMENT TO AGREEMENT OF SALE AND PURCHASE

THIS FIRST AMENDMENT TO AGREEMENT OF SALE AND PURCHASE (“**First Amendment**”) is dated as of February 28, 2022 by and among GALLERIA SHOPPING CENTER, LLC, a Minnesota limited liability company and GALLERIA PARKING RAMP, LLC, a Minnesota limited liability company, (together, the “**Sellers**,” and, each individually, a “**Seller**”), and 70th STREET PROPERTIES, LLC, a Minnesota limited liability company (“**Purchaser**”).

RECITALS

WHEREAS, Sellers and Purchaser are parties to that certain Agreement of Sale and Purchase dated as of December 24, 2021 (the “**Agreement**”) related to the sale of the property located at 3501 Galleria, Edina, Minnesota and commonly known as the Galleria Shopping Center, and those certain parcels of or interests in the real property located at 3210 Galleria, Edina, Minnesota, as more particularly described in the Agreement; and

WHEREAS, Sellers and Purchaser desire to amend the Agreement as provided the terms and provisions contained below in this First Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00), the above recitals, the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Defined Terms.** Any capitalized terms not defined herein shall have the meanings ascribed to such terms in the Agreement. From and after the date hereof, all references contained in the Agreement to “this Agreement” shall mean and refer to the Agreement, as amended by this First Amendment.

2. **Closing Date.** The definition of “Closing Date” as set forth in Section 1.1 of the Agreement is hereby amended and restated as follows:

““**Closing Date**” means March 10, 2022.”

3. **Extension of Closing Date.** In consideration for the extension of the Closing Date set forth in Paragraph 2 of this First Amendment, Purchaser hereby directs the Title Company to immediately release the Earnest Money Deposit to Sellers by electronic deposit to the account specified on Exhibit A, attached hereto. The Earnest Money Deposit shall continue to be nonrefundable to Purchaser except to the extent the Earnest Money Deposit is expressly refundable to Purchaser pursuant to the Agreement. No party to this Agreement shall extend the Closing Date other than in accordance with the terms set forth in this First Amendment without written consent among Sellers and Purchaser.

4. **Further Extension of Closing Date.** If Purchaser requires a further extension of the Closing Date to a date later than March 10, 2022, Purchaser shall deliver a written extension request to Sellers (the “**Extension Notice**”), and Purchaser shall have the right to extend the Closing Date for a period of fourteen (14) days to March 24, 2022, provided that, simultaneously with the delivery of the Extension Notice, Purchaser deposits with the Title Company, in immediately available federal funds, the sum of Five Hundred Thousand Dollars (\$500,000) (the “**Extension Deposit**”). The Extension Deposit shall be non-refundable to Purchaser; however, Purchaser will receive a credit against cash due at Closing for the Extension Deposit.

5. **Counterparts; Email Signatures.** This First Amendment may be executed in any number of counterparts, each of which shall, when executed, be deemed to be an original and all of which shall be deemed to be one and the same instrument. Signature pages may be detached from separate

counterparts and combined into a single counterpart. Further, each party hereto may rely upon a telecopied (faxed) or electronically-mailed signature of a counterpart of this First Amendment or detached signature page therefrom that has been executed by any other party hereto as if the same were the executed original thereof, and the other party shall be bound thereby.

6. **Ratification and Incorporation.** Except as expressly modified by this First Amendment, the Agreement remains unmodified and in full force and effect. This First Amendment shall form a part of the Agreement and all references to the Agreement shall mean that document as hereby modified.

7. **Recitals.** The recitals set forth above are true, correct and complete and are hereby incorporated herein and made a part of this First Amendment.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the Effective Date.

SELLERS:

GALLERIA SHOPPING CENTER, LLC
a Minnesota limited liability company

By: Hines Global REIT Minnesota Retail I LLC,
a Delaware limited liability company,
its sole member

By: _____
Name: Janice E. Walker
Title: Manager

GALLERIA PARKING RAMP, LLC
a Minnesota limited liability company

By: Hines Global REIT Minnesota Retail I LLC,
a Delaware limited liability company,
its sole member

By: _____
Name: Janice E. Walker
Title: Manager

PURCHASER:

70th STREET PROPERTIES, LLC,
a Minnesota limited liability company

By: _____
Name: Peter Haeg
Title: CEO

LIST OF SUBSIDIARIES

Name	Jurisdiction of Organization
Hines Global REIT Properties LP	Delaware
Hines-Laser UK Venture I S.Á.R.L. (Lux)	Luxembourg
HGR International Investment Manager LLC	Delaware
Finmos Ltd.	Cyprus
Dolorous Ltd.	Cyprus
ZAO FM Logistic (SEVO)	Russia
Hines Global REIT Moscow Holdings II LLC	Delaware
Glumeran Holdings Limited	Cyprus
Fibersoft Limited	Cyprus
Maxrange Limited	Cyprus
OOO Gogolevsky 11	Russia
Hines Global REIT Poland Finco LLC	Delaware
Hines Global REIT Poland Logistics Holdings I LLC	Delaware
HGR Poland Holdings GP LLC	Delaware
HGR Vienna Holdings LP	Delaware
Piran Investments Sp. z o.o.	Poland
Piran Investments Sp. z o.o. Geneva SJ	Poland
Piran Investments Sp. z o.o. Titus SJ	Poland
Piran Investments Sp. z o.o. Trajan SJ	Poland
Piran Investments Sp. z o.o. Hadrian SJ	Poland
Eaglestone Sp. z o.o. Vienna SJ	Poland
Hines Global REIT Australia Holdco LLC	Delaware
Hines Global REIT Australia Holdings Trust	Australia
Hines Global REIT Brookes Trust	Australia
Hines Global REIT Minnesota Retail I LLC	Delaware
Galleria Shopping Center LLC	Minnesota
Hines Global REIT Ann Trust	Australia
ZAO FM Logistic (SEVO)	Delaware
Hines Global REIT Victoria Trust	Australia
Galleria Parking Ramp LLC	Minnesota
GREIT European Holdings II LLC	Delaware
One Westferry Circus S.a.r.l	Luxembourg
Global REIT Westferry HoldCo S.a.r.l	Luxembourg
Hines Global REIT 1 Westferry Holdings LLC	Delaware
Eaglestone sp. z o. o.	Poland
Global REIT PD S.a.r.l.	Luxembourg
GREIT France 1	Paris
SCI GREIT Paris 1	Paris
GREIT ICR Services Inc.	Delaware
ICR Services S.a.r.l.	Luxembourg
PD ICR	Nanterre
Hines Global REIT 4875 Town Center LLC	Delaware
Hines Global REIT 2615 Med Center Parkway LLC	Delaware
Hines Global REIT 55M Street LLC	Delaware
Hines Global REIT San Antonio Retail I GP LLC	Delaware
Hines Global REIT San Antonio Retail I LP	Delaware

Name	Jurisdiction of Organization
Hines Global REIT Cabot Square Holdings LLC	Delaware
Global REIT Cabot Square HoldCo S.a.r.l.	Luxembourg
Cabot Square Retail S.a.r.l.	Luxembourg
25 Cabot Square S.a.r.l.	Luxembourg
Hines Global REIT Bourke Trust	Australia
Albelia Holdings Limited	Cyprus
NC Office sp. z o.o	Poland
NCDP sp. z o.o	Poland

**CERTIFICATION
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Jeffrey C. Hines, certify that:

1. I have reviewed this Annual Report on Form 10-K of HGR Liquidating Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects (a) the net assets and changes in net assets of the registrant under the liquidation basis of accounting as of December 31, 2021, December 31, 2020, and for the period from July 1, 2020 to December 31, 2020, and (b) the financial condition, results of operations and cash flows of the registrant under the going concern basis of accounting for the six months ended June 30, 2020 and the year ended December 31, 2019;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. This report discloses, based on my most recent evaluation of internal control over financial reporting:
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 31, 2022

/s/ Jeffrey C. Hines

Jeffrey C. Hines

Chief Executive Officer

**CERTIFICATION
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, J. Shea Morgenroth, certify that:

1. I have reviewed this Annual Report on Form 10-K of HGR Liquidating Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects (a) the net assets and changes in net assets of the registrant under the liquidation basis of accounting as of December 31, 2021, December 31, 2020, and for the period from July 1, 2020 to December 31, 2020, and (b) the financial condition, results of operations and cash flows of the registrant under the going concern basis of accounting for the six months ended June 30, 2020 and the year ended December 31, 2019;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. This report discloses, based on my most recent evaluation of internal control over financial reporting:
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 31, 2022

/s/ J. Shea Morgenroth

J. Shea Morgenroth

Chief Financial Officer

**WRITTEN STATEMENT OF CHIEF EXECUTIVE OFFICER AND
CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE
SARBANES — OXLEY ACT OF 2002**

The undersigned, the Chief Executive Officer and the Chief Financial Officer of HGR Liquidating Trust (“the Trust”), each hereby certifies that to his/her knowledge, on the date hereof:

(a) the Annual Report on Form 10-K of the Trust for the year ended December 31, 2021 filed on the date hereof with the Securities and Exchange Commission (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Trust.

Date: March 31, 2022

/s/ Jeffrey C. Hines

Jeffrey C. Hines

Chief Executive Officer

Date: March 31, 2022

/s/ J. Shea Morgenroth

J. Shea Morgenroth

Chief Financial Officer