

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2016

or

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

For the transition period from to

Commission file number: 000-50805

Hines Real Estate Investment Trust, Inc.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of incorporation or organization)

20-0138854

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

2800 Post Oak Boulevard

Suite 5000

Houston, Texas

(Address of principal executive offices)

77056-6118

(Zip code)

(888) 220-6121

(Registrant's telephone number, including area code)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes ☒ No ☐

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

Large accelerated filer ☐

Accelerated Filer ☐

Non-accelerated filer ☒ (Do not check if smaller reporting company)

Smaller Reporting Company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

As of August 5, 2016, 221.6 million shares of the registrant's common stock were outstanding.

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PART I - FINANCIAL INFORMATION**Item 1. Condensed Consolidated Financial Statements.**

HINES REAL ESTATE INVESTMENT TRUST, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	June 30, 2016	December 31, 2015
	(In thousands, except per share amounts)	
ASSETS:		
Investment property, net	\$ —	\$ 1,698,456
Investments in unconsolidated entities	86,707	100,455
Cash and cash equivalents	52,182	69,743
Restricted cash	—	1,288
Distributions receivable	1,238	1,757
Tenant and other receivables, net	—	41,025
Intangible lease assets, net	—	124,265
Deferred leasing costs, net	—	143,656
Deferred financing costs, net	—	519
Other assets	—	2,567
Assets held for sale	1,869,686	—
TOTAL ASSETS	\$ 2,009,813	\$ 2,183,731
LIABILITIES:		
Accounts payable and accrued expenses	\$ —	\$ 58,828
Due to affiliates	5,667	4,501
Intangible lease liabilities, net	—	29,699
Other liabilities	—	16,603
Interest rate swap contracts	—	17,448
Participation interest liability	131,876	126,637
Distributions payable	14,994	15,219
Notes payable, net	—	852,245
Liabilities associated with assets held for sale	813,925	—
Total liabilities	966,462	1,121,180
Commitments and contingencies (Note 12)	—	—
EQUITY:		
Preferred shares, \$.001 par value; 500,000 preferred shares authorized, none issued or outstanding as of June 30, 2016 and December 31, 2015	—	—
Common shares, \$.001 par value; 1,500,000 common shares authorized, 221,632 and 222,510 common shares issued and outstanding as of June 30, 2016 and December 31, 2015, respectively	223	223
Additional paid-in capital	2,104,414	2,101,105
Accumulated distributions in excess of earnings	(1,060,217)	(1,037,548)
Accumulated other comprehensive income (loss)	(1,069)	(1,229)
Total stockholders' equity	1,043,351	1,062,551
Noncontrolling interests	—	—
Total equity	1,043,351	1,062,551
TOTAL LIABILITIES AND EQUITY	\$ 2,009,813	\$ 2,183,731

See notes to the condensed consolidated financial statements.

HINES REAL ESTATE INVESTMENT TRUST, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
For the Three and Six Months Ended June 30, 2016 and 2015
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
	(In thousands, except per share amounts)			
Revenues:				
Rental revenue	\$ 44,451	\$ 48,247	\$ 92,558	\$ 100,073
Other revenue	4,828	5,303	9,818	9,467
Total revenues	49,279	53,550	102,376	109,540
Expenses:				
Property operating expenses	13,855	15,429	27,619	30,261
Real property taxes	7,848	7,817	16,294	15,469
Property management fees	1,226	1,394	2,611	2,881
Depreciation and amortization	18,597	22,808	38,190	45,290
Acquisition related expenses	—	545	—	600
Asset management and acquisition fees	6,145	8,447	14,564	17,128
General and administrative	1,555	2,083	3,246	3,430
Transaction expenses	3,203	—	3,462	—
Impairment losses	23,463	—	23,463	—
Total expenses	75,892	58,523	129,449	115,059
Operating income (loss)	(26,613)	(4,973)	(27,073)	(5,519)
Other income (expenses):				
Gain (loss) on derivative instruments, net	4,440	4,335	8,398	7,527
Gain (loss) on settlement of debt	(598)	—	(598)	—
Equity in earnings (losses) of unconsolidated entities, net	(9,303)	(199)	7,043	33,000
Gain (loss) on sale of real estate investments	36,428	8,304	36,430	29,383
Interest expense	(8,184)	(9,840)	(16,822)	(19,320)
Interest income	37	11	63	22
Income (loss) from continuing operations before benefit (provision) for income taxes	(3,793)	(2,362)	7,441	45,093
Benefit (provision) for income taxes	(37)	(26)	(75)	(112)
Income (loss) from continuing operations	(3,830)	(2,388)	7,366	44,981
Income (loss) from discontinued operations, net of taxes	24	(158)	(14)	(160)
Net income (loss)	(3,806)	(2,546)	7,352	44,821
Less: Net (income) attributable to noncontrolling interests	(75)	(75)	(149)	(148)
Net income (loss) attributable to common stockholders	\$ (3,881)	\$ (2,621)	\$ 7,203	\$ 44,673
Basic and diluted income (loss) per common share	\$ (0.02)	\$ (0.01)	\$ 0.03	\$ 0.20
Distributions declared per common share	\$ 0.07	\$ 0.07	\$ 0.13	\$ 0.13
Weighted average number of common shares outstanding	221,632	223,724	221,869	223,991
Net comprehensive income (loss):				
Net income (loss)	\$ (3,806)	\$ (2,546)	\$ 7,352	\$ 44,821
Other comprehensive income (loss):				
Foreign currency translation adjustment	4	51	160	(160)
Net comprehensive income (loss)	(3,802)	(2,495)	7,512	44,661
Net comprehensive (income) loss attributable to noncontrolling interests	(75)	(75)	(149)	(148)
Net comprehensive income (loss) attributable to common stockholders	\$ (3,877)	\$ (2,570)	\$ 7,363	\$ 44,513

See notes to the condensed consolidated financial statements.

HINES REAL ESTATE INVESTMENT TRUST, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
For the Six Months Ended June 30, 2016 and 2015
(UNAUDITED)
(In thousands)

Hines Real Estate Investment Trust, Inc.							
	Common Shares	Amount	Additional Paid-in Capital	Accumulated Distributions in Excess of Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity	Noncontrolling Interests
BALANCE, January 1, 2016	222,510	\$ 223	\$ 2,101,105	\$ (1,037,548)	\$ (1,229)	\$ 1,062,551	\$ —
Issuance of common shares	1,617	2	10,825	—	—	10,827	—
Redemption of common shares	(2,495)	(2)	(7,464)	—	—	(7,466)	—
Distributions declared	—	—	—	(29,872)	—	(29,872)	(149)
Other offering costs, net	—	—	(52)	—	—	(52)	—
Net income (loss)	—	—	—	7,203	—	7,203	149
Foreign currency translation adjustment	—	—	—	—	160	160	—
BALANCE, June 30, 2016	<u>221,632</u>	<u>\$ 223</u>	<u>\$ 2,104,414</u>	<u>\$ (1,060,217)</u>	<u>\$ (1,069)</u>	<u>\$ 1,043,351</u>	<u>\$ —</u>
	Common Shares	Amount	Additional Paid-in Capital	Accumulated Distributions in Excess of Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity	Noncontrolling Interests
BALANCE, January 1, 2015	225,207	\$ 225	\$ 2,110,537	\$ (1,020,134)	\$ (790)	\$ 1,089,838	\$ —
Issuance of common shares	1,692	2	11,070	—	—	11,072	—
Redemption of common shares	(3,175)	(3)	(16,672)	—	—	(16,675)	—
Distributions declared	—	—	—	(29,992)	—	(29,992)	(148)
Other offering costs, net	—	—	(9)	—	—	(9)	—
Net income (loss)	—	—	—	44,673	—	44,673	148
Foreign currency translation adjustment	—	—	—	—	(160)	(160)	—
BALANCE, June 30, 2015	<u>223,724</u>	<u>\$ 224</u>	<u>\$ 2,104,926</u>	<u>\$ (1,005,453)</u>	<u>\$ (950)</u>	<u>\$ 1,098,747</u>	<u>\$ —</u>

See notes to the condensed consolidated financial statements.

HINES REAL ESTATE INVESTMENT TRUST, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2016 and 2015
(UNAUDITED)

	Six Months Ended June 30,	
	2016	2015
	(In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 7,352	\$ 44,821
Adjustments to reconcile net income (loss) to cash from operating activities:		
Depreciation and amortization	49,357	53,469
(Gain) loss on sale of real estate investments	(36,430)	(29,383)
(Gain) loss on settlement of debt	598	—
Impairment losses	23,463	—
Equity in (earnings) losses of unconsolidated entities, net	(7,043)	(33,000)
Distributions received from unconsolidated entities	7,043	33,000
Other losses, net	75	75
(Gain) loss on derivative instruments, net	(8,398)	(7,527)
Net change in operating accounts	(26,745)	(20,658)
Net cash provided by operating activities	9,272	40,797
CASH FLOWS FROM INVESTING ACTIVITIES:		
Distributions received from unconsolidated entities in excess of equity in earnings	14,266	45,675
Investments in acquired properties and lease intangibles	—	(270,306)
Capital expenditures at operating properties	(3,234)	(5,630)
Proceeds from sale of real estate investments	145,077	80,006
Change in restricted cash	(1,380)	1,297
Net cash provided by (used in) investing activities	154,729	(148,958)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Change in security deposits	2,754	329
Redemption of common shares	(14,615)	(17,881)
Payments of offering costs	(35)	(16)
Distributions paid to stockholders and noncontrolling interests	(19,493)	(19,411)
Proceeds from notes payable	119,000	289,000
Payments on notes payable	(268,686)	(138,442)
Payments on settlement of debt and derivative instruments	(598)	—
Additions to deferred financing costs	(125)	(257)
Net cash (used in) provided by financing activities	(181,798)	113,322
Effect of exchange rate changes on cash	236	(128)
Net change in cash and cash equivalents	(17,561)	5,033
Cash and cash equivalents, beginning of period	69,743	56,821
Cash and cash equivalents, end of period	\$ 52,182	\$ 61,854

See notes to the condensed consolidated financial statements.

HINES REAL ESTATE INVESTMENT TRUST, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the Six Months Ended June 30, 2016 and 2015
(UNAUDITED)

1. Organization

The accompanying interim unaudited condensed consolidated financial information has been prepared according to the rules and regulations of the United States Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") have been condensed or omitted according to such rules and regulations. For further information, refer to the financial statements and footnotes for the year ended December 31, 2015 included in Hines Real Estate Investment Trust, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2015. In the opinion of management, all adjustments and eliminations, consisting only of normal recurring adjustments, necessary to present fairly and in conformity with GAAP the financial position of Hines Real Estate Investment Trust, Inc. as of June 30, 2016 and the results of operations for the three and six months ended June 30, 2016 and 2015 and cash flows for the six months ended June 30, 2016 and 2015 have been included. The results of operations for such interim periods are not necessarily indicative of the results for the full year.

Hines Real Estate Investment Trust, Inc., ("Hines REIT" and, together with its consolidated subsidiaries, the "Company"), was formed on August 5, 2003 under the General Corporation Law of the state of Maryland for the purpose of engaging in the business of investing in and owning interests in real estate. Beginning with its taxable year ended December 31, 2004, the Company operated and intends to continue to operate in a manner to qualify as a real estate investment trust ("REIT") for federal income tax purposes. The Company is structured as an umbrella partnership REIT under which substantially all of the Company's current and future business is and will be conducted through its majority-owned subsidiary, Hines REIT Properties, L.P. (the "Operating Partnership"). Hines REIT is the sole general partner of the Operating Partnership. The business of the Company is managed by Hines Advisors Limited Partnership (the "Advisor"), an affiliate of Hines Interests Limited Partnership ("Hines"), pursuant to the advisory agreement between the Company and the Advisor (the "Advisory Agreement").

Hines REIT has raised approximately \$2.7 billion through public offerings of its common stock, including shares of its common stock offered pursuant to its dividend reinvestment plan, since Hines REIT commenced its initial public offering in June 2004. The Company commenced a \$150.0 million offering of shares of its common stock under its dividend reinvestment plan on July 1, 2010, which closed on June 30, 2012, immediately prior to the commencement of the Company's subsequent \$300.0 million offering of shares of its common stock under its dividend reinvestment plan on July 1, 2012. The Company refers to both offerings of shares under its dividend reinvestment plan collectively as the "DRP Offering." From inception of the DRP Offering through June 30, 2016, Hines REIT received gross offering proceeds of \$214.7 million from the sale of 28.2 million shares through the DRP Offering. On May 31, 2016, the Company's board of directors voted to suspend indefinitely the Company's dividend reinvestment plan effective as of June 30, 2016. Based on market conditions and other considerations, the Company does not currently expect to commence any future offerings.

Hines REIT contributed all net proceeds from its public offerings to the Operating Partnership in exchange for partnership units in the Operating Partnership. As of June 30, 2016 and December 31, 2015, Hines REIT owned a 91.3% and 91.8% general partner interest, respectively, in the Operating Partnership. Hines 2005 VS I LP, an affiliate of Hines, owned a 0.5% limited partnership interest in the Operating Partnership as of both June 30, 2016 and December 31, 2015. In addition, another affiliate of Hines, HALP Associates Limited Partnership ("HALP"), owned an 8.2% and 7.7% profits interest (the "Participation Interest") in the Operating Partnership as of June 30, 2016 and December 31, 2015, respectively.

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 stockholders. On June 29, 2016, in connection with a review of potential strategic alternatives available to the Company, the Company's board of directors determined that it is in the best interest of the Company and its stockholders to sell all or substantially all of the Company's properties and assets and liquidate and dissolve pursuant to a plan of liquidation and dissolution (the "Plan of Liquidation"). The principal purpose of the liquidation is to seek to maximize stockholder value by liquidating the Company's assets and distributing the net proceeds of the liquidation to the holders of the Company's common stock. As part of the Plan of Liquidation, the Company and certain of its affiliates have entered into an Agreement of Sale and Purchase, dated as of June 29, 2016, with BRE Hydra Property Owner LLC ("Purchaser" and such agreement, the "West Coast Asset Agreement") to sell to Purchaser, an affiliate of Blackstone Real Estate Partners VIII L.P., for a purchase price of \$1.162 billion, the following seven properties of the Company: Howard Hughes Center in Los Angeles, California, Laguna Buildings in Redmond, Washington, 2100 Powell in Emeryville, California, 1900 and 2000 Alameda in San Mateo, California, Daytona Buildings in Redmond,

Washington, 5th and Bell in Seattle, Washington and 2851 Junction Avenue in San Jose, California (collectively, the “West Coast Assets”, and such transaction the “West Coast Asset Sale”). The closing of the West Coast Asset Sale is subject to the satisfaction or waiver of certain closing conditions including, without limitation, approval by the Company’s stockholders of the Plan of Liquidation (including the West Coast Asset Sale). There can be no assurance that the closing conditions will be satisfied, that the West Coast Asset Sale will be consummated, or the timing thereof. Pursuant to Maryland law and the Company’s charter, the Plan of Liquidation must be 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. If the Plan of Liquidation is approved by the Company’s stockholders and the sale of all or substantially all of the Company’s assets is completed as expected, the Company expects to make one or more liquidating distributions to its stockholders during the period of the liquidation process and to make the final liquidating distribution to its stockholders on or before December 31, 2016. There can be no assurances regarding the amounts of any distributions or the timing thereof.

Directly-owned and Indirectly-owned Properties

As of June 30, 2016, the Company owned direct and indirect investments in 24 properties. These properties consisted of 16 U.S. office properties and a portfolio of 8 grocery-anchored shopping centers located in four states primarily in the southeastern United States (the “Grocery-Anchored Portfolio”). As of June 30, 2016, the directly-owned assets were classified as held for sale. See Note 2 — Summary of Significant Accounting Policies — Assets Held for Sale and Associated Liabilities Held for Sale for additional information.

The Company made investments directly through entities that are wholly-owned by the Operating Partnership, or indirectly through other entities, such as through its investment in Hines US Core Office Fund LP (the “Core Fund”) in which it owned a 28.8% non-managing general partner interest as of both June 30, 2016 and December 31, 2015. The Company accounts for its investment in the Core Fund using the equity method of accounting.

Unconsolidated VIEs

The Company has a non-managing general partner interest of 28.8% in the Core Fund. The Core Fund was determined to be a variable interest entity (“VIE”) in which the Company was determined not to be the primary beneficiary since the managing general partner has the ability to direct the activities that significantly impact the economic performance of the VIE. The Company’s maximum loss exposure is expected to change in future periods as a result of additional contributions made. Other than the initial capital contributions provided by the Company, the Company has not provided any additional subordinated financial support. See Note 5 — Investments in Unconsolidated Entities for information regarding the activity of the Company’s unconsolidated entities as of June 30, 2016 and 2015.

The table below summarizes the Company’s maximum loss exposure related to its investment in the unconsolidated VIE as of June 30, 2016 and December 31, 2015, which is equal to the carrying value of its investment in the unconsolidated VIE included in the balance sheet line item “Investment in unconsolidated entities” as of June 30, 2016 and December 31, 2015 (in thousands).

Period	Investment in Unconsolidated VIEs ⁽¹⁾		Maximum Risk of Loss ⁽¹⁾	
June 30, 2016	\$	86,707	\$	86,707
December 31, 2015	\$	100,455	\$	100,455

(1) Represents the Company’s contributions, net of distributions, made to its VIEs, as well as the Company’s share of equity in earnings (losses) on the investment as of the date indicated.

2. Summary of Significant Accounting Policies

Described below are certain of the Company’s significant accounting policies. The disclosures regarding several of the policies have been condensed or omitted in accordance with interim reporting regulations specified by Form 10-Q. Please see the Company’s Annual Report on Form 10-K for the year ended December 31, 2015 for a complete listing of all of its significant accounting policies.

Basis of Presentation

The condensed consolidated financial statements of the Company included in this Quarterly Report on Form 10-Q include the accounts of Hines REIT, the Operating Partnership and the Operating Partnership's wholly-owned subsidiaries as well as the related amounts of noncontrolling interests. All intercompany balances and transactions have been eliminated in consolidation. As a result of the adoption of Accounting Standards Update ("ASU") 2015-02, the Company has determined that the Operating Partnership is considered a VIE. However, the Company meets the disclosure exemption criteria under ASU 2015-02, as the Company is the primary beneficiary of the VIE and the Company's partnership interest is considered a majority voting interest.

The Company has retroactively changed, for all prior periods presented, its classification of distributions in the consolidated balance sheets and statements of equity by reflecting such distributions as charges against "accumulated distributions in excess of earnings." This presentation change had no impact on the total equity balances in any of the periods presented.

The Company's investments in partially-owned real estate joint ventures and partnerships are reviewed for impairment periodically. The Company will record an impairment charge if it determines that a decline in the value of an investment below its carrying value is other than temporary. The Company's analysis will be dependent on a number of factors, including the performance of each investment, current market conditions, and its intent and ability to hold the investment to full recovery. Based on the Company's analysis of the facts and circumstances at each reporting period, no impairment was recorded related to its investment in the Core Fund for the three and six months ended June 30, 2016 and 2015. However, if market conditions deteriorate in the future and result in lower valuations or reduced cash flows of the Company's remaining investment in the Core Fund, impairment charges may be recorded in future periods.

International Operations

In addition to its properties in the United States, the Company has owned investments in Canada and Brazil, although the Company no longer owns any operating investments outside the United States as of June 30, 2016. Accumulated other comprehensive income (loss) as of June 30, 2016 is related to the remaining non-operating net assets of the disposed directly-owned properties in Brazil and Canada.

Assets Held for Sale and Associated Liabilities Held for Sale

In June 2016, the Company's board of directors approved the Plan of Liquidation. In addition, as of June 30, 2016, all of the Company's properties were under contract to sell, except for a property which is being marketed for sale. Accordingly, the Company determined that all of its directly-owned properties and their related assets and associated liabilities were classified as held for sale as of June 30, 2016. At December 31, 2015, no assets were classified as held for sale by the Company.

The Company determined that the West Coast Assets are a disposal group, as they are under contract to sell in one transaction to the same buyer. The Company also determined that the Grocery-Anchored Portfolio properties, with the exception of Champions Village, are also a disposal group, as they are under contract to sell in a single transaction to the same buyer.

As of June 30, 2016, assets held for sale consisted of the following:

	June 30, 2016
Investment property, net	\$ 1,558,582
Restricted cash	2,668
Tenant and other receivables, net	43,792
Intangible lease assets, net	106,623
Deferred leasing costs, net	154,505
Deferred financing costs, net	312
Other assets	3,204
Total assets held for sale	<u>\$ 1,869,686</u>

As of June 30, 2016, liabilities associated with assets held for sale consisted of the following:

	June 30, 2016
Accounts payable and accrued expenses	\$ 57,201
Intangible lease liabilities, net	27,621
Other liabilities	16,958
Interest rate swap contracts	9,050
Notes payable, net	703,095
Total liabilities associated with assets held for sale	<u>\$ 813,925</u>

Impairment of Investment Property

Real estate assets are reviewed for impairment in 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 cash flows of each property on an undiscounted basis to the carrying amount of such property. If undiscounted cash flows are less than the carrying amount, such carrying amount would be adjusted, if necessary, to estimated fair values to reflect impairment in the value of the asset. As of June 30, 2016, all assets are held for sale and impairment is assessed by comparing the carrying amount of the long-lived asset or disposal group, as applicable, to the fair value less cost to sell. If the carrying amount is greater than the fair value less cost to sell, the asset value is considered impaired, and the carrying amount is written down to the fair value less cost to sell. See Note 13 — Fair Value Disclosures for additional information regarding the Company's policy for determining fair values of its investment properties.

The Company determined that four of its directly-owned properties located in Melville, New York, Dallas, Texas, Houston, Texas and Bellevue, Washington were impaired because such assets were classified as held for sale and their carrying values exceeded their fair values less cost to sell. As a result, impairment losses were recorded related to those properties of \$23.5 million for the three and six months ended June 30, 2016. No impairment charges were recorded on the Company's directly-owned properties for the three and six months ended June 30, 2015.

During the three and six months ended June 30, 2016, impairment losses of \$36.0 million were recorded related to three of the Company's indirectly-owned properties located in Phoenix, Arizona, Sacramento, California and Woodland Hills, California. During the three and six months ended June 30, 2015, impairment losses of \$22.1 million were recorded related to one of the Company's indirectly-owned properties located in Richmond, Virginia. The property located in Richmond, Virginia was sold in December 2015. See Note 5 — Investments in Unconsolidated Entities for additional information.

Tenant and Other Receivables

Receivable balances outstanding consist primarily of base rents, tenant reimbursements and receivables attributable to straight-line rent. An allowance for the uncollectible portion of tenant and other receivables is determined 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. Tenant and other receivables are shown at cost in the table above describing assets held for sale, net of allowance for doubtful accounts of \$4.0 million at June 30, 2016. Tenant and other receivables are shown at cost in the condensed consolidated balance sheets, net of allowance for doubtful accounts of \$4.1 million at December 31, 2015.

Deferred Leasing Costs

Tenant inducement amortization was \$5.6 million and \$4.2 million for the three months ended June 30, 2016 and 2015, respectively, and was recorded as an offset to rental revenue. In addition, the Company recorded \$1.7 million and \$1.3 million as amortization expense related to other direct leasing costs for the three months ended June 30, 2016 and 2015, respectively.

Tenant inducement amortization was \$10.7 million and \$8.0 million for the six months ended June 30, 2016 and 2015, respectively, and was recorded as an offset to rental revenue. In addition, the Company recorded \$3.2 million and \$2.5 million as amortization expense related to other direct leasing costs for the six months ended June 30, 2016 and 2015, respectively.

Deferred Financing Costs

Deferred financing costs consist of direct costs incurred in obtaining debt financing. These costs are presented as a direct reduction to the related debt liability for permanent mortgages and presented as an asset for revolving credit arrangements. In total, deferred financing costs were \$1.1 million and \$1.7 million as of June 30, 2016 and December 31, 2015, respectively. These costs are amortized into interest expense on a straight-line basis, which approximates the effective interest method, over the terms of the obligations. For the three months ended June 30, 2016 and 2015, \$0.4 million and \$0.7 million, respectively, of deferred financing costs were amortized into interest expense in the accompanying consolidated statements of operations. For the six months ended June 30, 2016 and 2015, \$0.7 million and \$1.2 million, respectively, of deferred financing costs were amortized into interest expense in the accompanying consolidated statements of operations.

Other Assets

Other assets included the following (in thousands):

	June 30, 2016	(1)	December 31, 2015
Prepaid insurance	\$ 1,645		\$ 663
Prepaid taxes	547		547
Other	1,012		1,357
Total	<u>\$ 3,204</u>		<u>\$ 2,567</u>

(1) As of June 30, 2016, these amounts were classified as held for sale.

Revenue Recognition

Rental payments are generally paid by the tenants prior to the beginning of each month. As of June 30, 2016, the Company recorded liabilities of \$6.5 million related to prepaid rental payments which were included in other liabilities in the table above describing liabilities associated with assets held for sale. As of December 31, 2015, the Company recorded liabilities of \$8.5 million related to prepaid rental payments which were included in other liabilities in the accompanying condensed consolidated balance sheets. The Company recognizes rental revenue on a straight-line basis over the life of the lease including rent holidays, if any. Straight-line rent receivable was \$40.8 million and \$36.9 million as of June 30, 2016 and December 31, 2015, respectively.

Redemption of Common Stock

Prior to its suspension as described below, the Company's share redemption program generally limited the funds available for redemption to the amount of proceeds received from the Company's dividend reinvestment plan in the prior quarter. The board of directors determined to waive this limitation of the share redemption program and fully honor all eligible requests received for the three months ended March 31, 2016 totaling \$7.5 million, which amount was in excess of the \$5.4 million received from the issuance of shares pursuant to the dividend reinvestment plan in the prior quarter. The board of directors determined to waive the limitation on the share redemption program and fully honor all eligible requests received for the year ended December 31, 2015 totaling \$31.4 million, which was in excess of the \$21.9 million received from the dividend reinvestment plan in the prior quarters.

The Company has recorded liabilities of \$7.1 million in accounts payable and accrued expenses in the accompanying condensed consolidated balance sheets as of December 31, 2015, related to shares that were tendered for redemption and approved by the board of directors but were not redeemed until the subsequent month. Such amounts have been included in redemption of common shares in the accompanying consolidated statements of equity based on a redemption price of \$5.45 per share for ordinary share redemption requests and \$6.50 per share for redemption requests in connection with the death or disability of a stockholder made during the first three quarters of 2015 and \$6.65 per share for redemption requests in connection with the death or disability of a stockholder made during the fourth quarter of 2015 and first quarter of 2016. On May 31, 2016, the Company's board of directors determined to suspend indefinitely the Company's share redemption program effective as of June 30, 2016. No liabilities related to the Company's share redemption program were recorded in accounts payable and accrued expenses in the liabilities associated with assets held for sale as of June 30, 2016.

Recent Accounting Pronouncements

In February 2015, the Financial Accounting Standards Board (“FASB”) issued amendments to the Accounting Standards Codification (“ASC” or the “Codification”) to provide guidance on consolidation evaluation for reporting organizations that are required to evaluate whether they should consolidate certain legal entities. These amendments are effective for fiscal years, and interim periods within those years, beginning after December 15, 2015 and early adoption is permitted. The Company has evaluated the impact of the adoption of these amendments on its consolidated financial statements and has determined that the Company’s operating partnership is considered a VIE. However, the Company meets the disclosure exemption criteria, as the Company is the primary beneficiary of the VIE and the Company’s partnership interest is considered a majority voting interest. The Company has also determined that the Core Fund will be considered to be a VIE as a result of this new guidance. However, the Company will not consolidate the Core Fund since the Company is not the primary beneficiary.

In September 2015, the FASB issued new guidance that eliminates the requirement that an acquirer in a business combination account for measurement-period adjustments retrospectively. Pursuant to the new guidance, an acquirer will recognize a measurement-period adjustment during the period in which it determines the amount of the adjustment. This new guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2015 and early adoption is permitted. The adoption of this new guidance did not have a material impact on the Company’s financial statements.

In June 2016, the FASB issued new guidance that requires the impairment of financial instruments to be based on expected credit losses. These amendments are effective for fiscal years and interim periods within those years, beginning after December 15, 2019 and early adoption is permitted for years and interim periods within those years beginning after December 15, 2018. The Company is currently assessing the impact the adoption of this guidance will have on its financial statements.

3. Real Estate Investments

Investment property consisted of the following (in thousands):

	June 30, 2016	(1) December 31, 2015
Buildings and improvements	\$ 1,295,990	\$ 1,427,955
Less: accumulated depreciation	(150,584)	(167,200)
Buildings and improvements, net	1,145,406	1,260,755
Land	413,176	437,701
Investment property, net	<u>\$ 1,558,582</u>	<u>\$ 1,698,456</u>

(1) As of June 30, 2016, these amounts were classified as held for sale.

Property Sales

In April 2016, the Company sold 1515 S. Street, an office building located in Sacramento, California. The sales price for 1515 S. Street was \$68.5 million. The Company originally acquired 1515 S. Street in November 2005 for a purchase price of \$66.6 million. The Company recognized a gain on sale of this asset of \$12.4 million, which was recorded in gain (loss) on sale of real estate investments on the condensed consolidated statements of operations and comprehensive income (loss) for the three and six months ended June 30, 2016.

In May 2016, the Company sold 345 Inverness Drive and Arapahoe Business Park, two office buildings located in Denver, Colorado. The sales price for 345 Inverness Drive and Arapahoe Business Park was \$78.5 million. The Company originally acquired 345 Inverness Drive and Arapahoe Business Park in December 2008 for a purchase price of \$66.5 million. The Company recognized a gain on sale of this asset of \$23.0 million, which was recorded in gain (loss) on sale of real estate investments on the condensed consolidated statements of operations and comprehensive income (loss) for the three and six months ended June 30, 2016.

In May 2016, the Company entered into a contract to sell 321 North Clark, an office building located in Chicago, Illinois. The sales price for 321 North Clark is expected to be approximately \$340.1 million, exclusive of transaction costs and closing prations. The Company originally acquired 321 North Clark in April 2006 for a purchase price of \$247.3 million. Although the Company expects the closing of this sale to occur in August 2016, there can be no assurances as to if or when this sale will be completed.

As described in Note 1 — Organization, in June 2016, the Company entered into a contract to sell the West Coast Assets for an aggregate sales price of \$1.162 billion, subject to adjustment to reflect customary prations. The Company originally acquired the West Coast Assets between June 2005 and May 2015 for a purchase price of \$1.1 billion in aggregate. The Plan of Liquidation, including the West Coast Asset sale, is subject to the approval of the Company's stockholders. Although the Company expects the closing of this sale to occur before December 31, 2016, there can be no assurances as to if or when this sale will be completed.

In June 2016, the Company entered into a contract to sell 3 Huntington Quadrangle, an office building located in Melville, New York. The sales price for 3 Huntington Quadrangle is expected to be approximately \$46.0 million, exclusive of transaction costs and closing prations. The Company originally acquired 3 Huntington Quadrangle in July 2007 for a purchase price of \$87.0 million. Although the Company expects the closing of this sale to occur in October 2016, there can be no assurances as to if or when this sale will be completed.

Additionally, the Company sold 3400 Data Drive in July 2016 and JPMorgan Chase Tower and the Grocery-Anchored Portfolio in August 2016. See Note 15 — Subsequent Events for information regarding each of these sales.

Lease Intangibles

As of June 30, 2016, the cost basis and accumulated amortization related to lease intangibles were as follows (in thousands):

	Lease Intangibles, Held for Sale		
	In-Place Leases	Out-of-Market Lease Assets	Out-of-Market Lease Liabilities
Cost	\$ 228,500	\$ 34,278	\$ 50,102
Less: accumulated amortization	(131,340)	(24,815)	(22,481)
Net	\$ 97,160	\$ 9,463	\$ 27,621

As of December 31, 2015, the cost basis and accumulated amortization related to lease intangibles were as follows (in thousands):

	Lease Intangibles		
	In-Place Leases	Out-of-Market Lease Assets	Out-of-Market Lease Liabilities
Cost	\$ 238,176	\$ 35,158	\$ 50,798
Less: accumulated amortization	(124,891)	(24,178)	(21,099)
Net	\$ 113,285	\$ 10,980	\$ 29,699

Amortization expense of in-place leases was \$7.5 million and \$11.2 million for the three months ended June 30, 2016 and 2015, respectively, and amortization of out-of-market leases, net, increased rental revenue by \$0.3 million and \$0.6 million, respectively. Amortization expense of in-place leases was \$15.8 million and \$22.6 million for the six months ended June 30, 2016 and 2015, respectively, and amortization of out-of-market leases, net, increased rental revenue by \$0.7 million and \$1.2 million, respectively.

Expected future amortization of in-place leases and out-of-market leases, net, including out-of-market ground leases for the period from July 1, 2016 through December 31, 2016 and for each of the years ending December 31, 2017 through 2020 is as follows (in thousands):

	In-Place Leases ⁽¹⁾	Out-of-Market Leases, Net ⁽¹⁾
July 1, 2016 through December 31, 2016	\$ 13,607	\$ (438)
2017	22,818	(354)
2018	17,787	(898)
2019	10,533	(1,508)
2020	7,872	(1,090)

(1) As of June 30, 2016, these amounts were related to assets classified as held for sale.

Leases

In connection with its directly-owned properties, the Company has entered into non-cancelable lease agreements with tenants for space. As of June 30, 2016, the approximate fixed future minimum rentals for the period from July 1, 2016 through December 31, 2016, for each of the years ending December 31, 2017 through 2020 and thereafter are as follows (in thousands):

	Fixed Future Minimum Rentals ⁽¹⁾
July 1, 2016 through December 31, 2016	\$ 77,734
2017	153,768
2018	139,362
2019	123,711
2020	110,664
Thereafter	519,073
Total	<u>\$ 1,124,312</u>

(1) As of June 30, 2016, these amounts were related to assets classified as held for sale.

During the six months ended June 30, 2016 and 2015, the Company did not earn more than 10% of its revenue from any individual tenant.

4. Recent Acquisitions of Real Estate

The Company did not make any property acquisitions during the three and six months ended June 30, 2016. For the year ended December 31, 2015, the Company acquired the assets and assumed certain liabilities of two real estate operating properties located in the United States, for an aggregate net purchase price of \$292.4 million.

The amounts recognized for major assets acquired as of the acquisition date were determined by allocating the purchase price of each property acquired in 2015 as follows (in thousands):

Property Name	Acquisition Date	Building and Improvements	Land	In-place Lease Intangibles	Out-of-Market Lease Intangibles, Net	Total Purchase Price
2015						
Civica Office Commons	02/11/2015	\$ 141,037	\$ 41,240	\$ 26,190	\$ (2,960)	\$ 205,507
2851 Junction Avenue	05/14/2015	\$ 50,024	\$ 24,500	\$ 16,020	\$ (3,680)	\$ 86,864

The weighted average amortization periods for the intangible assets and liabilities acquired in connection with the 2015 acquisitions, as of the date of the acquisition, were as follows (in years):

	In-Place Leases	Above-Market Lease Assets	Below-Market Lease Liabilities
2015 Acquisitions:			
Civica Office Commons	3.9	4.0	3.9
2851 Junction Avenue	14.4	—	14.4

The table below includes the amounts of revenue and net income (loss) of the acquisitions completed during the six months ended June 30, 2015, which are included in the Company's condensed consolidated statements of operations and comprehensive income (loss) for the three and six months ended June 30, 2015 (in thousands):

2015 Acquisitions		For the Three Months Ended June 30, 2015	For the Six Months Ended June 30, 2015
Civica Office Commons	Revenue	\$ 3,749	\$ 5,880
	Net income (loss)	\$ (674)	\$ (758)
2851 Junction Avenue	Revenue	\$ 891	\$ 891
	Net income (loss)	\$ 333	\$ 333

The following unaudited consolidated information is presented to give effect to the 2015 acquisition through June 30, 2015 as if the acquisition occurred on January 1, 2014. This information excludes activity that is non-recurring and not representative of the Company's future activity, primarily acquisition fees and expenses of \$0.7 million and \$0.2 million for the three months ended June 30, 2015 and 2014, respectively, and \$1.2 million and \$1.3 million for the six months ended June 30, 2015 and 2014, respectively. The information below is not necessarily indicative of what the actual results of operations would have been had the Company completed these transactions on January 1, 2014, nor does it purport to represent the Company's future operations (amounts in thousands, except per share amounts):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	Pro Forma 2015	Pro Forma 2014	Pro Forma 2015	Pro Forma 2014
Revenue	\$ 54,348	\$ 64,348	\$ 113,731	\$ 129,855
Net income (loss) from continuing operations	\$ (1,552)	\$ 39,633	\$ 45,979	\$ 81,693
Basic and diluted income (loss) from continuing operations per common share	\$ (0.01)	\$ 0.17	\$ 0.21	\$ 0.36

5. Investments in Unconsolidated Entities

As of June 30, 2016 and December 31, 2015, the Company owned indirect investments in 4 and 6 properties, respectively, through its interest in the Core Fund. The Company has determined that the Core Fund is considered to be a VIE. See Note 1 — Organization — Unconsolidated VIEs for additional information.

The table below presents the activity of the Company's unconsolidated entities as of and for the periods presented (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Beginning balance	\$ 97,249	\$ 164,079	\$ 100,455	\$ 187,668
Distributions declared	(1,239)	(17,077)	(20,791)	(73,865)
Equity in earnings (losses)	(9,303)	(199)	7,043	33,000
Ending balance	\$ 86,707	\$ 146,803	\$ 86,707	\$ 146,803

Condensed financial information for the Core Fund is summarized as follows (in thousands):

Condensed Consolidated Balance Sheets for the Core Fund

	June 30, 2016	December 31, 2015
ASSETS		
Cash	\$ 54,580	\$ 45,471
Investment property, net	696,258	905,229
Other assets	195,565	214,238
Total Assets	<u>\$ 946,403</u>	<u>\$ 1,164,938</u>
LIABILITIES AND EQUITY		
Debt, net	\$ 469,647	\$ 636,239
Other liabilities	78,365	73,401
Redeemable noncontrolling interests	110,609	124,413
Equity	287,782	330,885
Total Liabilities and Equity	<u>\$ 946,403</u>	<u>\$ 1,164,938</u>

The Core Fund sold two properties during the three and six month ended June 30, 2016. The Core Fund sold one and two properties during the three and six months ended June 30, 2015, respectively, which is reflected in the table below (in thousands).

Condensed Consolidated Statements of Operations for the Core Fund

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Total revenues	\$ 20,980	\$ 39,228	\$ 44,333	\$ 85,731
Total expenses	60,485	65,543	89,306	115,636
Gain (loss) on sale of real estate investments	(41)	27,730	73,544	167,602
Net income (loss)	(39,546)	1,415	28,571	137,697
Less (income) loss allocated to noncontrolling interests	10,416	(930)	526	(21,080)
Net income (loss) attributable to parent	<u>\$ (29,130)</u>	<u>\$ 485</u>	<u>\$ 29,097</u>	<u>\$ 116,617</u>

The following discusses items of significance for the periods presented for the Company's equity method investments:

In January 2016, the Core Fund sold The Carillon Building for a sales price of \$147.0 million. The Carillon Building was acquired in July 2007 for a purchase price of \$140.0 million. As a result of the sale of The Carillon Building, the Core Fund recorded a gain on sale of \$58.8 million. As a result of the sale, the Company recognized a gain on sale of \$14.4 million, which is included in equity in earnings (losses) of unconsolidated entities, net, in the condensed consolidated statements of operations and comprehensive income (loss) for the six months ended June 30, 2016.

In March 2016, the Core Fund sold 525 B Street for a sales price of \$122.0 million. 525 B Street was acquired in August 2005 for a purchase price of \$116.3 million. As a result of the sale of 525 B Street, the Core Fund recorded a gain on sale of \$14.8 million. As a result of the sale, the Company recognized a gain on sale of \$3.6 million, which is included in equity in earnings (losses) of unconsolidated entities, net, in the condensed consolidated statements of operations and comprehensive income (loss) for the six months ended June 30, 2016.

In January 2015, a subsidiary of the Core Fund sold its remaining 51% interest in the entity that owns One North Wacker for \$240.0 million. The Core Fund previously sold a 49% noncontrolling interest in One North Wacker in December 2011. One North Wacker was acquired in March 2008 for a purchase price of \$540.0 million. As a result of the sale of the 51% interest in One North Wacker, the Core Fund recorded a gain on sale of \$140.2 million. As a result of the sale, the Company recognized a gain of \$34.3 million, which is included in equity in earnings (losses) of unconsolidated entities, net, in the condensed consolidated statements of operations and comprehensive income (loss) for the six months ended June 30, 2015.

In April 2015, the Core Fund sold Charlotte Plaza for a sales price of \$160.0 million. Charlotte Plaza was acquired in June 2007 for a purchase price of \$175.5 million. As a result of the sale of Charlotte Plaza, the Core Fund recognized a gain on sale of \$27.4 million. As a result of the sale, the Company recognized a gain on sale of \$6.7 million, which is included in equity in earnings (losses) of unconsolidated entities, net, in the condensed consolidated statements of operations and comprehensive income (loss) for the three and six months ended June 30, 2015.

For the three and six months ended June 30, 2016, the Core Fund recorded impairment losses of \$36.0 million on Renaissance Square in Phoenix, Arizona, Wells Fargo Center in Sacramento, California and Warner Center in Woodland Hills, California since such long-lived assets had carrying values that exceeded their fair values based on a purchase and sale agreement or third-party guidance received during its marketing process. For the three and six months ended June 30, 2015, the Core Fund recorded impairment losses of \$22.1 million on Riverfront Plaza in Richmond, Virginia due to deterioration of market conditions. Riverfront Plaza was sold in December 2015.

6. Debt Financing

As of June 30, 2016 and December 31, 2015, the Company had \$703.8 million and \$853.4 million of debt outstanding, respectively, with a weighted average years to maturity of 0.9 year and 1.1 years, respectively, and a weighted average interest rate of 4.0% and 3.9%, respectively. The following table includes all of the Company's outstanding notes payable balances as of June 30, 2016 and December 31, 2015 (in thousands, except interest rates):

Description	Maturity Date	Interest Rate Description	Interest Rate as of June 30, 2016	Principal Outstanding at June 30, 2016	Principal Outstanding at December 31, 2015
SECURED MORTGAGE DEBT					
1515 S. Street ⁽²⁾	9/1/2016	N/A	N/A	\$ —	\$ 36,618
345 Inverness Drive ⁽³⁾	12/11/2016	N/A	N/A	—	14,224
JPMorgan Chase Tower ⁽⁴⁾	2/1/2017	Variable	2.96%	48,836	149,542
Thompson Bridge Commons ⁽⁵⁾	3/1/2018	Fixed	6.02%	4,820	4,959
DEUTSCHE BANK POOLED MORTGAGE FACILITY ⁽⁶⁾					
321 North Clark, 1900 and 2000 Alameda ⁽⁷⁾	8/1/2016	Fixed via swap	5.86%	169,697	169,697
3400 Data Drive, 2100 Powell ⁽⁸⁾	1/23/2017	Fixed via swap	5.25%	98,000	98,000
Daytona and Laguna Buildings	5/2/2017	Fixed via swap	5.36%	119,000	119,000
OTHER NOTES PAYABLE					
JPMorgan Chase Revolving Credit Facility - Revolving Loan ⁽⁹⁾	4/1/2017	Variable	2.07%	63,400	61,400
JPMorgan Chase Revolving Credit Facility - Term Loan ⁽¹⁰⁾	4/1/2018	Variable	1.96%	200,000	200,000
TOTAL PRINCIPAL OUTSTANDING				703,753	853,440
Unamortized Premium/ (Discount) ⁽¹¹⁾				152	(6)
Unamortized Deferred Financing Fees				(810)	(1,189)
NOTES PAYABLE				<u>\$ 703,095</u>	<u>\$ 852,245</u>

(1) As of June 30, 2016, these amounts were classified as held for sale.

- (2) In April 2016, the Company sold 1515 S. Street and paid off the 1515 S. Street secured mortgage loan with proceeds from the sale. The Company also incurred a prepayment penalty of \$0.1 million.
- (3) In May 2016, the Company sold 345 Inverness Drive and paid off the 345 Inverness Drive secured mortgage loan. The Company also incurred a prepayment penalty of \$0.5 million.
- (4) In January 2016, the Company made a payment of \$100.0 million to pay down the JPMorgan Chase Tower secured mortgage debt. Also, in January 2016, the maturity date of the remaining loan balance was extended for an additional year to February 1, 2017. In August, the Company sold JPMorgan Chase Tower and paid off the JPMorgan Chase Tower secured mortgage loan with proceeds from the sale.
- (5) In August 2016, the Company sold Thompson Bridge Commons and paid off the Thompson Bridge Commons secured mortgage loan with proceeds from the sale.
- (6) In December 2015, HSH Nordbank sold its interest in the HSH Credit Facility and its related swap agreements to Deutsche Bank AG, New York Branch (“Deutsche Bank”). No other terms or conditions of the credit facility were changed.
- (7) In August 2016, the Company paid off the outstanding debt balance with Deutsche Bank related to 321 North Clark and 1900 and 2000 Alameda.
- (8) In July 2016, the Company sold 3400 Data Drive and paid off the outstanding debt balance of \$18.1 million with Deutsche Bank related to 3400 Data Drive. The Company also incurred a prepayment penalty of \$0.4 million to terminate the interest rate swap contract related to 3400 Data Drive.
- (9) During the six months ended June 30, 2016, the Company borrowed \$119.0 million and made payments of \$117.0 million under the JPMorgan Chase Revolving Credit Facility (the “Revolving Loan Commitment”). Of the \$117.0 million payments made, \$25.0 million were proceeds from the sale of 1515 S. Street in April 2016.
- (10) Subsequent to June 30, 2016, the Company borrowed \$161.6 million under the JPMorgan Chase Revolving Credit Facility - Revolving Loan. In addition, the Company paid off \$225.0 million under the JPMorgan Chase Revolving Credit Facility - Revolving Loan with proceeds from the sales of JPMorgan Chase Tower and seven of the Grocery-Anchored Portfolio properties. Further, the Company also made a payment of \$132.0 million under the JPMorgan Chase Revolving Credit Facility - Term Loan with proceeds from the sale of seven of the Grocery-Anchored Portfolio properties.
- (11) The Company assumed notes payable in connection with various acquisitions, which were recorded at their estimated fair value as of the date of acquisition. The difference between the fair value at acquisition and the principal outstanding is amortized over the term of the related note.

Bridge Credit Agreement

In February 2015, the Operating Partnership entered into a Bridge Credit Agreement (the “Bridge Credit Agreement”) with JPMorgan Chase Bank, N.A. (“Chase”) to establish a \$30.0 million secured term loan facility (the “Bridge Facility”) to provide temporary financing related to the Company’s acquisition of Civica Office Commons in February 2015. The Company repaid all amounts outstanding under this facility in July 2015. No additional credit was available under this facility after that date.

The following table summarizes required principal payments on the Company's outstanding notes payable for the period from July 1, 2016 through December 31, 2016, for each of the years ending December 31, 2017 through December 31, 2020 and for the period thereafter (in thousands):

	Principal Payments due by Period ⁽¹⁾					
	July 1, 2016 through December 31, 2016	2017	2018	2019	2020	Thereafter
Notes payable, held for sale	\$ 170,449	\$ 328,927	\$ 204,377	\$ —	\$ —	\$ —

- (1) In July 2016, the Company sold 3400 Data Drive and paid off the outstanding debt balance with Deutsche Bank related to 3400 Data Drive. In August 2016, the Company sold JPMorgan Chase Tower and Thompson Bridge Commons and paid off both JPMorgan Chase Tower and Thompson Bridge Commons secured mortgage loans with proceeds from the sale. In August 2016, the Company also paid off \$225.0 million under the JPMorgan Chase Revolving Credit Facility - Revolving Loan with proceeds from the sale of JPMorgan Chase Tower and seven of the Grocery-Anchored Portfolio properties. In addition, the Company made a payment of \$132.0 million under the JPMorgan Chase Revolving Credit Facility - Term Loan with proceeds from the sale of seven of the Grocery-Anchored Portfolio properties. These subsequent payments related to these loans are not reflected in 2016 in this table. If the amounts were to be reclassified to reflect these payments, the 2017 and 2018 payment amounts would decrease and the 2016 payments would increase by the same amounts.

The Company is not aware of any instances of noncompliance with financial covenants as of June 30, 2016.

7. Derivative Instruments

The Company has several interest rate swap transactions with Deutsche Bank, who purchased the interest in the swaps from HSH Nordbank in December 2015. These swap transactions were entered into as economic hedges against the variability of future interest rates on the Company's variable interest rate borrowings under the Deutsche Bank Credit Facility. The Company has not designated any of its derivative instruments as hedging instruments for accounting purposes. The interest rate swaps have been recorded at their estimated fair value in the accompanying condensed consolidated balance sheets and changes in the fair value were recorded in gain (loss) on derivative instruments, net in the Company's condensed consolidated statements of operations. As of June 30, 2016, the interest rate swaps are included in "Liabilities — Liabilities associated with assets held for sale" on the Company's condensed consolidated balance sheets. See Note 13 — Fair Value Disclosures for additional information.

The tables below provide additional information regarding each of the Company's outstanding interest rate swaps (all amounts are in thousands except for interest rates):

Effective Date	Expiration Date	Notional Amount	Interest Rate Received	Interest Rate Paid
August 1, 2006	August 1, 2016 ⁽¹⁾	\$ 169,697	LIBOR	5.4575%
January 12, 2007	January 12, 2017 ⁽²⁾	\$ 98,000	LIBOR	4.8505%
May 1, 2007	May 1, 2017	\$ 119,000	LIBOR	4.9550%

- (1) In August 2016, in connection with the Company's payoff of the outstanding debt balances related to 321 North Clark and 1900 and 2000 Alameda, the Company also settled the interest rate swap contracts related to those properties.
- (2) In July 2016, the Company sold 3400 Data Drive and paid off the related outstanding debt balance with Deutsche Bank and settled the interest rate swap contract with a prepayment penalty of \$0.4 million related to 3400 Data Drive.

The Company has not entered into any master netting arrangements with its third-party counterparties and does not offset on its consolidated condensed balance sheets the fair value amounts recorded for derivative instruments. The table below presents the fair value of the Company's derivative instruments included in "Liabilities — Liabilities associated with assets held for sale" and "Liabilities — Interest rate swap contracts" on the Company's condensed consolidated balance sheets, as of June 30, 2016 and December 31, 2015, respectively (in thousands):

	Liability Derivatives Fair Value	
	June 30, 2016	December 31, 2015
Derivatives not designated as hedging instruments for accounting purposes:		
Interest rate swap contracts	\$ 9,050	\$ 17,448
Total derivatives	\$ 9,050	\$ 17,448

The table below presents the effects of the changes in fair value of the Company's derivative instruments in the Company's condensed consolidated statements of operations and comprehensive income (loss) for the three and six months ended June 30, 2016 and 2015 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Gain (loss) on interest rate swap, net	\$ 4,440	\$ 4,335	\$ 8,398	\$ 7,527
Total	\$ 4,440	\$ 4,335	\$ 8,398	\$ 7,527

8. Distributions

With the authorization of its board of directors, the Company declared distributions for the period from January 2015 through June 2016. These distributions were calculated based on stockholders of record each day during this period in an amount equal to \$0.00073973 per share, per day and were paid on the first day of the month following the fiscal quarter in cash, or, with respect to distributions paid for the three months ended March 31, 2016, reinvested in stock for those participating in the Company's dividend reinvestment plan. On May 31, 2016, the Company's board of directors voted to suspend indefinitely the Company's dividend reinvestment plan effective as of June 30, 2016. Accordingly, all distributions for the three months ended June 30, 2016 were paid in cash. In connection with the Plan of Liquidation, the Company determined to cease paying regular quarterly distributions after the payment of the distributions for the six months ended June 30, 2016.

The table below outlines the Company's total distributions declared to stockholders and noncontrolling interests for each of the quarters during 2016 and 2015, including the breakout between the distributions paid in cash and those reinvested pursuant to the Company's dividend reinvestment plan (in thousands).

Distributions for the Three Months Ended	Stockholders			Noncontrolling Interests
	Cash Distributions	Distributions Reinvested	Total Declared	Total Declared
2016 ⁽¹⁾				
June 30, 2016	\$ 14,920	\$ —	\$ 14,920	\$ 74
March 31, 2016	9,626	5,326	14,952	75
Total	<u>\$ 24,546</u>	<u>\$ 5,326</u>	<u>\$ 29,872</u>	<u>\$ 149</u>
2015 ⁽¹⁾				
December 31, 2015	\$ 9,717	\$ 5,426	\$ 15,143	\$ 75
September 30, 2015	9,731	5,445	15,176	76
June 30, 2015	9,645	5,416	15,061	74
March 31, 2015	9,507	5,424	14,931	74
Total	<u>\$ 38,600</u>	<u>\$ 21,711</u>	<u>\$ 60,311</u>	<u>\$ 299</u>

- (1) Excluded from this table are distributions declared with respect to the Participation Interest (as discussed further in Note 9 — Related Party Transactions). The distributions declared with respect to the Participation Interest for the quarters ended June 30, 2016, March 31, 2016, December 31, 2015, September 30, 2015, June 30, 2015 and March 31, 2015 were \$1.3 million, \$1.3 million, \$1.3 million, \$1.2 million, \$1.2 million and \$1.1 million, respectively.

9. Related Party Transactions

The table below outlines fees incurred and expense reimbursements payable to Hines and the Advisor for the three and six months ended June 30, 2016 and 2015 and outstanding as of June 30, 2016 and December 31, 2015 (in thousands).

Type and Recipient	Incurred				Unpaid as of	
	Three Months Ended June 30,		Six Months Ended June 30,		June 30,	December 31,
	2016	2015	2016	2015	2016	2015
Participation Interest in the Operating Partnership – HALP Associates Limited Partnership ⁽¹⁾	\$ 2,771	\$ 4,866	\$ 7,778	\$ 9,706	\$ 131,876	\$ 126,637
Due to Affiliates						
Acquisition Fee – the Advisor ⁽²⁾	—	170	—	580	—	—
Asset Management Fee – the Advisor	3,374	3,411	6,786	6,842	2,247	1,131
Other – the Advisor	922	957	1,784	1,744	663	633
Property Management Fee – Hines	1,094	1,268	2,318	2,568	18	99
Leasing Fee – Hines	463	149	1,340	2,306	2,410	2,240
Tenant Construction Management Fees – Hines	27	11	55	11	5	—
Expense Reimbursements – Hines (with respect to management and operation of the Company's properties)	2,687	2,977	5,566	5,979	324	398
Due to Affiliates					\$ 5,667	\$ 4,501

- (1) The Company recorded a liability related to the Participation Interest based on its estimated settlement value in the accompanying condensed consolidated balance sheets. This liability is remeasured at fair value based on the estimated per share NAV of the Company's common stock most recently determined by the Company's board of directors as of the date of each balance sheet plus any unpaid distributions. The Participation Interest liability as of June 30, 2016 is based on the Company's expectation to distribute approximately \$6.35 to \$6.65 per share to its shareholders pursuant to the execution of the Plan of Liquidation, which the Company believes is the best estimate of fair value.
- (2) In connection with the acquisition of 2851 Junction Avenue in May 2015, the Company was obligated to pay approximately \$0.9 million of acquisition fees to the Advisor, half of which was payable in cash and half of which was payable as an increase to the Participation Interest. The Advisor and HALP, the holder of the Participation Interest, respectively, agreed to waive \$0.3 million of the cash acquisition fee and all of the \$0.4 million acquisition fee payable as an increase to the Participation Interest. In connection with the acquisition of Civica Office Commons in February 2015, the Company was obligated to pay approximately \$2.1 million of acquisition fees to the Advisor, half of which was payable in cash and half of which was payable as an increase to the Participation Interest. The Advisor and HALP, the holder of the Participation Interest, respectively, agreed to waive \$0.6 million of the cash acquisition fee and all of the \$1.0 million acquisition fee payable as an increase to the Participation Interest.

10. Changes in Assets and Liabilities

The effect of the changes in asset and liability accounts on cash flows from operating activities for the six months ended June 30, 2016 and 2015 is as follows (in thousands):

	Six Months Ended June 30,	
	2016	2015
Change in other assets ⁽¹⁾	\$ (567)	\$ (482)
Change in tenant and other receivables, net ⁽¹⁾	(3,906)	(1,374)
Change in deferred leasing costs, net ⁽¹⁾	(33,994)	(41,812)
Change in accounts payable and accrued expenses ⁽¹⁾	7,316	16,574
Change in participation interest liability	5,238	7,486
Change in other liabilities ⁽¹⁾	(1,980)	(1,667)
Change in due to affiliates	1,148	617
Changes in assets and liabilities	<u>\$ (26,745)</u>	<u>\$ (20,658)</u>

(1) As of June 30, 2016, these amounts were classified as held for sale.

11. Supplemental Cash Flow Disclosures

Supplemental cash flow disclosures for the six months ended June 30, 2016 and 2015 are as follows (in thousands):

	Six Months Ended June 30,	
	2016	2015
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	\$ 16,049	\$ 14,293
Cash paid for income taxes	\$ 217	\$ 327
Supplemental Schedule of Non-Cash Activities		
Distributions declared and unpaid	\$ 14,994	\$ 15,136
Distributions receivable	\$ 1,238	\$ 2,390
Distributions reinvested	\$ 10,752	\$ 10,997
Shares tendered for redemption	\$ —	\$ 8,970
Noncash net assets (liabilities) acquired upon acquisition of property	\$ —	\$ (6,734)

12. Commitments and Contingencies

The Company is subject to various legal proceedings and claims that arise in the ordinary course of business and from time to time, the Company is also subject to other types of litigation. All of 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 condensed consolidated financial statements.

13. Fair Value Disclosures**Assets and Liabilities Measured at Fair Value on a Recurring Basis***Derivative Instruments*

The Company records liabilities related to the fair values of its interest rate swap contracts. The valuation of these 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 the Company's 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 derivatives 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 counterparty, Deutsche Bank. 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, 2016, the Company has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustments are not significant to the overall valuations of its derivatives. As a result, the Company has determined its derivative valuations are classified in Level 2 of the fair value hierarchy.

The following fair value hierarchy table sets forth the Company's interest rate swaps which are measured at fair value on a recurring basis, which equals book value, by level within the fair value hierarchy as of June 30, 2016 and December 31, 2015 (in thousands). The Company's derivative financial instruments are recorded in interest rate swap contracts in the accompanying condensed consolidated balance sheets. As of June 30, 2016, the interest rate swaps are included in "Liabilities — Liabilities associated with assets held for sale" on the Company's condensed consolidated balance sheets. The Company has not designated any of its derivative instruments as hedging instruments for accounting purposes.

Description	Fair Value	Basis of Fair Value Measurements		
		Quoted Prices In Active Markets for Identical Items (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2016	\$ 9,050	\$ —	\$ 9,050	\$ —
December 31, 2015	\$ 17,448	\$ —	\$ 17,448	\$ —

Financial Instruments Fair Value Disclosures

Other Financial Instruments

As of June 30, 2016, management estimated that the fair value of notes payable, which had a carrying value (excluding any unamortized discount or premium and unamortized deferred financing fees) of \$703.8 million, was \$709.9 million. As of December 31, 2015, management estimated that the fair value of notes payable, which had a carrying value (excluding any unamortized discount or premium and unamortized deferred financing fees) of \$853.4 million, was \$866.3 million. The discount rates used approximate current lending rates for loans or groups of loans with similar maturities and credit quality, assumes the debt is outstanding through maturity and considers the debt's collateral (if applicable). Management has utilized market information as available or present value techniques to estimate the amounts required to be disclosed. The Company has determined the majority of the inputs used to value its notes payable fall within Level 2 of the fair value hierarchy, however the credit quality adjustments associated with its fair value of notes payable utilize Level 3 inputs. However, as of June 30, 2016, the Company has assessed the significance of the impact of the credit quality adjustments on the overall valuations of its fair market value of notes payable and has determined that they are not significant. As a result, the Company has determined these financial instruments utilize Level 2 inputs. Since such amounts are estimates that are based on limited available market information for similar transactions, there can be no assurance that the disclosed values could be realized.

Other financial instruments not measured at fair value on a recurring basis include cash and cash equivalents, restricted cash, distributions receivable, tenant and other receivables, accounts payable and accrued expenses, other liabilities, due to affiliates and distributions payable. The carrying value of these items reasonably approximates their fair value based on their highly-liquid nature and/or short-term maturities. Due to the short-term nature of these instruments, Level 1 and Level 2 inputs are utilized to estimate the fair value of these financial instruments.

Assets and Liabilities Measured at Fair Value 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 —

Impairment of Investment Property. The inputs associated with the valuation of long-lived assets are generally included in Level 2 or Level 3 of the fair value hierarchy, as discussed below.

Impairment of Investment Property

Investment properties are reviewed for impairment at each reporting period if events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company determined that four of its directly-owned investments located in Melville, New York, Dallas, Texas, Houston, Texas and Bellevue, Washington, were impaired based on such long-lived assets having carrying values that exceeded their fair values less costs to sell based on the purchase and sale agreements and potential bids received during the quarter. As of June 30, 2016, all of these directly-owned investments located in Melville, New York, Dallas, Texas, Houston, Texas and Bellevue, Washington were classified as held for sale.

Additionally, for the year ended December 31, 2015, the Company determined that two of its directly-owned investments located in Dallas, Texas and Melville, New York were impaired since the projected undiscounted cash flows for each of these properties was less than each of their carrying values.

These changes in assumptions resulted in the net book value of the assets exceeding the projected undiscounted cash flows for these investments. As a result, these 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, as of June 30, 2016 and December 31, 2015 (in thousands):

As of	Description	Fair Value of Assets	Basis of Fair Value Measurements			Impairment Loss
			Quoted Prices In Active Markets for Identical Items (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
June 30, 2016	Investment properties	\$ 537,850	\$ —	\$ 537,850	\$ —	\$ 23,463
December 31, 2015	Investment properties	\$ 306,900	\$ —	\$ —	\$ 306,900	\$ 19,663

During the year ended December 31, 2015, the Company's estimated fair value of investment properties in Dallas, Texas and Melville, New York was based on a comparison 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 each investment property for the period ended December 31, 2015 include: (1) a discount rate ranging from 7.0% to 8.3%; (2) a capitalization rate ranging from 4.7% to 9.7%; (3) stabilized occupancy rates ranging from 93% to 94%; and (4) current market rental rates ranging from \$21.50 per square foot to \$30.00 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.

14. Reportable Segments

The Company's investments in real estate are geographically diversified and management evaluates the operating performance of each at an individual property level. The Company has determined it has three reportable segments: (1) office properties, (2) an industrial property and (3) retail properties. As of June 30, 2016, the office properties segment consisted of 12 office properties that the Company owned directly as well as 4 office properties that were owned indirectly through the Company's investment in the Core Fund. The retail segment consisted of the 8 grocery-anchored shopping centers in the Grocery-Anchored Portfolio. The industrial property segment consisted of one industrial property located in Dallas, Texas, which was sold in April 2015.

The Company's indirect investments are accounted for using the equity method of accounting. As such, the activities of these investments are reflected in investments in unconsolidated entities in the condensed consolidated balance sheets and equity in earnings (losses) of unconsolidated entities, net in the condensed consolidated statements of operations.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Total revenue				
Office properties	\$ 44,414	\$ 49,158	\$ 92,996	\$ 99,699
Industrial property	—	20	—	936
Retail properties	4,865	4,372	9,380	8,905
Total revenue	<u>\$ 49,279</u>	<u>\$ 53,550</u>	<u>\$ 102,376</u>	<u>\$ 109,540</u>
Net property revenues in excess of expenses⁽¹⁾				
Office properties	\$ 23,349	\$ 25,954	\$ 49,796	\$ 54,147
Industrial property	—	(75)	(32)	487
Retail properties	3,001	3,031	6,088	6,295
Total segment net property revenues in excess of expenses	<u>\$ 26,350</u>	<u>\$ 28,910</u>	<u>\$ 55,852</u>	<u>\$ 60,929</u>
Equity in earnings (losses) of unconsolidated entities				
Equity in earnings (losses) of office properties	\$ (9,303)	\$ (199)	\$ 7,043	\$ 33,000
Total equity in earnings (losses) of unconsolidated entities	<u>\$ (9,303)</u>	<u>\$ (199)</u>	<u>\$ 7,043</u>	<u>\$ 33,000</u>

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

	June 30, 2016	December 31, 2015
Total assets		
Office properties	\$ 1,710,289	\$ 1,853,435
Retail properties	179,973	185,850
Investment in unconsolidated entities		
Office properties	86,707	100,455
Corporate-level accounts ⁽¹⁾	32,844	43,991
Total assets	<u>\$ 2,009,813</u>	<u>\$ 2,183,731</u>

(1) This amount primarily consists of cash equivalents at the corporate level, including proceeds from the sale of the Company's directly and indirectly-owned investments and distributions receivable from the Company's investments in unconsolidated entities.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Reconciliation to net income (loss)				
Total segment net property revenues in excess of expenses	\$ 26,350	\$ 28,910	\$ 55,852	\$ 60,929
Depreciation and amortization	(18,597)	(22,808)	(38,190)	(45,290)
Acquisition related expenses	—	(545)	—	(600)
Asset management and acquisition fees	(6,145)	(8,447)	(14,564)	(17,128)
General and administrative	(1,555)	(2,083)	(3,246)	(3,430)
Transaction expenses	(3,203)	—	(3,462)	—
Impairment losses	(23,463)	—	(23,463)	—
Gain (loss) on derivative instruments, net	4,440	4,335	8,398	7,527
Gain (loss) on settlement of debt	(598)	—	(598)	—
Equity in earnings (losses) of unconsolidated entities, net	(9,303)	(199)	7,043	33,000
Gain (loss) on sale of real estate investments	36,428	8,304	36,430	29,383
Interest expense	(8,184)	(9,840)	(16,822)	(19,320)
Interest income	37	11	63	22
Benefit (provision) for income taxes	(37)	(26)	(75)	(112)
Income (loss) from discontinued operations, net of taxes	24	(158)	(14)	(160)
Net income (loss)	<u>\$ (3,806)</u>	<u>\$ (2,546)</u>	<u>\$ 7,352</u>	<u>\$ 44,821</u>

15. Subsequent Events

3400 Data Drive

In July 2016, the Company sold 3400 Data Drive, an office building located in Rancho Cordova, California, for a sales price of \$26.0 million. The Company originally acquired 3400 Data Drive in November 2006 for a purchase price of \$32.8 million.

JPMorgan Chase Tower

In August 2016, the Company sold JPMorgan Chase Tower, an office building located in Dallas, Texas, for a sales price of \$273.0 million. The Company originally acquired JPMorgan Chase Tower in November 2007 for a purchase price of \$289.6 million.

Grocery-Anchored Portfolio

In August 2016, the Company sold seven of the Grocery-Anchored Portfolio properties, exclusive of Champions Village, for an aggregate net sale price of \$158.0 million. The Company expects to sell Champions Village to the same buyer for a contract sales price of \$52.0 million, exclusive of transaction costs and closing prations. The Company expects the closing of this sale to occur in October 2016, but there can be no assurances as to if or when this sale will be completed. The Grocery-Anchored Portfolio consists of eight grocery-anchored shopping centers that were acquired in January 2014 for \$178.2 million in aggregate.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q. The following discussion should also be read in conjunction with our audited consolidated financial statements and the notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the year ended December 31, 2015 ("2015 Annual Report").

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such statements include statements concerning future financial performance and distributions, future debt and financing levels, payments to Hines Advisors Limited Partnership (the "Advisor"), and its affiliates and other plans and objectives of management for future operations or economic performance, or assumptions or forecasts related thereto as well as all other statements that are not historical statements. These statements are only predictions. We caution that forward-looking statements are not guarantees. Actual events or our investments and results of operations could differ materially from those expressed or implied in forward-looking statements. Forward-looking statements are typically identified by the use of terms such as "may," "should," "expect," "could," "intend," "plan," "anticipate," "estimate," "believe," "continue," "predict," "potential" or the negative of such terms and other comparable terminology.

The forward-looking statements included in this Quarterly Report on Form 10-Q 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, the availability of future financing 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, pay distributions to our stockholders 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:

- Whether we will be able to complete the sale of all or substantially all of our assets as expected, including our ability to obtain stockholder approvals required to consummate the Plan of Liquidation, including the West Coast Asset Sale;
- Whether the conditions to closing for West Coast Asset Sale will be satisfied or waived;
- Unanticipated difficulties or expenditures relating to the Plan of Liquidation, including the West Coast Asset Sale;
- Risks associated with the potential response of tenants, business partners and competitors to the announcement of the Plan of Liquidation, including the West Coast Asset Sale;
- Risks associated with legal proceedings that may be instituted against us and others related to the Plan of Liquidation, including the West Coast Asset Sale;
- The potential need to fund tenant improvements, lease-up costs or other capital expenditures, as well as increases in property operating expenses and costs of compliance with environmental matters or discovery of previously undetected environmentally hazardous or other undetected adverse conditions at our properties;
- Risks associated with debt;
- Competition for tenants and real estate investment opportunities, including competition with affiliates of Hines Interests Limited Partnership ("Hines");
- Risks associated with adverse changes in general economic or local market conditions, including terrorist attacks and other acts of violence, which may affect the markets in which we and our tenants operate;

- Catastrophic events, such as hurricanes, earthquakes, tornadoes and terrorist attacks; and our ability to secure adequate insurance at reasonable and appropriate rates;
- 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;
- Changes in governmental, tax, real estate and zoning 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;
- Risks relating to our investment in Hines US Core Office Fund LP (the “Core Fund”), such as its reliance on Hines for its operations and investments, and our potential liability for Core Fund obligations;
- The lack of liquidity associated with our assets;
- Our reliance on our Advisor, Hines and affiliates of Hines for our day-to-day operations and our Advisor’s ability to attract and retain high-quality personnel who can provide service at a level acceptable to us;
- Risks associated with conflicts of interests that result from our relationship with our Advisor and Hines, as well as conflicts of interests certain of our officers and directors face relating to the positions they hold with other entities; and
- Our ability to continue to qualify as a real estate investment trust (“REIT”) for federal income tax purposes.

These risks are more fully discussed in, and all forward-looking statements should be read in light of, all of the factors discussed in Part I, “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2015.

You are cautioned not to place undue reliance on any forward-looking statements included in this Form 10-Q. All forward-looking statements are made as of the date of this Form 10-Q and the risk that actual results will differ materially from the expectations expressed in this Form 10-Q may increase with the passage of time. In light of the significant uncertainties inherent in the forward-looking statements included in this Form 10-Q, 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-Q will be achieved. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by reference to these risks and uncertainties. Each forward-looking statement speaks only as of the date of the particular statement, and we do not undertake to update any forward-looking statement.

Executive Summary

Hines Real Estate Investment Trust, Inc. (“Hines REIT” and, together with its consolidated subsidiaries, “we”, “us” or the “Company”) and its subsidiary, Hines REIT Properties, L.P. (the “Operating Partnership”) were formed in August 2003 for the purpose of investing in and owning interests in real estate. We raised approximately \$2.7 billion through various public offerings of our common stock from 2004 to 2009. We used these proceeds to invest in real estate in order to satisfy our primary investment objectives, including preserving invested capital, paying regular cash distributions and achieving modest capital appreciation of our assets over the long term. We have made investments directly through entities wholly owned by the Operating Partnership or indirectly through other entities such as through our investment in the Core Fund. As of June 30, 2016, we had direct and indirect interests in 24 properties. These properties consist of 16 office properties located throughout the United States and a portfolio of eight grocery-anchored shopping centers located in four states primarily in the Southeastern United States (the “Grocery-Anchored Portfolio”). In total, we acquired interests in 66 properties since our inception and have sold our interests in 51 of those properties as of August 15, 2016.

The following table provides summary information regarding the properties in which we owned interests as of June 30, 2016. All assets which are 100% owned by us are referred to as “directly-owned properties.” All other properties are owned indirectly through investments in the Core Fund.

Property	City	Date Acquired	Leasable Square Feet	Percent Leased	Effective Ownership ⁽¹⁾
Directly-owned Properties					
Office Properties					
321 North Clark ⁽²⁾	Chicago, Illinois	04/2006	889,744	94%	100%
JPMorgan Chase Tower ⁽³⁾	Dallas, Texas	11/2007	1,255,473	75%	100%
2100 Powell ⁽⁴⁾	Emeryville, California	12/2006	345,982	91%	100%
3 Huntington Quadrangle ⁽⁵⁾	Melville, New York	07/2007	407,912	97%	100%
3400 Data Drive ⁽⁶⁾	Rancho Cordova, California	11/2006	149,703	100%	100%
Daytona Buildings ⁽⁴⁾	Redmond, Washington	12/2006	251,313	100%	100%
Laguna Buildings ⁽⁴⁾	Redmond, Washington	01/2007	460,661	100%	100%
1900 and 2000 Alameda ⁽⁴⁾	San Mateo, California	06/2005	267,006	97%	100%
5th and Bell ⁽⁴⁾	Seattle, Washington	06/2007	197,135	100%	100%
Howard Hughes Center ⁽⁴⁾	Los Angeles, California	01/2014	1,334,586	86%	100%
Civica Office Commons	Bellevue, Washington	02/2015	312,295	76%	100%
2851 Junction Avenue ⁽⁴⁾	San Jose, California	05/2015	155,613	100%	100%
Total for Office Properties			6,027,423	89%	
Grocery-Anchored Portfolio⁽⁷⁾					
Cherokee Plaza	Atlanta, Georgia	11/2008	102,864	100%	100%
Thompson Bridge Commons	Gainesville, Georgia	03/2009	92,587	97%	100%
Champions Village	Houston, Texas	11/2008	392,870	82%	100%
Sandy Plains Exchange	Marietta, Georgia	02/2009	72,784	93%	100%
University Palms Shopping Center	Oviedo, Florida	11/2008	99,172	98%	100%
Shoppes at Parkland	Parkland, Florida	03/2009	145,720	95%	100%
Oak Park Village	San Antonio, Texas	11/2008	64,287	100%	100%
Heritage Station	Wake Forest, North Carolina	01/2009	72,946	100%	100%
Total for Grocery-Anchored Portfolio			1,043,230	92%	
Total for Directly-owned Properties			7,070,653	89%	
Indirectly-owned Properties					
Core Fund Properties					
One Atlantic Center	Atlanta, Georgia	07/2006	1,100,312	89%	24%
Renaissance Square	Phoenix, Arizona	12/2007	967,191	76%	24%
Wells Fargo Center	Sacramento, California	05/2007	509,598	87%	20%
Warner Center	Woodland Hills, California	10/2006	808,274	93%	20%
Total for Core Fund Properties			3,385,375	86%	
Total for All Properties			10,456,028	88% ⁽⁸⁾	

- (1) This percentage shows the effective ownership of the Operating Partnership in the properties listed. On June 30, 2016, Hines REIT owned a 91.3% interest in the Operating Partnership as its sole general partner. Affiliates of Hines owned the remaining 8.7% interest in the Operating Partnership. In addition, we owned an approximate 28.8% non-managing general partner interest in the Core Fund as of June 30, 2016. The Core Fund does not own 100% of these properties; its ownership interest in its properties ranges from 67.8% to 84.9%.
- (2) In May 2016, we entered into a contract to sell 321 North Clark. We expect the closing of this sale to occur in August 2016.

- (3) In August 2016, we sold JPMorgan Chase Tower. See “Subsequent Events” for additional information.
- (4) In June 2016, we entered into a contract to sell 2100 Powell, Daytona Buildings, Laguna Buildings, 1900 and 2000 Alameda, 5th and Bell, Howard Hughes Center and 2851 Junction Avenue (the “West Coast Assets”). We expect the closing of this sale to occur before December 31, 2016.
- (5) In June 2016, we entered into a contract to sell 3 Huntington Quadrangle. We expect the closing of this sale to occur in October 2016.
- (6) In July 2016, we sold 3400 Data Drive. See “Subsequent Events” for additional information.
- (7) In August 2016, we sold the Grocery-Anchored Portfolio, exclusive of Champions Village. We also entered into a contract to sell Champions Village to the same buyer. We expect the closing of the sale of Champions Village to occur in October 2016. See “Subsequent Events” for additional information.
- (8) This amount represents the percentage leased assuming we own a 100% interest in each of these properties. The percentage leased based on our effective ownership interest in each property is 89%.

Since the conclusion of our public offerings, 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 our stockholders. In doing this, we have elected to make strategic dispositions, which have provided us with additional liquidity. We have used the proceeds from such dispositions to make additional strategic acquisitions focused on high-quality office assets located on the West Coast in order to best position our portfolio for a liquidity event, such as our purchase of 2851 Junction Avenue, which we acquired in May 2015, Civica Office Commons, which we acquired in February 2015 and the Howard Hughes Center, which we acquired in January 2014.

On June 29, 2016, in connection with a review of our potential strategic alternatives, our board of directors determined that it is in our best interest and in the best interest of our stockholders to sell all or substantially all of our properties and assets and liquidate and dissolve pursuant to a plan of liquidation and dissolution (the “Plan of Liquidation”). The principal purpose of the liquidation is to seek to maximize stockholder value by liquidating our assets and distributing the net proceeds of the liquidation to our stockholders. As part of the Plan of Liquidation, we and certain of our affiliates have entered into an Agreement of Sale and Purchase, dated as of June 29, 2016, with BRE Hydra Property Owner LLC (“Purchaser” and such agreement, the “West Coast Asset Agreement”) to sell to Purchaser, an affiliate of Blackstone Real Estate Partners VIII L.P., for a purchase price of \$1.162 billion, the following seven properties of the Company: Howard Hughes Center in Los Angeles, California, Laguna Buildings in Redmond, Washington, 2100 Powell in Emeryville, California, 1900 and 2000 Alameda in San Mateo, California, Daytona Buildings in Redmond, Washington, 5th and Bell in Seattle, Washington and 2851 Junction Avenue in San Jose, California (collectively, the “West Coast Assets”, and such transaction the “West Coast Asset Sale”). The closing of the West Coast Asset Sale is subject to the satisfaction or waiver of certain closing conditions including, without limitation, approval by our stockholders of the Plan of Liquidation (including the West Coast Asset Sale). There can be no assurance that the closing conditions will be satisfied, that the West Coast Asset Sale will be consummated, or the timing thereof. Pursuant to Maryland law and our charter, the Plan of Liquidation must be 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. If the Plan of Liquidation is approved by our stockholders and the sale of all or substantially all of our assets is completed as expected, we expect to make one or more liquidating distributions to our stockholders during the period of the liquidation process and to make the final liquidating distribution to our stockholders on or before December 31, 2016. There can be no assurances regarding the amounts of any distributions or the timing thereof.

Our portfolio was 89% and 88% leased (based on our effective ownership) as of June 30, 2016 and December 31, 2015, respectively. As a result of the strategic acquisitions and dispositions described above, as of June 30, 2016, our portfolio was geographically located 64% in the West, 11% in the Midwest, 3% in the East and 22% in the South. Our management closely monitors the portfolio’s lease expirations, which for the period from July 1, 2016 through December 31, 2016, and for each of the years ending December 31, 2017 through December 31, 2020, are expected to approximate 3%, 5%, 11%, 7% and 9%, respectively, of leasable square feet. We believe this level of expirations is manageable, and we will remain focused on filling tenant vacancies with high-quality tenants in each of the markets in which we operate. Although we continue to lease our properties to a diverse tenant base over a variety of industries, as of June 30, 2016, our portfolio was approximately 15% leased to over 73 companies in the legal industry, approximately 14% leased to over 47 companies in the financial and insurance industries, approximately 14% leased to over 111 companies in the grocery-anchored retail industry and approximately 11% leased to over 31 companies in the information and technology industries.

Critical Accounting Policies

Each of our critical accounting policies involves the use of estimates that require management to make assumptions that are subjective in nature. Management relies on its experience, collects historical and current market data, and analyzes these assumptions in order to arrive at what it believes to be reasonable estimates. In addition, application of these accounting policies involves the exercise of judgment regarding assumptions as to future uncertainties. Actual results could materially differ from these estimates. A disclosure of our critical accounting policies is included in our Annual Report on Form 10-K for the year ended December 31, 2015 in “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” There have been no significant changes to our policies during 2016.

Financial Condition, Liquidity and Capital Resources

General

Our principal cash requirements have been for the acquisition of real estate investments, property-level operating expenses, capital improvements and leasing costs, strategic investments in real property, debt service, corporate-level general and administrative expenses, distributions and redemptions. We have four primary sources of capital for meeting our cash requirements:

- proceeds from our dividend reinvestment plan which was suspended effective as of June 30, 2016;
- debt financings, including secured or unsecured facilities;
- proceeds from the sale of our properties, including those owned by the Core Fund; and
- cash flow generated by our real estate investments and operations.

We are focused on maintaining a strong cash position and managing our capital needs. Our liquidity needs were primarily met through cash flow generated by our properties and distributions from unconsolidated entities. Additionally, due to our ability to execute on several strategic asset sales, we had available liquidity to acquire additional investment properties in order to reposition our portfolio for a liquidity event. As described earlier, our board of directors has approved the Plan of Liquidation. In accordance with the Plan of Liquidation, we plan to sell all of our directly-owned properties and, after the payment or provision for all of our outstanding liabilities, we expect to distribute the sales proceeds to our stockholders. Below is a list of the properties sold by us and the Core Fund during the six months ended June 30, 2016:

Hines REIT Asset Sales

- 1515 S. Street - In April 2016, we sold 1515 S. Street, an office building located in Sacramento, California, for a sales price of \$68.5 million. We acquired 1515 S. Street in November 2005 for a purchase price of \$66.6 million. We received net proceeds of \$67.9 million from this sale.
- 345 Inverness Drive and Arapahoe Business Park - In May 2015, we sold 345 Inverness Drive and Arapahoe Business Park, two office buildings located in Denver, Colorado, for a sales price of \$78.5 million. We acquired 345 Inverness Drive and Arapahoe Business Park in December 2008 for a purchase price of \$66.5 million. We received net proceeds of \$76.2 million from this sale.

Core Fund Asset Sales

- The Carillon Building - In January 2016, the Core Fund sold The Carillon Building, an office building located in Charlotte, North Carolina, for a sales price of \$147.0 million. The Carillon Building was acquired in July 2007 for a purchase price of \$140.0 million. The Core Fund received net proceeds of \$88.1 million from this sale. We recognized a gain on sale of \$14.4 million. At the date of disposition, we owned a 24% effective interest in The Carillon Building.
- 525 B Street - In March 2016, the Core Fund sold 525 B Street, an office building located in San Diego, California, for a sales price of \$122.0 million. 525 B Street was acquired in August 2005 for a purchase price of \$116.3 million. The Core Fund received net proceeds of \$58.4 million from this sale. We recognized a gain on sale of \$3.6 million. At the date of disposition, we owned a 24% effective interest in 525 B Street.

Cash Flows from Operating Activities

Net cash provided by operating activities was \$9.3 million for the six months ended June 30, 2016 compared to net cash provided by operating activities of \$40.8 million for the six months ended June 30, 2015. This decrease is primarily due to less proceeds from distributions from the sale of Core Fund assets and our dispositions of several properties during 2016 and 2015.

Cash Flows from Investing Activities

Net cash provided by investing activities was \$154.7 million for the six months ended June 30, 2016 compared to net cash used in investing activities of \$149.0 million for the six months ended June 30, 2015. The factors that contributed to the change between the two periods are summarized below.

2016

- We received proceeds of \$144.1 million from the sale of 1515 S. Street, 345 Inverness Drive and Arapahoe Business Park in 2016 and \$1.0 million primarily related to the release of an escrow from a previous sale.
- We received distributions from the Core Fund totaling \$21.3 million, of which \$14.3 million was included in cash flows from investing activities, as they exceeded our equity in earnings of the joint venture.
- We had cash outflows related to capital expenditures at operating properties of \$3.2 million.

2015

- We had cash outflows related to our acquisition of Civica Office Commons in February 2015 and 2851 Junction Avenue in May 2015 of \$270.3 million.
- We received proceeds of \$80.0 million from the sale of Citymark and 4050/4055 Corporate Drive in 2015.
- We received distributions from the Core Fund totaling \$78.7 million, of which \$45.7 million was included in cash flows from investing activities, as they exceeded our equity in earnings of the joint venture.
- We had cash outflows related to capital expenditures at operating properties of \$5.6 million.

Cash Flows from Financing Activities

Net cash used in financing activities for the six months ended June 30, 2016 decreased by \$295.1 million as compared to the same period in the prior year. This decrease is primarily due to net proceeds from debt being \$300.2 million lower in 2016.

Distributions

In order to meet the requirements for being treated as a REIT under the Internal Revenue Code of 1986, as amended, and to pay regular cash distributions to our stockholders, which is one of our investment objectives, we have declared distributions to stockholders (as authorized by our board of directors) as of daily record dates and aggregate through June 2016 and have paid such distributions quarterly. With the authorization of our board of directors, we declared distributions for the period from January 2015 through June 2016. These distributions were calculated based on stockholders of record each day during this period in an amount equal to \$0.00073973 per share, per day and were paid on the first day of the month following the fiscal quarter to which they relate in cash, or, with respect to distributions paid for the three months ended March 31, 2016, reinvested in stock for those participating in our dividend reinvestment plan. On May 31, 2016, our board of directors voted to suspend indefinitely our dividend reinvestment plan effective as of June 30, 2016. Accordingly, all distributions for the three months ended June 30, 2016 were paid in cash. In connection with the Plan of Liquidation, we determined to cease paying regular quarterly distributions after the payment of the distributions for the six months ended June 30, 2016.

The table below outlines our total distributions declared to stockholders and noncontrolling interests for each of the quarters during 2016 and 2015, including the breakout between the distributions paid in cash and those reinvested pursuant to our dividend reinvestment plan (all amounts are in thousands).

Distributions for the Three Months Ended	Stockholders			Noncontrolling Interests
	Cash Distributions	Distributions Reinvested	Total Declared	Total Declared
2016 ⁽¹⁾				
June 30, 2016	\$ 14,920	\$ —	\$ 14,920	\$ 74
March 31, 2016	9,626	5,326	14,952	75
Total	<u>\$ 24,546</u>	<u>\$ 5,326</u>	<u>\$ 29,872</u>	<u>\$ 149</u>
2015 ⁽¹⁾				
December 31, 2015	\$ 9,717	\$ 5,426	\$ 15,143	\$ 75
September 30, 2015	9,731	5,445	15,176	76
June 30, 2015	9,645	5,416	15,061	74
March 31, 2015	9,507	5,424	14,931	74
Total	<u>\$ 38,600</u>	<u>\$ 21,711</u>	<u>\$ 60,311</u>	<u>\$ 299</u>

- (1) Excluded from this table are distributions declared with respect to the Participation Interest (as discussed further in Note 9 — Related Party Transactions). The distributions declared with respect to the Participation Interest for the quarters ended June 30, 2016, March 31, 2016, December 31, 2015, September 30, 2015, June 30, 2015 and March 31, 2015 were \$1.3 million, \$1.3 million, \$1.3 million, \$1.2 million, \$1.2 million and \$1.1 million, respectively.

For the six months ended June 30, 2016, we funded our cash distributions with cash flows from operating activities (31%) and the remaining cash distributions were funded from distributions from unconsolidated entities, proceeds from the sales of our real estate investments and excess undistributed cash flows from prior periods (69%). For the six months ended June 30, 2015, we funded our cash distributions with cash flows from operating activities (87%) and proceeds from the sales of our real estate investments (13%).

Redemptions

During the six months ended June 30, 2016 and 2015, we funded redemptions of \$14.6 million and \$17.9 million, respectively, pursuant to the terms of our share redemption program. Generally, funds available for redemption are limited to the amount of proceeds received from our dividend reinvestment plan in the prior quarter. However, our board of directors has the discretion to redeem shares in excess of this amount if it determines there are sufficient available funds and it is appropriate to do so as long as the total amount redeemed does not exceed the amount required to redeem 10% of our shares outstanding as of the same date in the prior calendar year. Our board of directors determined to waive this limitation on the share redemption plan and fully honor all eligible requests received through the first quarter of 2016, which were in excess of the \$5.4 million received from our dividend reinvestment plan in the prior quarter. On May 31, 2016, our board of directors determined to suspend indefinitely our share redemption program effective as of June 30, 2016.

Debt Financings

We use debt financing from time to time for investments in real property, property improvements, tenant improvements, leasing commissions and other working capital needs. Most of our debt is in the form of secured mortgage loans, which we entered into at the time each real estate asset was acquired. Our portfolio was 33% leveraged as of June 30, 2016, with 57% of our debt in the form of fixed-rate mortgage loans (some of which are effectively fixed through the use of interest rate swaps). By comparison, our portfolio was 37% leveraged as of December 31, 2015, with 53% of our debt in the form of fixed-rate mortgage loans. This leverage percentage is calculated using the estimated aggregate value of our real estate investments (including our pro-rata share of real estate assets through our investments in other entities such as the Core Fund), cash and cash equivalents and restricted cash on hand as of that date. Additionally, as of June 30, 2016 and December 31, 2015, our debt financing had a weighted average interest rate of 4.0% and 3.9%, respectively (including the effect of interest rate swaps).

The following list summarizes our debt financings for the six months ended June 30, 2016 and 2015:

2016

- We made payments of \$100.0 million to pay down the JPMorgan Chase Tower secured mortgage debt in January 2016.
- We received proceeds of \$119.0 million under a revolving credit facility (the “Revolving Loan Commitment”) pursuant to a credit agreement with JPMorgan Chase Bank, N.A. (“Chase”) and we made payments of \$117.0 million related to this agreement and \$25.0 million of such payments were funded with proceeds from the sale of 1515 S. Street in April 2016.
- We made payments of \$36.6 million to fully pay down the 1515 S. Street secured mortgage loan with proceeds from the sale in April 2016.
- We made payments of \$14.2 million to fully pay down the 345 Inverness Drive secured mortgage loan with proceeds from the sale in May 2016.

2015

- We received proceeds of \$30.0 million related to our Bridge Credit Agreement (the “Bridge Credit Agreement”) with Chase to fund our acquisition of Civica Office Commons.
- We received proceeds of \$259.0 million under the Revolving Loan Commitment and we made payments of \$126.6 million in February 2015 related to this agreement.
- We made payments of \$9.1 million to fully pay down the Arapahoe Business Park I secured mortgage loan in April 2015.
- We made payments of \$0.3 million for financing costs related to our loans.

Results of Operations**RESULTS OF OUR DIRECTLY-OWNED PROPERTIES**

We directly owned 18 same-store properties as of January 1, 2015 that were 89% leased as of June 30, 2016 as compared to 89% leased as of June 30, 2015. The table below includes revenues and expenses of our directly-owned properties for the three and six months ended June 30, 2016 and 2015. Disposed properties include the results of operations of properties that were sold, but whose results were not classified as discontinued operations (all amounts in thousands, except for percentages):

	Three Months Ended June 30,		Change	
	2016	2015	\$	%
Property revenues in excess of expenses ⁽¹⁾				
Same-store properties	\$ 24,834	\$ 23,206	\$ 1,628	7.0 %
Recent acquisitions	1,293	663	630	95.0 %
Disposed properties	223	5,041	(4,818)	(95.6)%
Total property revenues in excess of expenses	\$ 26,350	\$ 28,910	\$ (2,560)	(8.9)%

Other

Depreciation and amortization	\$ 18,597	\$ 22,808	\$ (4,211)	(18.5)%
Transaction expenses	\$ 3,203	\$ —	\$ 3,203	100.0 %
Impairment losses	\$ 23,463	\$ —	\$ 23,463	100.0 %
Gain (loss) on derivative instruments, net	\$ 4,440	\$ 4,335	\$ 105	(2.4)%
Gain (loss) on settlement of debt	\$ (598)	\$ —	\$ (598)	100.0 %
Gain (loss) on sale of real estate investments	\$ 36,428	\$ 8,304	\$ 28,124	(338.7)%
Interest expense	\$ 8,184	\$ 9,840	\$ (1,656)	(16.8)%

	Six Months Ended June 30,		Change	
	2016	2015	\$	%
Property revenues in excess of expenses ⁽¹⁾				
Same-store properties	\$ 44,820	\$ 45,025	\$ (205)	(0.5)%
Recent acquisitions	8,273	4,904	3,369	68.7 %
Disposed properties	2,759	11,000	(8,241)	(74.9)%
Total property revenues in excess of expenses	\$ 55,852	\$ 60,929	\$ (5,077)	(8.3)%

Other

Depreciation and amortization	\$ 38,190	\$ 45,290	\$ (7,100)	(15.7)%
Transaction expenses	\$ 3,462	\$ —	\$ 3,462	100.0 %
Impairment losses	\$ 23,463	\$ —	\$ 23,463	100.0 %
Gain (loss) on derivative instruments, net	\$ 8,398	\$ 7,527	\$ 871	11.6 %
Gain (loss) on settlement of debt	\$ (598)	\$ —	\$ (598)	100.0 %
Gain (loss) on sale of real estate investments	\$ 36,430	\$ 29,383	\$ 7,047	24.0 %
Interest expense	\$ 16,822	\$ 19,320	\$ (2,498)	(12.9)%

(1) Property revenues in excess of expenses include total revenues less property operating expenses, real property taxes, and property management fees.

The increase in property revenues in excess of expenses for the same-store properties for the three months ended June 30, 2016 is primarily due to the impact of a straight-line rent revenue adjustment resulting from leasing activity in 2015.

Depreciation and amortization decreased during the three and six months ended June 30, 2016, as compared to the same periods in 2015, primarily due to the sale of several properties during 2015 and the sale of 1515 S. Street in April 2016 and 345 Inverness Drive and Arapahoe Business Park in May 2016.

Transaction expenses increased during the three and six months ended June 30, 2016, as compared to the same periods in 2015, primarily due to an increase in legal fees associated with the Plan of Liquidation.

Gain on sale of real estate investments increased during the three and six months ended June 30, 2016, as compared to the same periods in 2015 as a result of the sale of several properties in 2016.

Interest expense decreased during the three and six months ended June 30, 2016, as compared to the same periods in 2015 as a result of a decrease in total debt outstanding.

For the second quarter of 2016, we determined that our directly-owned properties located in Melville, New York, Dallas, Texas, Houston, Texas and Bellevue, Washington were impaired based on such long-lived assets having carrying values that exceeded their fair values less cost to sell. Accordingly, we recorded an impairment charge of \$23.5 million to write these assets down to fair value for the three and six months ended June 30, 2016.

As a result of future expected disposals in accordance with the Plan of Liquidation and other factors, our results of operations for the period ended June 30, 2016 could differ from our results of operations in future periods.

RESULTS FOR OUR INDIRECTLY-OWNED PROPERTIES

Our Interest in the Core Fund

As of June 30, 2016, we owned a 28.8% non-managing general partner interest in the Core Fund, which held interests in 4 properties that were 86% leased. As of June 30, 2015, we owned a 28.8% non-managing general partner interest in the Core Fund, which held interests in 8 properties that were 82% leased.

Our equity in losses related to our investment in the Core Fund for the three months ended June 30, 2016 was \$9.3 million, compared to equity in losses of \$0.2 million for the three months ended June 30, 2015. Our equity in earnings related to our investment in the Core Fund for the six months ended June 30, 2016 was \$7.0 million, compared to equity in earnings of \$33.0 million for the six months ended June 30, 2015. The change in our equity in earnings (losses) for the three and six months ended June 30, 2016 primarily resulted from the following:

- In January 2016, the Core Fund sold The Carillon Building for a sales price of \$147.0 million. The Carillon Building was acquired in July 2007 for a purchase price of \$140.0 million. As a result of the sale, we recognized a gain on sale of \$14.4 million, which is included in equity in earnings (losses) of unconsolidated entities, net, in the condensed consolidated statements of operations and comprehensive income (loss) for the six months ended June 30, 2016.
- In March 2016, the Core Fund sold 525 B Street for a sales price of \$122.0 million. 525 B Street was acquired in August 2005 for a purchase price of \$116.3 million. As a result of the sale, we recognized a gain on sale of \$3.6 million, which is included in equity in earnings (losses) of unconsolidated entities, net, in the condensed consolidated statements of operations and comprehensive income (loss) for the six months ended June 30, 2016.
- In January 2015, a subsidiary of the Core Fund sold its remaining 51% interest in the entity that owns One North Wacker for \$240.0 million. The Core Fund previously sold a 49% noncontrolling interest in One North Wacker in December 2011. One North Wacker was acquired in March 2008 for a purchase price of \$540.0 million. As a result of the sale of the 51% interest in One North Wacker, we recognized a gain on sale of \$34.3 million, which is included in equity in earnings (losses) of unconsolidated entities, net, in the condensed consolidated statements of operations and comprehensive income (loss) for the six months ended June 30, 2015.
- In April 2015, the Core Fund sold Charlotte Plaza for a sales price of \$160.0 million. Charlotte Plaza was acquired in June 2007 for a purchase price of \$175.5 million. As a result of the sale of Charlotte Plaza, the Core Fund recognized a gain on sale of \$27.4 million. As a result of the sale, the Company recognized a gain on sale of \$6.7 million, which is included in equity in earnings (losses) of unconsolidated entities, net, in the condensed consolidated statements of operations and comprehensive income (loss) for the three and six months ended June 30, 2015.

- For the three and six months ended June 30, 2016, the Core Fund recorded impairment losses of \$36.0 million on Renaissance Square in Phoenix, Arizona, Wells Fargo Center in Sacramento, California and Warner Center in Woodland Hills, California since such long-lived assets had carrying values that exceeded their fair values based on a purchase and sale agreement or third-party guidance received during its marketing process. For the three and six months ended June 30, 2015, the Core Fund recorded impairment losses of \$22.1 million on Riverfront Plaza in Richmond, Virginia due to deterioration of market conditions. Riverfront Plaza was sold in December 2015.

CORPORATE LEVEL ACTIVITIES

Other Corporate-level Activities

The tables below provide detail relating to our asset management fees and general and administrative expenses (all amounts in thousands, except percentages):

	Three Months Ended June 30,		Change	
	2016	2015	\$	%
Acquisition fee	\$ —	\$ 170	(170)	(100.0)%
Asset management fee	6,145	8,277	(2,132)	(25.8)%
Asset management and acquisition fees	\$ 6,145	\$ 8,447	(2,302)	(27.3)%
Acquisition-related expenses	\$ —	\$ 545	(545)	(100.0)%
General and administrative expenses	\$ 1,555	\$ 2,083	(528)	(25.3)%

	Six Months Ended June 30,		Change	
	2016	2015	\$	%
Acquisition fee	\$ —	\$ 580	(580)	(100.0)%
Asset management fee	14,564	16,548	(1,984)	(12.0)%
Asset management and acquisition fees	\$ 14,564	\$ 17,128	(2,564)	(15.0)%
Acquisition related expenses	\$ —	\$ 600	(600)	(100.0)%
General and administrative expenses	\$ 3,246	\$ 3,430	(184)	(5.4)%

We pay acquisition fees to our Advisor for services related to the due diligence, selection and acquisition of direct or indirect real estate investments. The acquisition fee is equal to 0.50% of (i) the purchase price of real estate investments acquired directly by us, including any debt attributable to such investments or (ii) when we make an investment indirectly through another entity, such investment's pro rata share of the gross asset value of real estate investments held by that entity. Acquisition fees decreased for the three and six months ended June 30, 2016, as compared to the same periods in 2015, due to no acquisition fees having been incurred for the three and six months ended June 30, 2016, while acquisition fees were incurred on our acquisitions of Civica Office Commons in February 2015 and 2851 Junction Avenue in May 2015. In connection with the acquisition of Civica Office Commons, we were obligated to pay approximately \$2.1 million of acquisition fees to our Advisor, half of which was payable in cash and half of which was payable related to the Participation Interest. Our Advisor and HALP, the holder of the Participation Interest, respectively, agreed to waive \$0.6 million of the cash acquisition fee and all of the \$1.0 million acquisition fee payable as an increase to the Participation Interest. In connection with the acquisition of 2851 Junction Avenue in May 2015, we were obligated to pay approximately \$0.9 million of acquisition fees to the Advisor, half of which was payable in cash and half of which was payable as an increase to the Participation Interest. The Advisor and HALP, the holder of the Participation Interest, respectively, agreed to waive \$0.3 million of the cash acquisition fee and all of the \$0.4 million acquisition fee payable as an increase to the Participation Interest.

We also pay monthly asset management fees to our Advisor based on an annual fee equal to 1.5% of the amount of net equity capital invested in real estate investments. Our asset management fees decreased for the three and six months ended June 30, 2016 partially due to our sales of real estate investments in 2015 and 2016. We recorded a \$2.3 million reduction in the Participation Interest liability as of June 30, 2016 based on our expectation to distribute approximately \$6.35 to \$6.65 per share to our shareholders pursuant to the execution of the Plan of Liquidation.

General and administrative expenses include legal and accounting fees, insurance costs, costs and expenses associated with our board of directors and other administrative expenses. General and administrative expenses decreased for the three and six months ended June 30, 2016 due to a decrease in legal fees and accounting fees.

Funds from Operations and Modified Funds from Operations

Funds from Operations (“FFO”) is a non-GAAP financial performance measure defined by the National Association of Real Estate Investment Trusts (“NAREIT”) and widely recognized by investors and analysts as one measure of operating performance of a real estate company. FFO excludes items such as real estate depreciation and amortization. Depreciation and amortization, as applied in accordance with GAAP, implicitly assumes that the value of real estate assets diminishes predictably over time and also assumes that such assets are adequately maintained and renovated as required in order to maintain their value. Since real estate values have historically risen or fallen with market conditions such as occupancy rates, rental rates, inflation, interest rates, the business cycle, unemployment and consumer spending, it is management’s view, and we believe the view of many industry investors and analysts, that the presentation of operating results for real estate companies using historical cost accounting alone is insufficient. In addition, FFO excludes gains and losses from the sale of real estate and impairment charges related to depreciable real estate assets and in-substance real estate equity investments, which we believe provides management and investors with a helpful additional measure of the historical performance of our real estate portfolio, as it allows for comparisons, year to year, that reflect the impact on operations from trends in items such as occupancy rates, rental rates, operating costs, general and administrative expenses and interest costs. A property will be evaluated for impairment if events or circumstances indicate that the carrying amount may not be recoverable (i.e. the carrying amount exceeds the total estimated undiscounted future cash flows from the property). Undiscounted future cash flows are based on anticipated operating performance, including estimated future net rental and lease revenues, net proceeds on the sale of the property, and certain other ancillary cash flows. While impairment charges are excluded from the calculation of FFO as described above, stockholders are cautioned that due to the limited term of our operations, it could be difficult to recover any impairment charges.

In addition to FFO, management uses modified funds from operations (“MFFO”), as defined by the Investment Program Association (the “IPA”), as a non-GAAP supplemental financial performance measure to evaluate our operating performance. The IPA has recommended the use of MFFO as a supplemental measure for publicly registered, non-listed REITs to enhance the assessment of the operating performance of a non-listed REIT. MFFO is not equivalent to our net income or loss as determined under GAAP, and MFFO may not be useful as a measure of the long-term operating performance of our investments or as a comparative measure to other publicly registered, non-listed REITs if we do not continue to operate with a limited life and targeted exit strategy, as currently intended and described herein. MFFO includes funds generated by the operations of our real estate investments and funds used in our corporate-level operations. MFFO is based on FFO, but includes certain additional adjustments which we believe are appropriate. Such items include reversing the effects of straight-line rent revenue recognition, fair value adjustments to derivative instruments that do not qualify for hedge accounting treatment, gains or losses related to fair value adjustments for derivatives not qualifying for hedge accounting, and gains or losses related to early extinguishment of hedges or debt. Some of these adjustments are necessary to address changes in the accounting and reporting rules under GAAP for real estate subsequent to the establishment of NAREIT’s definition of FFO. These changes also have prompted a significant increase in the magnitude of non-cash and non-operating items included in FFO, as defined. Such items include amortization of out-of-market lease intangible assets and liabilities and certain tenant incentives.

The purchase of properties, and the corresponding expenses associated with that process, including acquisition fees and expenses, is a key operational feature of our business plan to generate operational income and cash flows in order to make distributions to our stockholders. MFFO excludes acquisition expenses. Under GAAP, acquisition expenses are characterized as operating expenses in determining operating net income. These expenses are paid in cash by us, and therefore such funds will not be available to distribute to our stockholders. All paid and accrued acquisition expenses with respect to the acquisition of a property negatively impact our operating performance during the period in which the property is acquired and will have negative effects on returns to our stockholders, the potential for future distributions, and future cash flows, unless earnings from operations or net sales proceeds from the disposition of other properties are generated to cover the purchase price of the property, the related acquisition expenses and other costs related to such property. In addition, if we acquire a property, there will not be any offering proceeds to pay the corresponding acquisition-related costs. Accordingly, unless our Advisor determines to waive the payment of any then-outstanding acquisition-related costs otherwise payable to the Advisor, such costs will be paid from additional debt, operational earnings or cash flow, net proceeds from the sale of properties, or ancillary cash flows. Therefore, MFFO may not be an accurate indicator of our operating performance, especially during periods in which properties are being acquired. Since MFFO excludes acquisition expenses, MFFO would only be comparable to the operations of non-listed REITs that have completed their acquisition activity and have other similar operating characteristics.

MFFO is useful in assisting management and investors in assessing the sustainability (that is, the capacity to continue to be maintained) of operating performance in future operating periods, and in particular, after the offering and acquisition stages are complete and net asset value is disclosed. MFFO is not a useful measure in evaluating net asset value because impairments are taken into account in determining net asset value but not in determining MFFO.

Management uses MFFO to evaluate the financial performance of our investment portfolio. In addition, our board of directors has used MFFO to evaluate and establish our distribution policy and the sustainability thereof.

FFO and MFFO should not be construed to be more relevant or accurate than the current GAAP methodology in calculating net income or in its applicability in evaluating our operating performance. In addition, FFO and MFFO should not be considered as alternatives to net income (loss) or income (loss) from continuing operations as an indication of our performance or as alternatives to cash flows from operating activities as an indication of our liquidity, but rather should be reviewed in conjunction with these and other GAAP measurements. Further, FFO and MFFO are not intended to be used as liquidity measures indicative of cash flow available to fund our cash needs, including our ability to make distributions to our stockholders. Please see the limitations listed below associated with the use of MFFO:

- We use interest rate swap contracts as economic hedges against the variability of interest rates on variable rate loans. Although we expect to hold these instruments to maturity, if we were to settle these instruments currently, it would have an impact on our operating performance. Additionally, these derivative instruments are measured at fair value on a quarterly basis in accordance with GAAP. MFFO excludes gains (losses) related to changes in these estimated values of our derivative instruments because such adjustments may not be reflective of ongoing operations and may reflect unrealized impacts on our operating performance.
- MFFO excludes acquisition expenses. Although these amounts reduce net income, we are currently funding such costs with sales proceeds and acquisition-related indebtedness and do not consider these fees and expenses in the evaluation of our operating performance and determining MFFO.
- MFFO excludes impairment charges related to long-lived assets that have been written down to current market valuations. Although these losses are included in the calculation of net income (loss), we have excluded them from MFFO because we believe doing so more appropriately presents the operating performance of our real estate investments on a comparative basis.
- Our business is subject to volatility in the real estate markets and general economic conditions, and adverse changes in those conditions could have a material adverse impact on our business, results of operations and MFFO. Accordingly, the predictive nature of MFFO is uncertain and past performance may not be indicative of future results.

Neither the Securities and Exchange Commission (the “SEC”), NAREIT nor any regulatory body has passed judgment on the acceptability of the adjustments that we use to calculate FFO or MFFO. In the future, the SEC, NAREIT or a regulatory body may decide to standardize the allowable adjustments across the non-listed REIT industry and we would have to adjust our calculation and characterization of FFO or MFFO.

The table below summarizes FFO and MFFO attributable to common stockholders for the three and six months ended June 30, 2016 and 2015 and a reconciliation of such non-GAAP financial performance measures to our net income (loss) for the periods then ended (in thousands).

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Net income (loss)	\$ (3,806)	\$ (2,546)	\$ 7,352	\$ 44,821
Depreciation and amortization ⁽¹⁾	18,597	22,808	38,190	45,290
(Gain) loss on sale or dissolution of investment property and unconsolidated joint venture ⁽²⁾	(36,428)	(8,304)	(36,430)	(29,383)
Impairment on real estate investments ⁽³⁾	23,463	—	23,463	—
Adjustments to equity in earnings (losses) from unconsolidated entities, net ⁽⁴⁾	10,903	2,854	(4,108)	(26,812)
Adjustments for noncontrolling interests ⁽⁵⁾	239	(61)	93	(451)
Funds from Operations attributable to common stockholders	12,968	14,751	28,560	33,465
(Gain) loss on derivative instruments ⁽⁶⁾	(4,440)	(4,335)	(8,398)	(7,527)
Other components of revenues and expenses ⁽⁷⁾	3,916	3,247	5,784	5,496
Acquisition fees and expenses ⁽⁸⁾	—	715	—	1,180
Adjustments to equity in earnings (losses) from unconsolidated entities, net ⁽⁴⁾	(33)	(592)	(204)	(1,105)
Adjustments for noncontrolling interests ⁽⁵⁾	43	74	232	148
Modified Funds from Operations attributable to common stockholders	<u>\$ 12,454</u>	<u>\$ 13,860</u>	<u>\$ 25,974</u>	<u>\$ 31,657</u>
Basic and diluted income (loss) per common share	\$ (0.02)	\$ (0.01)	\$ 0.03	\$ 0.20
Funds From Operations attributable to common stockholders per common share	\$ 0.06	\$ 0.07	\$ 0.13	\$ 0.15
Modified Funds From Operations attributable to common stockholders per common share	\$ 0.06	\$ 0.06	\$ 0.12	\$ 0.14
Weighted average shares outstanding	221,632	223,724	221,869	223,991

- (1) Represents the depreciation and amortization of various real estate assets. Historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values have historically risen or fallen with market conditions, we believe that such depreciation and amortization may be of limited relevance in evaluating current operating performance and, as such, these items are excluded from our determination of FFO.
- (2) Represents the gain on disposition of certain real estate investments. Although this gain is included in the calculation of net income (loss), we have excluded it from FFO because we believe doing so more appropriately presents the operating performance of our real estate investments on a comparative basis. This adjustment includes amounts from the “Gain (loss) on sale or dissolution of unconsolidated joint venture” and “Gain (loss) on sale of real estate investments” included in the condensed consolidated statements of operations and comprehensive income (loss).
- (3) Represents impairment charges recorded for the second quarter of 2016 in accordance with GAAP. See “Results of Operations — Results of our Directly-Owned Properties” for additional information regarding our impairment charges.
- (4) Includes adjustments to equity in earnings (losses) of unconsolidated entities, net, similar to those described in Notes 1, 2, 3, 6 and 7 for our unconsolidated entities, which are necessary to convert our share of income (loss) from unconsolidated entities to FFO and MFFO.
- (5) Includes income attributable to noncontrolling interests and all adjustments to eliminate the noncontrolling interests’ share of the adjustments to convert our net income (loss) to FFO and MFFO.

- (6) Represents components of net income (loss) related to the estimated changes in the values of our interest rate swap derivatives. We have excluded these changes in value from our evaluation of our operating performance and MFFO because we expect to hold the underlying instruments to their maturity and accordingly the interim gains or losses will remain unrealized.
- (7) Includes the following components of revenues and expenses that we do not consider in evaluating our operating performance and determining MFFO (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Straight-line rent adjustment (a)	\$ (2,096)	\$ (543)	\$ (4,985)	\$ (1,552)
Amortization of lease incentives (b)	5,571	4,246	10,659	7,975
Amortization of out-of-market leases (b)	(308)	(586)	(695)	(1,196)
Settlement of debt (c)	598	—	598	—
Other	151	130	207	269
	<u>\$ 3,916</u>	<u>\$ 3,247</u>	<u>\$ 5,784</u>	<u>\$ 5,496</u>

- (a) Represents the adjustments to rental revenue as required by GAAP to recognize minimum lease payments on a straight-line basis over the respective lease terms. We have excluded these adjustments from our evaluation of the operating performance of the Company and in determining MFFO because we believe that the rent that is billable during the current period is a more relevant measure of the Company's operating performance for such period.
- (b) Represents the amortization of lease incentives and out-of-market leases. As stated in Note 1 above, historical cost accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values have historically risen or fallen with market conditions, we believe that such amortization may be of limited relevance in evaluating current operating performance and, as such, these items are excluded from our determination of MFFO.
- (c) Represents the prepayment penalty incurred at our real estate investments due to the termination of our secured mortgage loans. Although this loss is included in the calculation of net income (loss), we have excluded it from MFFO because we believe doing so more appropriately presents the operating performance of our real estate investments on a comparative basis.
- (8) Represents acquisition expenses and acquisition fees paid to our Advisor that are expensed in our condensed consolidated statements of operations. We fund such costs with sales proceeds and acquisition-related indebtedness, and therefore do not consider these expenses in evaluating our operating performance and determining MFFO.

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, including property management fees, leasing fees, construction management fees, debt financing fees, re-development construction management fees, reimbursement of organizational and offering expenses, and reimbursement of certain operating costs, as described elsewhere in this Quarterly Report on Form 10-Q and previously in our Annual Report on Form 10-K for the year ended December 31, 2015.

Off-Balance Sheet Arrangements

As of June 30, 2016 and December 31, 2015, 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.

Subsequent Events

3400 Data Drive

In July 2016, we sold 3400 Data Drive, an office building located in Rancho Cordova, California, for a sales price of \$26.0 million. We originally acquired 3400 Data Drive in November 2006 for a purchase price of \$32.8 million.

JPMorgan Chase Tower

In August 2016, we sold JPMorgan Chase Tower, an office building located in Dallas, Texas, for a sales price of \$273.0 million. We originally acquired JPMorgan Chase Tower in November 2007 for a purchase price of \$289.6 million.

Grocery-Anchored Portfolio

In August 2016, we sold seven of the Grocery-Anchored Portfolio properties, exclusive of Champions Village, for an aggregate net sale price of \$158.0 million. We also expect to sell Champions Village to the same buyer for a contract sales price of \$52.0 million, exclusive of transaction costs and closing prorations. We expect the closing of this sale to occur in October 2016, but there can be no assurances as to if or when this sale will be completed. The Grocery-Anchored Portfolio consists of eight grocery-anchored shopping centers that were acquired in January 2014 for \$178.2 million in aggregate.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk.*

Market risk is the exposure to loss resulting from changes in interest rates, foreign currency exchange rates and equity prices. Interest rate risk is the primary risk in pursuing our business plan.

As of June 30, 2016, we had \$312.2 million in variable rate debt that was not hedged with an interest rate swap. If interest rates were to increase by 1%, we would incur an additional \$3.1 million in interest expense.

Item 4. *Controls and Procedures.*

In accordance with Rules 13a-15 and 15d-15 promulgated under the Exchange Act, 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 June 30, 2016, 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.

No change occurred in our internal controls over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) during the quarter ended June 30, 2016 that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

PART II – OTHER INFORMATION

Item 1. *Legal Proceedings.*

The Company is subject to various legal proceedings and claims that arise in the ordinary course of business and from time to time, the Company is also subject to other types of litigation. As of June 30, 2016, neither the Company nor any of its subsidiaries was a party to any material pending legal proceedings.

Item 1A. *Risk Factors.*

We are subject to a number of risks and uncertainties, which are discussed in Part I, Item 1A, “Risk Factors” in our 2015 Annual Report. There have been no material changes to the risk factors set forth under Part I, Item 1A, “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2015.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds.*

During the six months ended June 30, 2016, we did not sell or issue any equity securities that were not registered under the Securities Act of 1933, as amended.

All eligible requests for redemption received by the Company for the three months ended March 31, 2016 were redeemed on April 1, 2016. The shares were redeemed using proceeds from our dividend reinvestment plan from the prior quarter and proceeds from the sale of assets. The following table lists shares we redeemed under our share redemption program during the period covered by this report.

Period	Total Number of Shares Redeemed	Average Price Paid per Share	Total Number of Shares Redeemed as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet be Redeemed Under the Plans or Programs ⁽²⁾
April 1, 2016 through June 30, 2016 ⁽¹⁾	1,275,123	\$ 5.85	1,275,123	—
Total	<u>1,275,123</u>		<u>1,275,123</u>	

(1) All shares were redeemed on April 1, 2016.

(2) On May 31, 2016, our board of directors voted to suspend indefinitely our dividend reinvestment plan effective as of June 30, 2016.

Item 3. *Defaults Upon Senior Securities.*

Not applicable.

Item 4. *Mine Safety Disclosures.*

Not applicable.

Item 5. *Other Information.*

Not applicable.

Item 6. *Exhibits.*

The exhibits required by this item are set forth on the Exhibit Index attached hereto.

SIGNATURES

Pursuant to the requirements 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.

HINES REAL ESTATE INVESTMENT TRUST, INC.

August 15, 2016

By: /s/ SHERRI W. SCHUGART
Sherri W. Schugart
President and Chief Executive Officer

August 15, 2016

By: /s/ RYAN T. SIMS
Ryan T. Sims
Chief Financial Officer and Secretary

EXHIBIT INDEX

Exhibit No.	Description
2.1	Plan of Complete Liquidation and Dissolution of Hines Real Estate Investment Trust, Inc. (filed as Exhibit 99.1 to the registrant's Current Report on Form 8-K on June 30, 2016 and incorporated by reference herein).
3.1	Second Amended and Restated Articles of Incorporation of Hines Real Estate Investment Trust, Inc. (filed as Exhibit 3.1 to the registrant's Current Report on Form 8-K on July 13, 2007 and incorporated by reference herein).
3.2	Second Amended and Restated Bylaws of Hines Real Estate Investment Trust, Inc. (filed as Exhibit 3.1 to the registrant's Current Report on Form 8-K on August 3, 2006 and incorporated by reference herein).
3.3	Amendment No. 1 to Second Amended and Restated Bylaws of Hines Real Estate Investment Trust, Inc. (filed as Exhibit 3.1 to the registrant's Current Report on Form 8-K on September 21, 2015 and incorporated by reference herein).
4.1	Hines Real Estate Investment Trust, Inc. Dividend Reinvestment Plan (included as Appendix A to the prospectus contained in the registrant's Registration Statement on Form S-3 (file No. 333-182401) filed on June 28, 2012 and incorporated by reference herein).
10.1 *	Agreement of Sale and Purchase, dated as of May 9, 2016, by and between Hines REIT 2200 Ross Avenue LP and Fortis Property Group, LLC.
10.2 *	Reinstatement of and First Amendment to Agreement of Sale and Purchase, dated as of May 26, 2016, by and between Hines REIT 2200 Ross Avenue LP and Fortis Property Group, LLC.
10.3 *	Agreement of Sale and Purchase, dated as of May 27, 2016, by and between Hines REIT 321 North Clark LLC and Diversified 321 North Clark LLC.
10.4 *	Agreement of Sale and Purchase, dated as of June 24, 2016, by and between HR Venture Properties I LLC and New Market Properties, LLC.
10.5 *	Agreement of Sale and Purchase, dated as of June 24, 2016, by and between HR Venture Properties I LLC and HR Parkland LLC and New Market Properties, LLC.
10.6 *	Agreement of Sale and Purchase, dated as of June 24, 2016, by and between HR Venture Properties I LLC and HR Thompson Bridge LLC and New Market Properties, LLC.
10.7 *	Agreement of Sale and Purchase, dated as of June 24, 2016, by and between HR Heritage Station LLC and New Market Properties, LLC.
10.8	The Agreement of Sale and Purchase, dated as of June 29, 2016, by and between Hines REIT 5th and Bell LLC, a Delaware limited liability company, Hines REIT Daytona Campus LLC, a Delaware limited liability company, Hines REIT Laguna Campus LLC, a Delaware limited liability company, Hines REIT 2851 Junction Ave LP, a Delaware limited partnership, Hines REIT Watergate LP, a Delaware limited partnership, Hines REIT 1900/2000 Alameda De Las Pulgas LLC, a Delaware limited liability company, Hines REIT West La Portfolio LP, a Delaware limited partnership, and solely for the limited purposes set forth therein, Hines Real Estate Investment Trust, Inc., a Maryland corporation, and BRE Hydra Property Owner LLC (filed as Exhibit 2.1 to the registrant's Current Report on Form 8-K on June 30, 2016 and incorporated by reference herein).
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 herewith and shall not be deemed to be "filed."
101 *	The following materials from Hines Real Estate Investment Trust, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, filed on August 15, 2016, formatted in XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), (iii) Condensed Consolidated Statements of Equity, (iv) Condensed Consolidated Statements of Cash Flows, and (v) Notes to the Condensed Consolidated Financial Statements.

* Filed herewith

AGREEMENT OF SALE AND PURCHASE

BETWEEN

**HINES REIT 2200 ROSS AVENUE LP,
a Delaware limited partnership**

as Seller

AND

**FORTIS PROPERTY GROUP, LLC,
a Delaware limited liability company**

as Purchaser

pertaining to

2200 ROSS AVENUE, DALLAS, TEXAS

EXECUTED EFFECTIVE AS OF

MAY 9, 2016

AGREEMENT OF SALE AND PURCHASE

THIS AGREEMENT OF SALE AND PURCHASE (this “**Agreement**”) is entered into and effective for all purposes as of May 9, 2016 (the “**Effective Date**”), by and between HINES REIT 2200 ROSS AVENUE LP, a Delaware limited partnership (“**Seller**”), and FORTIS PROPERTY GROUP, LLC, a Delaware 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, Seller 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.

“**Additional Title Companies**” means collectively, Chicago Title and Bridge Title.

“**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 Seller, 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.

“**Assigned Service Contracts**” has the meaning ascribed to such term in Section 3.2.

“**Authorities**” means the various governmental and quasi-governmental bodies or agencies having jurisdiction over Seller, 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.

“**Bridge Title**” means Bridge Title Company, as agent for Chicago Title Insurance Company, at its offices located at 3100 Monticello, Suite 800, Dallas, Texas 75205, Attn: Kristi Covey, Telephone No.: (972) 861-1065, Email: Kristi.Covey@btcct.com.

“**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 Dallas, Texas or in New York, New York. 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(f).

“**Certifying Party**” has the meaning ascribed to such term in Section 4.6.

“**Chicago Title**” means Chicago Title Insurance Company, at its offices located at 712 Main Street, Suite 2000 E, Houston, Texas 77002, Attn: Reno Hartfiel, Telephone No.: (713) 238-9164, Email: Reno.Hartfiel@fnf.com.

“**City Licenses**” means the licenses described on **Exhibit L** attached hereto.

“**Claims**” means 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.

“**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 June 13, 2016, which date may be extended by Seller in its sole discretion to a date no later than thirty (30) calendar days thereafter, in accordance with Section 10.1, or such earlier or later date to which Purchaser and Seller may hereafter agree in writing; provided, however, notwithstanding the foregoing, Purchaser shall have the right to extend the Closing Date by (a) delivering written notice of the extended, new Closing Date to Seller on or before June 10, 2016, but in no event shall such extended, new Closing Date be later than July 13, 2016 and (b) depositing with the Title Company on or before the originally scheduled Closing Date, in immediately available federal funds, the sum of \$1,000,000.00 which shall be held in escrow by the Title Company pursuant to the terms of this Agreement and become a part of the Earnest Money Deposit.

“**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, 4.8, 4.10, 5.2(d), 5.3, 5.5, 5.6, 6.2(c), 7.1, 7.4, 8.1 (subject to Section 16.1), 8.2, 10.4 (subject to the limitations therein), 10.6, 10.7, 11.1, 14.1, 15.1, 16.1, 17.2, 17.10, 17.14, 17.15, 17.16, and 17.17 and Article XIII.

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

“Code” has the meaning ascribed to such term in Section 4.10.

“Contingency Date” means May 12, 2016.

“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 Time” means 3:00 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. The term “Earnest Money Deposit” shall also include any further amounts, if any, deposited by Purchaser with the Title Company as provided in (a) the definition of the term “Closing Date” in Section 1.1 above and/or (b) clause (b) of Section 5.4 below, which will also be held in escrow by the Title Company pursuant to the terms of this Agreement.

“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 4.3.

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

“**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).

“**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 Seller or Seller’s 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 Seller and located on the Real Property.

“**Independent Consideration**” has the meaning ascribed to such term in Section 4.2.

“**Intangible Personal Property**” means, collectively, all trade names, trademarks, logos, and service marks (in each case, if any) utilized solely by Seller or which Seller has 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), Seller, its Affiliates, the property manager and Tenants), provided however, that the foregoing definition shall specifically exclude all Reserved Company Assets.

“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.

“License Agreements” means the telecommunications licenses, parking agreements, and other licenses and agreements listed on **Exhibit K** attached hereto.

“License Assignment” means an assignment and assumption of license in the forms of **Exhibits M-1, M-2, and M-3** attached hereto.

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

“Licenses and Permits” means, collectively, all licenses, permits, certificates of occupancy, approvals, dedications, development rights, 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, excluding the City Licenses.

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

“Material Breach” has the meaning ascribed to such term in Section 10.9(a).

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

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

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

“Official Records” means the official records of Dallas County, Texas.

“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 4.6.

“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, collectively, all equipment, appliances, tools, supplies, machinery, artwork, furnishings and other tangible personal property attached to, appurtenant to, located in and used exclusively in connection with the ownership or operation of the Improvements owned by Seller, 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 Seller, (iii) any items of personal property owned or leased by Seller’s property manager, and (iv) all other Reserved Company Assets.

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

“Property Approval Period” shall have the meaning ascribed to such term in Section 5.4.

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

“PTR” has the meaning ascribed to such term in Section 6.2(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 8.2(e).

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

“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.

“Real Property” means those certain parcels of or interests in the real property located at 2200 Ross Avenue, Dallas, Texas and the parking garage located at 720 Olive Street, Dallas, Texas, as more particularly described on **Exhibit A** attached hereto, together with all of Seller’s right, title and interest, if any, in and to the appurtenances pertaining thereto, including but not limited to Seller’s right, title and interest in and to the streets, alleys and right-of-ways 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 4.10(a).

“Reserved Company Assets” shall mean the following assets of Seller 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 Seller or its direct or indirect partners, members, shareholders or affiliates, any refund in connection with termination of Seller's existing insurance policies, all contracts between 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 Seller), the internal books and records of 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; provided, however, the term "Reserved Company Assets" shall not include any Tenant Leases or Tenant Deposits.

"Seller" has the meaning ascribed to such term in the opening paragraph of this Agreement.

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

"Seller Persons" has the meaning ascribed to such term in Section 8.1(l).

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

"Service Contracts" means, collectively, all 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 Seller and under which Seller is currently paying for services rendered in connection with the Property, as listed and described on **Exhibit B** attached hereto, 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), excluding the License Agreements and excluding any brokerage commission agreements relating to leasing or selling the Property or any portion thereof.

"Service Contract Notice Letters" has the meaning ascribed to such term in Section 10.7(b).

"Significant Portion" means (a) damage by fire or other casualty (or loss of value due to condemnation or eminent domain proceedings) to the Real Property and the Improvements or a portion thereof requiring repair costs (or resulting in a loss of value) in excess of an amount equal to three percent (3%) of the Purchase Price as such repair costs or loss of value calculation is reasonably estimated by Seller in accordance with the terms of Section 9.2 or (b) in the case of

condemnation or eminent domain proceedings, loss of any material portion of the Real Property and the Improvements or a portion thereof required for the ownership, use and operation of the Real Property and the Improvements, e.g. access, ingress and egress to and from the Real Property and the Improvements.

“Tenant Deposits” means all security deposits, paid or deposited by the Tenants to Seller, as landlord, or any other person on Seller’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), and all guaranties related thereto, entered into on or prior to the Effective Date, to the extent identified on **Exhibit F-1** hereto, (ii) any and all new written leases, rental agreements, occupancy agreements and license agreements, and all guaranties related thereto, entered into after the Effective Date, and (iii) any and all new written renewals, amendments, modifications and supplements, and all guaranties related thereto, to any of the foregoing entered into after the Effective Date; provided, however, with respect to clauses (ii) and (iii) above, 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(a).

“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 Nullification Notice” has the meaning ascribed to such term in Section 10.9(a).

“Termination Nullification Period” has the meaning ascribed to such term in Section 10.9(a).

“Termination Surviving Obligations” means the rights, liabilities and obligations set forth in Sections 4.6, 4.7, 5.2, 5.3, 5.4, 5.6, 7.3, 10.8, 10.9, 11.1, 12.1, 14.1, 15.1, and 17.17 and Article XIII and Article XVII.

“Title Company” means Madison Title Agency, LLC, , as agent for Stewart Title Guaranty Company, at its offices located at 8435 Stemmons Freeway, Suite 330, Dallas, Texas 75247, Attn: Mr. Samuel Herskovits, Telephone No.: (214) 461-4817, Facsimile No.: (214) 932-0008, Email: SHerskovits@madisontitle.com.

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

“**To Seller’s Knowledge**” and similar terms means the present actual (as opposed to constructive or imputed) knowledge solely of Blake Williams (the advisor’s Asset Manager) and Tyler Baker (the property manager’s Managing Director – Asset Management), without any independent investigation or inquiry whatsoever. The individuals referenced in the preceding sentence (a) have current asset management responsibility for and on behalf of the property manager and/or adviser to, and therefore, for and on behalf of, Seller for the ownership, management, use, leasing, occupancy, operation, maintenance and repair of the Property, (b) have collectively been involved for an extended period of time in the day-to-day management and operation of the Property for and on behalf of the property manager and/or adviser to, and therefore, for and on behalf of, Seller and (c) are the individuals for and on behalf of the property manager and/or adviser to, and therefore, for and on behalf of, Seller who would have the best and most current and accurate information and knowledge concerning the matters set forth in this Agreement with respect to the Property. Such individuals are named in this Agreement solely for the purpose of establishing the scope of Seller’s knowledge. Such individuals shall not be deemed to be parties to this Agreement nor to have made any representations or warranties hereunder, and no recourse shall be had to such individuals for any of Seller’s representations and warranties hereunder (and Purchaser hereby waives any liability of or recourse against such individuals, some of which are not employees of Seller, but are employees of the third-party manager and/or advisor for the Property).

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

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. Seller hereby agrees to sell, convey and assign to Purchaser, and Purchaser hereby agrees to purchase and accept from Seller, on the Closing Date and subject to the terms and conditions of this Agreement, all of Seller’s right, title, and interest in and to the Real Property, together with all of Seller’s right, title and interest in and to each of the following attributable to the Real Property: (a) the Improvements; (b) the Personal Property; (c) the Tenant Leases in effect on the Closing Date; (d) the Service Contracts in effect on the Closing Date; (e) the Licenses and Permits; (f) the Intangible Personal Property; (g) the City Licenses; and (h) the License Agreements, in each of the cases of (e), (f), (g), and (h) 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 (collectively with the Real Property, the “**Property**”).

Section 2.2 Indivisible Economic Package. Purchaser has no right to purchase, and Seller has no obligation to sell, less than all of the Property, it being the express agreement and understanding of Purchaser and Seller that, as a material inducement to Seller and Purchaser to enter into this Agreement, Purchaser has agreed to purchase, and Seller has 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**”) is \$280,000,000.00 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 the Closing Date, 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 Seller in the Tenant Leases, the Service Contracts which Purchaser has designated to Seller will be assigned pursuant to the General Conveyance and are not to be terminated by Seller at and as of Closing pursuant to Section 5.2(f) (collectively, the “**Assigned Service Contracts**”), the Licenses and Permits, the Intangible Personal Property, the City Licenses and the License Agreements assigned to Purchaser and which are to be performed, and first arise and accrue, on or subsequent to the Closing Date, but not before, which Service Contracts other than the Assigned Service Contracts and prior covenants and obligations shall continue to be the responsibility and obligation of Seller, and (ii) the Leasing Costs, if any, for which Purchaser is responsible under Section 10.4(e) below. Notwithstanding anything to the contrary contained in the foregoing provisions of this Section 3.2, Seller’s obligations under this Section 3.2 shall not apply to any claims which (i) are based on any matter which is identified in this Agreement (including the Exhibits hereto) as an exception or qualification to any representation or warranty of Seller set forth in this Agreement, or in any estoppel certificates delivered to Purchaser at or prior to Closing pursuant to this Agreement; (ii) are based on a liability which was taken into account as a Closing adjustment pursuant to Section 10.4, and/or (iii) are based on any claims expressly assumed or expressly waived by Purchaser pursuant to this Agreement, including any claims pertaining to the physical or environmental condition of the Property. This Section 3.2 shall survive Closing.

Section 3.3 Method of Payment of Purchase Price. No later than the Deposit Time, and subject to the terms and conditions of this Agreement, Purchaser will deposit in escrow with the Title Company the Purchase Price (subject to adjustments described in Section 10.4 and a credit for the Earnest Money Deposit and interest thereon 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 3:00 p.m. Eastern time on the Closing Date, and subject to the terms and conditions of this Agreement: (a) Purchaser will direct the Title Company to (i) pay to Seller by Federal Reserve wire transfer of immediately available federal funds to an account to be designated by Seller, the Purchase Price (subject to adjustments described in Section

10.4 and a credit for the Earnest Money Deposit and interest thereon being applied to the Purchase Price), less any costs or other amounts to be paid by Seller 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) Seller will direct the Title Company to pay to the appropriate payees out of the proceeds of Closing payable to Seller, all costs and amounts to be paid by Seller at Closing pursuant to the terms of this Agreement.

ARTICLE IV

EARNEST MONEY DEPOSIT AND ESCROW INSTRUCTIONS

Section 4.1 Earnest Money Deposit. Within one (1) Business Day after the Effective Date, Purchaser shall deposit with the Title Company, in immediately available federal funds, the sum of \$5,000,000.00 (the “**Earnest Money Deposit**”), which will be held in escrow by the Title Company pursuant to the terms of this Agreement. If Purchaser fails to deposit the Earnest Money Deposit within the time period described above, this Agreement shall automatically terminate. The term “Earnest Money Deposit” shall also include any further amounts, if any, deposited by Purchaser with the Title Company as provided in (a) the definition of the term “Closing Date” in Section 1.1 above and/or (b) clause (b) of Section 5.4 below, which will also be held in escrow by the Title Company pursuant to the terms of this Agreement.

Section 4.2 Independent Consideration. Upon the execution hereof, Purchaser shall pay to Seller One Hundred Dollars (\$100) as independent consideration (the “**Independent Consideration**”) for Purchaser’s right to purchase the Property and Seller’s execution, delivery, and performance of this Agreement. Notwithstanding anything to the contrary contained herein (including any reference to the return of the Earnest Money Deposit to Purchaser), Seller shall, in all events, retain the Independent Consideration, but the Independent Consideration shall be applied as a credit against the Purchase Price at the Closing. Purchaser and Seller hereby acknowledge and agree that the Independent Consideration constitutes adequate and sufficient consideration for Purchaser’s right to purchase the Property and Seller’s execution, delivery, and performance of this Agreement, and that the loss of Purchaser’s ability to use the funds constituting the Earnest Money Deposit as provided in this Agreement constitutes further consideration therefor.

Section 4.3 Escrow Instructions. Article IV of this Agreement constitutes the escrow instructions of Seller and Purchaser to the Title Company (and the Additional Title Companies with respect to clause (e) of Section 4.5 below) with regard to the Earnest Money Deposit and the Closing (the “**Escrow Instructions**”). By its execution of the joinder attached hereto, the Title Company (and the Additional Title Companies with respect to clause (e) of Section 4.5 below) agrees to be bound by the provisions of this Article IV. If any requirements relating to the duties or obligations of the Title Company (or the Additional Title Companies with respect to clause (e) of Section 4.5 below) hereunder are not acceptable to the Title Company (or the Additional Title Companies with respect to clause (e) of Section 4.5 below), or if the Title Company (or the Additional Title Companies with respect to clause (e) of Section 4.5 below) requires additional instructions, the parties agree to make such deletions, substitutions and additions to the Escrow Instructions as Purchaser and Seller 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 4.4 Documents Deposited into Escrow. On or before the Deposit Time, and subject to the terms and conditions of this Agreement, (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) Seller will deliver in escrow to the Title Company the documents described and provided for in Section 10.3.

Section 4.5 Close of Escrow. Provided that the Title Company has not received from Seller or Purchaser any written certificate as described and provided for in Section 4.6, when Purchaser and Seller have delivered the documents required by Section 4.4, the Title Company (or the Additional Title Companies with respect to clause (e) below) will:

(a) If applicable and when required, file with the Internal Revenue Service (with copies to Purchaser and Seller) the reporting statement required under Section 6045(e) of the Internal Revenue Code and Section 4.10;

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

(c) At the Closing, and simultaneously and concurrently with clause (d) below, disburse to Seller, by wire transfer to Seller of immediately available federal funds, in accordance with wiring instructions to be obtained by the Title Company from Seller, all sums to be received by Seller from Purchaser at the Closing, consisting of the Purchase Price as adjusted in accordance with the provisions of this Agreement;

(d) At the Closing, and simultaneously and concurrently with clause (c) above, deliver the Deed to Purchaser by unconditionally and irrevocably 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 Seller following recording;

(e) At the Closing, the Title Company shall issue to Purchaser the Title Policy and Bridge Title and Chicago Title shall issue to Purchaser a Co-Insurance Endorsement T-48 to the Title Policy required by Section 6.3 of this Agreement;

(f) At the Closing, deliver to Seller, in addition to Seller's Closing proceeds, all documents deposited with the Title Company for delivery to Seller at the Closing; and

(g) At the Closing, 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 4.6 Certificates. If Purchaser does not deliver an Approval Notice or deposit the additional Ten Million and No/100 Dollars (\$10,000,000.00) Earnest Money Deposit under Section 5.4 prior to 5:00 p.m. (Eastern time) on the Contingency Date, then this Agreement shall automatically terminate, and within one (1) Business Day after the Contingency Date, the Title Company will deliver the Earnest Money Deposit and any interest earned thereon to Purchaser. If at any time, except as provided in the preceding sentence, the Title Company receives a certificate of either Seller or Purchaser (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 (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 is received by 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 receipt by 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 4.7.

Section 4.7 Joint Indemnification of Title Company; Conflicting Demands on Title Company. If this Agreement or any matter relating hereto (other than the PTR or the Title Policy) becomes the subject of any litigation or controversy, Purchaser and Seller, jointly and severally, will hold the 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 the Title Company’s gross negligence or willful misconduct. In the event conflicting demands are made or notices served upon the 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 Seller 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 Seller 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 4.8 Maintenance of Confidentiality by Title Company. Except as may otherwise be required by law or by 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 Seller in each instance.

Section 4.9 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 Seller, 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 Seller 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 Seller is 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 4.10 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 4.10, 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 4.10, the “**Reporting Person**”), by its execution hereof, hereby assumes all responsibilities for information reporting required under Section 6045(e) of the Code.

(b) Seller 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 Seller 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**.

Section 4.11 Coordination with Additional Title Companies. The Title Company shall use commercially reasonable efforts to coordinate with the Additional Title Companies for the issuance of commitments and proformas for title insurance and the issuance of the Title Policy and the Co-Insurance Endorsements T-48 to be issued through the Title Company and the Additional Title Companies. The Title Company's primary role shall be to act as escrow and closing agent and to perform title searches, issue the title commitments and proformas and issue the Title Policy. Bridge Title's and Chicago Title's primary roles shall be to issue a Co-Insurance Endorsement T-48 to the Title Policy for one-half of the policy amount.

ARTICLE V

INSPECTION OF PROPERTY

Section 5.1 Entry and Inspection

(a) Through the earlier of the Closing 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 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, Seller will permit Purchaser and its authorized agents and representatives (collectively, the "**Licensee Parties**") the right (and Seller shall cooperate with Purchaser in the exercise of such 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 Seller and Seller shall have the right to participate in any such communications. Purchaser will provide to Seller written notice or telephonic verbal 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 Seller's option, Seller 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 of Texas carrying the insurance required under Section 5.3 below; provided, however, that no physical or invasive testing or sampling shall be conducted during any such entry by Purchaser or any Licensee Party upon the Real Property without Seller's specific prior written consent, which consent may be withheld, delayed or conditioned in Seller's sole and absolute discretion; and provided, further, that prior to giving any such approval, Seller shall be provided with a written sampling plan in reasonable detail in order to allow Seller 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 nearly as possible 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 (and Seller shall cooperate with Purchaser in the exercise of such 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 Seller at least forty-eight (48) hours prior written notice or telephonic verbal notice of Purchaser's intention to communicate with any Authorities and Seller shall have the right to participate in any such communications.

Section 5.2 Document Review.

(a) During the Property Approval Period and through Closing, Seller shall 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 Seller's 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 Seller; (ii) assessments (special or otherwise), ad valorem and personal property tax bills, covering the three (3) years preceding the Effective Date; (iii) Seller's most currently available rent roll; (iv) operating statements and rent rolls for the stub period of the current calendar year plus the prior two calendar years; (v) copies of Tenant Leases and lease files, Service Contracts, City Licenses, License Agreements 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; and (viii) the title policy obtained by Seller in connection with its acquisition of the Property (collectively, the "**Documents**"). Purchaser acknowledges that it has received copies of all the Tenant Leases listed on Exhibit F-1, the Service Contracts listed on Exhibit B, and the City Licenses. "**Documents**" shall not include (and Seller 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 Seller is 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 Seller or Seller's Affiliates to the extent relating to Seller's valuation of the Property; (5) any appraisals of the Property, whether prepared internally by Seller or Seller's Affiliates or externally; (6) any documents or items which Seller considers proprietary (such as Seller's or its property managers' operation manuals, software programs or other electronic media or services that are subject to licenses or other agreements that are personal to Seller or Seller's property manager); (7) organizational, financial and other documents relating to Seller or its 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. Except for the representations expressly made in Section 8.1 hereof,

Seller makes 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 and/or financing the Property. Prior to Closing, 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 or investors (collectively, for purposes of this Section 5.2(b), the "**Permitted Outside Parties**"), except to the extent required by law or in connection with any litigation. Purchaser further agrees that prior to Closing 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 need to know such information in order to advise Purchaser in connection with the feasibility of Purchaser's acquisition and/or financing of the Property, except to the extent required by law or in connection with any litigation. Purchaser further acknowledges that prior to Closing the Documents and other information relating to the leasing arrangements between Seller and the Tenants or prospective tenants are proprietary and confidential in nature. Prior to Closing, 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 prior to Closing, Seller has 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 Seller and any such claims are expressly rejected by Seller 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 prior to Closing.

(c) Purchaser shall promptly destroy all copies Purchaser has made (and computer files of same) of any Documents containing confidential information before or after the execution of this Agreement, not later than ten (10) Business Days following the time this Agreement is terminated for any reason, except to the extent required to be retained by law or needed or required in connection with any litigation, and provide Seller with a certified notice of the completion of such destruction.

(d) Purchaser acknowledges that some of the Documents may have been prepared by third parties and may have been prepared prior to Seller's ownership of the Property. Purchaser hereby acknowledges that, except as expressly provided in Section 8.1, Seller has not made and does not make any representation or warranty regarding the truth, accuracy or completeness of the Documents or the sources thereof (whether prepared by Seller, Seller's Affiliates or any other person or entity). Seller has not undertaken any independent investigation as to the truth, accuracy or completeness of the Documents and is 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.

(f) On or before 5:00 p.m. Eastern time on the final day of the Property Approval Period, Purchaser shall designate in a written notice to Seller (i) which Service Contracts will be assigned pursuant to the General Conveyance and are not to be terminated by Seller at and as of Closing, and (ii) which Service Contracts are to be terminated by Seller at and as of Closing; provided, however, that Seller shall be required to terminate all Service Contracts which are with any Affiliate of Seller at and as of the Closing Date. Notwithstanding the foregoing, (A) Seller shall terminate the Suez Energy contract as of Closing at Seller's cost and expense, (B) Seller shall use commercially reasonable efforts to obtain the written consent of MacroLease for the assignment to Purchaser of the fitness center equipment lease, and (C) the elevator contracts shall not be terminated by Seller prior to Closing, but Purchaser may elect to serve a notice of termination thereof on or after Closing. At and as of Closing, Seller shall terminate those Service Contracts which Purchaser has designated are to be terminated by Seller at and as of Closing in accordance with this Section 5.2(f).

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 Seller 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 prior to Closing, except to the extent required by law or in connection with any litigation, 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 to maintain commercial general liability (occurrence) insurance in an amount not less than Five Million and No/100 Dollars (\$5,000,000.00) and on terms (including coverage for an "insured contract" with respect to the indemnity in Section 5.3(b)) satisfactory to Seller covering any accident arising in connection with the presence or activities of Purchaser or the other Licensee Parties on the Property, and deliver to Seller a certificate of insurance verifying such coverage and Seller and its property manager (Hines Interests Limited Partnership) being named as an additional insured 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 nearly as possible 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.

(b) Purchaser hereby indemnifies, defends and holds Seller and its 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.

Section 5.4 Property Approval Period. Between the Effective Date and 5:00 p.m. (Eastern time) on the Contingency Date (the "**Property Approval Period**"), 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 Property Approval Period. If Purchaser determines to proceed with the purchase of the Property in accordance with this Agreement, then Purchaser shall, prior to 5:00 p.m. (Eastern time) on the Contingency Date, (a) notify Seller in writing (an "**Approval Notice**") that Purchaser has determined to proceed with the purchase of the Property, which determination shall be made by Purchaser in its sole and absolute discretion, and (b) deposit with the Title Company, in immediately available federal funds, the sum of Ten Million and No/100 Dollars (\$10,000,000.00) which shall be held in escrow by the Title Company pursuant to the terms of this Agreement and become a part of the Earnest Money Deposit. If Purchaser fails to timely deliver an Approval Notice pursuant to the foregoing, or if Purchaser fails to timely deliver the additional Ten Million and No/100 Dollars (\$10,000,000.00) Earnest Money Deposit pursuant to the foregoing, this Agreement shall automatically terminate, whereupon neither Purchaser nor Seller shall have any further rights or obligations hereunder (except for Termination Surviving Obligations) and the Earnest Money Deposit shall be returned by the Title Company to Purchaser in accordance with the provisions of Section 4.6. Purchaser shall pay any cancellation fees or charges of Title Company, and except for Termination Surviving Obligations, which expressly survive termination of this Agreement, the parties shall have no further rights or obligations to one another under this Agreement.

Section 5.5 Sale "As Is". THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT HAS BEEN NEGOTIATED BETWEEN SELLER AND PURCHASER, THIS AGREEMENT REFLECTS THE MUTUAL AGREEMENT OF SELLER AND PURCHASER, AND PURCHASER HAS CONDUCTED (OR WILL CONDUCT PRIOR TO THE EXPIRATION OF THE PROPERTY APPROVAL PERIOD) ITS OWN INDEPENDENT EXAMINATION OF

THE PROPERTY. OTHER THAN ANY SPECIFIC MATTERS REPRESENTED IN SECTIONS 8.1, 10.4(e) OR 11.1 (AS MAY BE LIMITED HEREIN, INCLUDING BY SECTION 16.1), ANY SELLER CERTIFICATE OR IN THE CLOSING DOCUMENTS, PURCHASER HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY REPRESENTATION OR WARRANTY OF SELLER OR ANY OF SELLER'S AFFILIATES, AGENTS OR REPRESENTATIVES, AND PURCHASER HEREBY ACKNOWLEDGES THAT NO SUCH REPRESENTATIONS OR WARRANTIES HAVE BEEN MADE OTHER THAN ANY SPECIFIC MATTERS REPRESENTED IN SECTIONS 8.1, 10.4(e) OR 11.1 (AS MAY BE LIMITED HEREIN, INCLUDING BY SECTION 16.1), ANY SELLER CERTIFICATE OR IN THE CLOSING DOCUMENTS. SELLER SPECIFICALLY DISCLAIMS, AND NEITHER SELLER NOR ANY OF SELLER'S AFFILIATES NOR ANY OTHER PERSON IS MAKING, ANY REPRESENTATION, WARRANTY OR ASSURANCE WHATSOEVER TO PURCHASER OTHER THAN ANY SPECIFIC MATTERS REPRESENTED IN SECTIONS 8.1, 10.4(e) OR 11.1 (AS MAY BE LIMITED HEREIN, INCLUDING BY SECTION 16.1), ANY SELLER CERTIFICATE OR IN THE CLOSING DOCUMENTS, AND, EXCEPT FOR ANY SPECIFIC MATTERS REPRESENTED IN SECTIONS 8.1, 10.4(e) OR 11.1 (AS MAY BE LIMITED HEREIN, INCLUDING BY SECTION 16.1), ANY SELLER CERTIFICATE OR IN THE CLOSING DOCUMENTS, NO WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EITHER EXPRESS OR IMPLIED, ARE MADE BY SELLER 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 SELLER AND PURCHASER THAT, EXCEPT FOR ANY SPECIFIC MATTERS REPRESENTED IN SECTIONS 8.1, 10.4(e) OR 11.1 (AS MAY BE LIMITED HEREIN, INCLUDING BY SECTION 16.1), ANY SELLER CERTIFICATE OR IN THE CLOSING DOCUMENTS, 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. 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 Property Approval 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 Seller (excluding the limited specific matters represented by Seller herein as limited by Section 16.1 or in the Closing Documents) or of any Affiliate, officer, director, employee, agent or attorney of Seller. Purchaser acknowledges that all information obtained by Purchaser was obtained from a variety of sources and, except as set forth in this Agreement and the Closing Documents, Seller 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, except for any specific matters represented in Sections 8.1, 10.4(e) or 11.1, any Seller Certificate or in the Closing Documents. 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, Seller will sell and convey to Purchaser, and Purchaser will accept the Property, "**AS IS, WHERE IS,**" with all faults, except for any specific matters represented in Sections 8.1, 10.4(e) or 11.1, any Seller Certificate or in the Closing Documents. Purchaser further acknowledges and agrees that there are no oral agreements, warranties or representations, collateral to or affecting the Property, by Seller, an Affiliate of Seller, any agent of Seller or any third party. Seller is 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 Seller 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 Seller.

(a) Seller Released From Liability. Except for and with respect to any representations or warranties of Seller set forth in this Agreement, any Seller Certificate or the Closing Documents, Purchaser, on behalf of itself and its partners, officers, directors, agents, controlling persons and Affiliates, hereby releases Seller and Seller's Affiliates and their respective partners, members, owners, officers, directors, agents, representatives and controlling persons (collectively, the "**Seller Released Parties**") from any and all Claims arising out of or related to any matter of any nature relating to (i) the physical and environmental condition of the Property (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 Seller, 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), (ii) the valuation, salability or utility of the Property, or (iii) the suitability of the Property for any purpose. Without limiting the foregoing, Purchaser specifically releases Seller and the Seller Released Parties from any claims Purchaser may have against Seller 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, except for and with respect to any representations or warranties of Seller set forth in this Agreement, any Seller Certificate or the Closing Documents. The foregoing waivers and releases by Purchaser shall survive either (A) the Closing and shall not be deemed merged into the provisions of any Closing Documents, or (B) any termination of this Agreement. Notwithstanding the foregoing or anything else contained in this Agreement to the contrary, Purchaser shall have the right to, and may, join and/or interplead Seller in any action or lawsuit brought against Purchaser by any third party claimant with respect to the Claims and matters released pursuant to this Section 5.6(a).

(b) Purchaser's Waiver of Objections. Purchaser acknowledges that prior to the expiration of the Property Approval Period it shall have had the opportunity to inspect the Property and observe 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 Seller, its 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, except for and with respect to any representations or warranties of Seller set forth in this Agreement, any Seller Certificate or the Closing Documents. Notwithstanding the foregoing or anything else contained in this Agreement to the contrary, Purchaser shall have the right to, and may, join and/or interplead Seller in any action or lawsuit brought against Purchaser by any third party claimant with respect to the objections, complaints and matters waived and/or released pursuant to this Section 5.6(b).

(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 State government. Seller 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 either (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, Seller has, at its own cost, delivered to Purchaser a copy of that certain survey of the Real Property, dated December 28, 2015, prepared by Winkelmann & Associates, Inc. (the “**Updated Survey**”). Seller shall have no obligations to obtain any modification, update, or recertification of the Updated Survey. Any such modification, update or recertification of the Updated Survey may be obtained by Purchaser at its sole cost and expense.

Section 6.2 Title and Survey Review.

(a) Prior to the execution and delivery hereof, Purchaser has caused the Chicago Title Insurance Company to furnish or otherwise make available to Purchaser a preliminary title commitment for the Real Property dated with an effective date of January 10, 2016 (the “**PTR**”), and copies of all underlying title documents described in the PTR. Purchaser hereby agrees to accept title to the Real Property subject only to the Permitted Exceptions described in Section 6.3 below.

(b) Purchaser may, at or prior to Closing, notify Seller in writing (the “**Gap Notice**”) of any objections to title matters or exceptions not shown in the PTR, or any update thereto, or the Updated Survey, or any update thereto, which updates are delivered to Purchaser prior to the expiration of the Property Approval Period (“**New Exceptions**”); provided that Purchaser must notify Seller of any objection to any such New Exception prior to the date which is the earlier to occur of (x) two (2) Business Days after being made aware of the existence of such New Exception and (y) the Closing Date. If Purchaser fails to deliver to Seller 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. Seller will have two (2) days from the receipt of Purchaser’s notice (and, if necessary, Seller 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 Seller may, but is under no obligation to, except as expressly provided herein, 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, Seller does not remove or otherwise obtain affirmative insurance over the objectionable New Exceptions, then Purchaser may terminate this Agreement by and upon delivering written notice of such termination to Seller no later than the earlier to occur of (x) the date two (2) days following expiration of the two (2)-day cure period or (y) the Closing Date, in which case Purchaser shall be entitled to the return of the Earnest Money Deposit. If Purchaser fails to terminate this Agreement in the manner set forth above, the New Exceptions (except those Seller has removed or otherwise affirmatively insured over, or committed to do the same as set forth above except as expressly provided herein and) will be included as Permitted Exceptions. If this Agreement is terminated by Purchaser pursuant to the foregoing provisions of this Section 6.2(b), then neither Purchaser nor Seller shall have any further rights or obligations hereunder (except for Termination Surviving Obligations) and the Independent Consideration shall be paid to Seller and the Earnest Money Deposit shall be returned to Purchaser in accordance with and subject to the provisions of Section 4.6.

(c) Notwithstanding any provision of this Section 6.2 to the contrary, on or before the Closing Date, Seller will be obligated to cure any exceptions to title to the Real Property and/or the Improvements relating to (i) any liens or security interests securing any loan to or other obligation of Seller, including the liens and security interests listed as Item Nos. 6 and 7 on Schedule C to the PTR, and (ii) any other liens, security interests or judgments created or evidenced by any documents executed by or against Seller or the Real Property or the Improvements to secure monetary obligations incurred, assumed, or caused by Seller other than liens for ad valorem taxes and assessments for the current calendar year (collectively, the "**Must-Cure Matters**").

Section 6.3 Title Insurance. At the Closing, and as a condition thereto, the Title Company, Bridge Title and Chicago Title shall co-insure in the percentages set forth below and issue to Purchaser a standard form TLTA T-1 Owner's Policy of Title Insurance (the "**Title Policy**"), using the Co-Insurance Endorsements T-48, with an insured amount equal to the Purchase Price, showing title to the Real Property vested in the Purchaser, with such endorsements as Purchaser shall request and the Title Company, Bridge Title and Chicago Title shall have agreed to issue prior to the expiration of the Property Approval Period, subject only to: (i) the pre-printed standard exceptions in such Title Policy, subject to the endorsements provided above, (ii) the exceptions listed on **Exhibit O** attached hereto, (iii) any taxes and assessments for the year of the Closing and for any subsequent year, not yet due and payable as of the Closing, and (iv) any exceptions arising from Purchaser's actions (collectively, the "**Permitted Exceptions**"). It is understood that Purchaser may request a number of endorsements to the Title Policy (in addition to the Co-Insurance Endorsements T-48), but the issuance of any such additional endorsements shall not be a condition to Closing.

The allocation of the insured amount, i.e. the Purchase Price, under the Title Policy among each of the Title Company, Bridge Title and Chicago Title for purposes of both the amount of the

co-insurance to be issued by each of them and their respective share of the premium for the Title Policy and its endorsements are as follows:

Name	Co-Insurance Issued	Share of Premium
Title Company	50%	50%
Bridge Title and Chicago Title	50%	50%

Notwithstanding the foregoing, if Bridge Title or Chicago Title requires that an exception be taken for a mechanic and materialman lien or claim filed against a Tenant or the Property for work performed for such Tenant, Seller is unable to cause Bridge Title and Chicago Title not to take such exception, and the Title Company has agreed not to take such exception, Purchaser may require that the Title Company issue all of the title insurance and receive 100% of the premium.

ARTICLE VII

INTERIM OPERATING COVENANTS AND ESTOPPELS

Section 7.1 Interim Operating Covenants. Seller covenants to Purchaser, that Seller will:

(a) Operations. From the Effective Date until Closing, continue to operate, manage and maintain the Real Property and the Improvements in the ordinary course of Seller's business and substantially in accordance with Seller's past and present practice and in substantially its present state and physical condition, 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 Seller's 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, provided, that, following the date on which the Approval Notice is given by Purchaser to Seller, such consent will be in the sole and absolute discretion of Purchaser. Furthermore, nothing herein shall be deemed to require Purchaser's consent to any expansion or renewal which Seller, as landlord, is required to honor pursuant to

any Tenant Lease; provided, however, if any material terms of any such expansion or renewal requires an agreement by Seller, Seller shall not enter into any such agreement without the prior written consent of the material terms thereof by Purchaser, which consent will not be unreasonably withheld, delayed or conditioned, provided, that, following the date on which the Approval Notice is given by Purchaser to Seller, such consent will be in the sole and absolute discretion of Purchaser. Promptly following the date on which Seller enters into any such new lease or any amendments, expansions or renewals of Tenant Leases, or terminates any Tenant Lease, Seller shall provide to Purchaser copies of all documentation in connection therewith.

(e) Service Contracts. From the Effective Date until Closing, not enter into, or renew the term of, any service contract or commission agreement, unless such service contract is terminable on thirty (30) days (or less) prior notice without penalty or unless Purchaser consents thereto in writing, which consent will not be unreasonably withheld, delayed or conditioned, provided, that, following the date on which the Approval Notice is given by Purchaser to Seller, such consent will be in the sole and absolute discretion of Purchaser. Promptly following the date on which Seller enters into, or renews the term of, any such service contract or commission agreement, Seller shall provide to Purchaser copies of all documentation in connection therewith.

(f) Notices. To the extent received by Seller, 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 or any part thereof.

(g) Encumbrances. Without Purchaser's prior written approval in its sole discretion, Seller shall not voluntarily subject the Property to any additional liens, encumbrances, covenants, easements or any other items or matters affecting title to or other interests in the Property, unless released prior to Closing.

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

Section 7.2 Tenant Lease Estoppels

(a) Seller shall promptly request all Tenants leasing space under Tenant Leases at the Real Property and the Improvements to execute and deliver to Seller and Purchaser Acceptable Estoppel Certificates on or before the Closing Date. Seller shall forward to Purchaser copies of any such executed Acceptable Estoppel Certificates if, as and when Seller receives them from Tenants. It will be a condition to Closing and the performance of the obligations of Purchaser at Closing that Seller obtains and delivers to Purchaser executed Acceptable Estoppel Certificates (i) from each of the major tenants listed on Exhibit C-1 ("**Major Tenants**"), and (ii) from such other Tenants leasing space at the Improvements, which when added to the Major Tenants, aggregates at least seventy five percent (75%) of the rentable square footage leased at the Improvements. "**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 or material adverse matter with respect to the rent roll or the Tenant Leases and which shall not disclose any alleged material default or unfulfilled material obligation on the part of the landlord or tenant; provided that an estoppel certificate executed by a Tenant either: (x) in the form 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 each 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 Seller's failure to obtain the required number or percentage of Acceptable Estoppel Certificates in accordance with the provisions of this Section 7.2 constitute a default by Seller under this Agreement. Purchaser's sole and exclusive remedy for a failure of the condition to obtain the required number or percentage 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), Seller 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. Within three (3) Business Days following Purchaser's receipt thereof, Purchaser will send to Seller notice either (i) approving such forms as completed by Seller 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. Seller will make such changes to the extent Seller agrees such changes are appropriate, except that Seller 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 three (3)-Business-Day period shall be deemed approval of such estoppel certificate.

(b) Seller, at its sole option, may elect to satisfy part of the requirements under Section 7.2(a) by delivering a representation certificate of Seller in the form attached hereto as **Exhibit C-3** (a "**Seller Certificate**") for up to ten percent (10%) of the rentable square footage leased at the Improvements, but not for any Major Tenant. If Seller subsequently obtains an estoppel certificate meeting the requirements of Section 7.2(a) hereof from a Tenant for which Seller 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**"), Seller and Purchaser are required to ensure that they 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 Seller or Purchaser learns that the other is, becomes, or appears to be a

Blocked Person, Seller or Purchaser, as the case may be, may delay the sale contemplated by this Agreement pending its conclusion of its investigation into the matter of the other's status as a Blocked Person. If Seller or Purchaser determines that the other is or becomes a Blocked Person, Seller or Purchaser, as the case may be, shall have the right to immediately terminate this Agreement and take all other actions necessary, or in the opinion of Seller or Purchaser, as the case may be, 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.

Section 7.4 City Licenses and Skybridge Easements.

(a) The License Assignments assigning the City Licenses by Seller to Purchaser shall be executed and delivered by both Seller and Purchaser at Closing. The prior written consent of the Property Management Director of the City of Dallas is required for the assignment of that certain City License set forth in item number 3 on **Exhibit L** attached hereto. Seller shall promptly request and use commercially reasonable efforts (without any obligation to pay money) to obtain such consent prior to Closing, provided that obtaining such consent shall not be a condition to Closing and, if such consent is not obtained prior to Closing, Purchaser shall use commercially reasonable efforts to obtain such consent after Closing. Seller shall forward to Purchaser a copy of any such executed consent if, as and when Seller receives it.

(b) Seller shall promptly request and use commercially reasonable efforts (without any obligation to pay money) to obtain prior to Closing written estoppel certificates from the City of Dallas with respect to the City Licenses and the ordinances granting the City Licenses, and from the other parties to those certain Skybridge Easements set forth in items number 1 and 2 on **Exhibit N** attached hereto, in form and substance reasonably acceptable to Purchaser, provided that obtaining such estoppel certificates shall not be a condition to Closing.

(c) Within ten (10) days following the Effective Date, Purchaser shall prepare and provide to Seller the form of such estoppel certificates. Seller shall forward to Purchaser copies of any such executed estoppel certificates if, as and when Seller receives them. Within ten (10) days following Closing, Purchaser shall deliver to the Property Management Director of the City of Dallas (i) evidence of Purchaser's ownership of the Property, (ii) a copy of the executed License Assignments and (iii) Purchaser's written acceptance of the provisions of the ordinances granting the City Licenses, each as further described in the City Licenses.

ARTICLE VIII

- REPRESENTATIONS AND WARRANTIES

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

(a) Status. Seller is a limited partnership duly organized and validly existing and in good standing under the laws of the State of Delaware and is qualified to do business and in good standing under the laws of the State of Texas.

(b) Authority; Enforceability; Consents. The execution and delivery of this Agreement and the performance of Seller's obligations hereunder have been duly authorized by all necessary action on the part of Seller, and this Agreement constitutes the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, subject to equitable principles and principles governing creditors' rights generally. No consent, waiver, approval or authorization is required from any person or entity (that has not already been obtained) in connection with the execution and delivery of this Agreement by Seller or the performance by Seller of Seller's obligations under this Agreement.

(c) Non-Contravention. The execution and delivery of this Agreement by Seller and the performance by Seller of Seller's 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 Seller, 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 Seller is a party or by which it is bound.

(d) Suits and Proceedings, No Violation Notices. Except as listed in **Exhibit E**, there are no legal actions, suits or similar proceedings or violation notices pending and served, or to Seller's Knowledge, threatened (in writing) against the Property, Seller relating to the Property, or Seller's ownership or operation of the Property, including without limitation, condemnation, takings by an Authority or similar proceedings. There are no actions, suits or proceedings pending or, to Seller's Knowledge, threatened, against or affecting Seller which, if determined adversely to Seller, would adversely affect its ability to perform its obligations hereunder.

(e) No Bankruptcy. 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, and Seller has received no written notice of and has no knowledge of (i) the filing of any involuntary petition by Seller's creditors, (ii) the appointment of a receiver to take possession of all, or substantially all, of Seller's assets, or (iii) the attachment or other judicial seizure of all, or substantially all, of Seller's assets.

(f) Non-Foreign Entity. 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) Tenant Leases and Tenants. The list of Tenants and Tenant Leases set forth on **Exhibit F-1** attached hereto constitutes all of the Tenants under Tenant Leases and the Tenant Leases affecting the Real Property and Improvements. There are no written leases or occupancy agreements affecting the Real Property and Improvements or by which Seller is bound other than

the Tenant Leases listed on **Exhibit F-1**. The copies of the 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-1**, Seller has not given or received written notice of any uncured material default by any party under any Tenant Lease. The Tenant Leases have not been modified or amended except as set forth on **Exhibit F-1**. The list of Tenant Deposits in the form of cash and letters of credits set forth on **Exhibits F-2** and **F-3** attached hereto constitutes all of the Tenant Deposits under Tenant Leases. Except as set forth on **Exhibit F-4**, no rent has been paid by any Tenant more than one month in advance.

(h) **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 Seller is currently paying for services rendered in connection with the Property. **Exhibit B** is a true, correct and complete list of the Service Contracts in effect as of the date hereof and Seller has delivered or made available to Purchaser for review, true, correct and complete copies of all Service Contracts, as set forth on **Exhibit B**. Except as disclosed on **Exhibit B**, Seller has not given or received written notice of any uncured material default by any party under any Service Contract. The Service Contracts have not been modified or amended except as set forth on **Exhibit B**.

(i) **Leasing Costs**. Except as set forth on **Exhibit G** attached hereto, there are no unpaid Leasing Costs due and payable or outstanding in connection with the existing or any exercised renewal or extension terms of, or any exercised expansions under, the Tenant Leases in effect on the Effective Date.

(j) **Available Environmental Reports**. To Seller's Knowledge, Seller has provided or made available to Purchaser all third-party reports commissioned by Seller within the last five (5) years and during its period of ownership that pertain to the analysis of Hazardous Substances at the Property, which reports are listed on **Exhibit F-5**.

(k) **Employee Matters**. Seller has no employees at the Property.

(l) **Prohibited Persons**. Neither Seller, nor any Affiliate of Seller nor any Person that directly or indirectly owns ten percent (10%) or more of the outstanding equity in 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.

(m) **Condemnation**. There are currently no pending condemnation or eminent domain proceedings relating to the Property and Seller has received no written notice from any Authority that any such proceeding is currently contemplated at the Property.

(n) Violation of Law (Condition of Property). Seller has received no written notice from any Authority requiring the correction of any condition with respect to the Property, or any part thereof, by reason of a violation of any applicable federal, state, county or municipal law, code, rule or regulation, which has not been cured or waived.

Section 8.2 Purchaser's Representations and Warranties. Purchaser represents and warrants to Seller the following:

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

(b) Authority; Enforceability. The execution and delivery of this Agreement and the performance of Purchaser's obligations hereunder have been duly authorized by all necessary action on the part of Purchaser, 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 performance by Purchaser of Purchaser's 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 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 (that has not already been obtained) in connection with the execution and delivery of this Agreement by Purchaser or the performance by Purchaser of Purchaser's obligations under this Agreement.

(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, Seller 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 Seller given not later than ten (10) days after receipt of Seller's notice. If this Agreement is terminated, the Earnest Money Deposit will be returned to Purchaser upon Purchaser's compliance with Section 4.6 and thereafter neither Seller 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, Seller will not be obligated to repair such damage or destruction, but (a) Seller 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 Seller 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 Seller 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 Seller.

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 Seller will not be obligated to repair such damage or destruction, but (a) Seller 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 Seller 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 Seller 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 Seller.

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 Seller shall receive an official notice from any governmental authority having eminent domain power over the Real Property and the Improvements thereon of its intention to take, by eminent domain proceeding, all or any Significant Portion of the Real Property and the Improvements, prior to the Closing, Purchaser will have the option, by providing Seller written notice within ten (10)

days after receipt of Seller's 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, Seller 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 Real Property and the Improvements, and Purchaser will take title to the Real Property and the Improvements 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 4.6 and thereafter neither Seller nor Purchaser will have any further rights or obligations to the other hereunder except with respect to the Termination Surviving Obligations.

ARTICLE X

CLOSING

Section 10.1 Closing. The Closing of the sale of the Property by Seller to Purchaser will occur on the Closing Date, TIME BEING OF THE ESSENCE, through the escrow established with the Title Company. Seller shall have the right to extend the Closing Date one or more times, to a date no later than thirty (30) days after the scheduled Closing Date to the extent deemed necessary by Seller to satisfy Closing conditions. 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 4.4, for delivery to Seller at Closing as provided herein:

- (a) The Purchase Price, after all adjustments and credits 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 and the Service Contract Notice Letters, duly executed by Purchaser;
- (d) Four (4) counterparts of each License Assignment, duly executed by Purchaser;
- (e) Evidence reasonably satisfactory to the Title Company and Seller that the person executing the Closing Documents on behalf of Purchaser has full right, power and authority

to do so, and evidence that the Purchaser is duly organized and authorized to execute this Agreement and all other documents required to be executed by Purchaser hereunder;

(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; and

(g) 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 (provided the same do not increase in any material respect the costs to, or liability or obligations of, Purchaser in a manner not otherwise provided for herein).

Section 10.3 Seller’s Closing Obligations. (i) On or before the Deposit Time, Seller, at its sole cost and expense, will deliver the following items (a), (b), (c), (d), (e), (f), (g), (k), (l), (m) and (n) in escrow with the Title Company pursuant to Section 4.4, for delivery to Purchaser at Closing as provided herein and (ii) upon receipt of the Purchase Price, Seller shall deliver the following items (h), (i) and (j) to Purchaser at the Property:

(a) A special warranty deed substantially in the form attached hereto as **Exhibit I** (the “**Deed**”), duly executed and acknowledged by Seller conveying to Purchaser the Real Property and the Improvements, using the Real Property description attached hereto as **Exhibit A**, which Deed shall be delivered to Purchaser by the Title Company agreeing to cause same to be recorded in the Official Records, and a quit claim deed (“**Quit Claim Deed**”), duly executed and acknowledged by Seller conveying to Purchaser the Real Property, using the Real Property description set forth in the PTR and on the Updated Survey, which Quit Claim 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, Bill of Sale and Assignment and Assumption substantially in the form attached hereto as **Exhibit H** (the “**General Conveyance**”), duly executed by Seller;

(c) One (1) counterpart of the form of Tenant Notice Letters and the Service Contract Notice Letters, duly executed by Seller;

(d) Four (4) counterparts of each License Assignment, duly executed by Seller;

(e) Evidence reasonably satisfactory to the Title Company and Purchaser that the person executing the Closing Documents on behalf of Seller has full right, power and authority to do so, and evidence reasonably satisfactory to the Title Company and Purchaser that the Seller is duly organized and authorized to execute this Agreement and all other documents required to be executed by Seller hereunder, including pursuant to and complying with the requirements in Item Nos. 8 and 12 on Schedule C to the PTR;

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

(g) The Tenant Deposits, at Seller’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 Seller 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 Seller 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. Seller 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. Seller shall pay all transfer, re-issuance and/or other fees relating to such transfers and/or re-issuance of such letters of credit;

(h) The Personal Property for the Property;

(i) All original Licenses and Permits, City Licenses, License Agreements, Service Contracts and Tenant Leases for the Property in Seller’s possession and control, together with an electronic version in “Word” of the form of tenant lease used by Seller for the Property;

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

(k) 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;

(l) An owner’s certificate in the form attached hereto as **Exhibit P**;

(m) 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, Seller in a manner not otherwise provided for herein); and

(n) Evidence reasonably satisfactory to Purchaser of the termination of those Service Contracts which Purchaser has designated are to be terminated by Seller at and as of Closing under Section 5.2(f).

Section 10.4 Prorations.

(a) Seller and Purchaser agree to adjust, as of 11:59 p.m. on the day immediately preceding 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 paragraph (b) below) and operating expenses payable by the owner of the Property (on the basis of a 365 day year, actual days elapsed). Seller 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 Seller and submitted to Purchaser for Purchaser's approval (which approval shall not be unreasonably withheld) two (2) days prior to the Closing Date (the "**Closing Statement**"). The Closing Statement, once agreed upon, shall be signed by Purchaser and Seller 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 Seller (if the preliminary prorations result in a net credit to Seller) or by Seller 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 Seller 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 Seller's 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). Seller 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 Seller on or before August 31, 2016 (herein, the "**Final Proration Date**"); provided that such reconciliation, as it relates to real estate taxes shall be made within thirty (30) days following the issuance of the 2016 tax bills for the Real Property and the Improvements. 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 Seller and attributable to any period following the Closing Time. After the Closing, Seller will cause to be paid or turned over to Purchaser all Rentals, if any, received by Seller 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. Delinquent Rentals will not be prorated and shall not include, but shall exclude, any amounts of Operating Expense Recoveries paid by Purchaser to Seller pursuant to Section 10.4(d). For a period of three (3) months after Closing, Purchaser agrees to include on any rental invoices provided by Purchaser to Tenants the amount of any Delinquent Rentals owed by such Tenants if known to or by Purchaser, 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 legal or other action to enforce collection of any such amounts owed to Seller by Tenants of the Property. Seller shall have the right to pursue Delinquent Rentals after Closing including instituting legal actions, but in no event shall Seller be permitted to institute eviction proceedings against any Tenant or take any action against a Tenant which would affect such Tenant’s right to occupy the premises demised under its Tenant Lease. With respect to any Delinquent Rentals received by Purchaser within six (6) months after Closing (the “**Delinquent Rental Proration Period**”), Purchaser shall pay to Seller 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 Tenant (excluding tenant specific billings for tenant work orders and other specific services as described in and governed by Section 10.4(d) below, which shall be payable to and belong to Seller in all events, notwithstanding anything herein to the contrary) will be applied first to amounts currently owed by such Tenant to Purchaser (including Delinquent Rentals attributable to the period after the Closing Time), then any collection costs of Purchaser related to such Tenant, and then to prior delinquencies owed by Tenant to Seller. Any sums collected by Purchaser and due Seller will be promptly remitted to Seller, and any sums collected by Seller and due Purchaser will be promptly remitted to Purchaser.

(c) Seller will prepare a reconciliation as of the Closing Time of the amounts of all billings and charges to Tenants for operating expenses and taxes (collectively, “**Operating Expense Recoveries**”) for calendar year 2016. If less amounts have been collected from Tenants for Operating Expense Recoveries for calendar year 2016 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 incurred by Seller for calendar year 2016 up to the Closing Time (as prorated pursuant to Section 10.4(a) above), Purchaser will pay such difference to Seller at Closing as an addition to the Purchase Price. If more amounts have been collected from Tenants for Operating Expense Recoveries for calendar year 2016 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 incurred by Seller for calendar year 2016 up to the Closing Time (as prorated pursuant to Section 10.4(a) above), Seller will pay to Purchaser at Closing as a credit against the Purchase Price such excess collected amount. Purchaser and Seller agree that such proration of Operating Expense Recoveries at Closing for calendar year 2016 will fully relieve Seller from any responsibility to Tenants or Purchaser (except in the event of any audits performed by Tenants or any uncontrollable expenses, e.g. real estate taxes, which may increase or result in amounts being owed by Seller to Purchaser hereunder) and Purchaser from any responsibility to Seller for such matters subject to Seller’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, the foregoing proration will fully relieve Seller from any responsibility to Tenants or Purchaser (except in the event of any audits performed by Tenants or any uncontrollable expenses, e.g. real estate taxes, which may increase or result in amounts being owed by Seller to Purchaser hereunder) and Purchaser from any responsibility to Seller 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 2016 for periods before and after Closing, and (ii) reimbursing Tenants for amounts attributable to Operating Expense Recoveries for calendar year 2016, 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 Seller after the Closing Time but expressly state they are for such specific services rendered by Seller or its property manager prior to the Closing Time, Purchaser shall cause such collected amounts to be paid to Seller, or Seller may retain such payment if such payment is received by Seller after the Closing Time.

(e) (i) Seller shall pay all Leasing Costs due and payable or outstanding in connection with the existing and any exercised renewal or extension terms of, and any exercised expansions under, the Tenant Leases in effect on the Effective Date, which Seller represents and warrants are 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 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 (whether before or after the Closing Date), provided the material terms of which have been approved, if applicable, by Purchaser in accordance with Section 7.1(d); (iii) Purchaser shall be responsible for and shall pay all Leasing Costs associated with that certain lease to be entered into with Baker & McKenzie LLP, provided the terms of such lease have been approved by Purchaser and except for the base building improvements portion of such Leasing Costs in the amount of \$375,000.00 which shall be the responsibility of Seller; and (iv) to the extent Leasing Costs described in clause (i) above and/or the base building improvements portion of the Leasing Costs described in clause (iii) above remain unpaid as of Closing, Purchaser shall receive a credit from Seller therefor at Closing and Purchaser shall be responsible after Closing for paying any Leasing Costs for which Purchaser received such a credit.

Section 10.5 Delivery of Real Property. Concurrently with the Closing, Seller will deliver to Purchaser possession of the Real Property and Improvements, subject only 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 Policy and all endorsements thereto not paid by Seller pursuant to Section 10.6(b), including the so-called "Survey Deletion", (ii) all premiums and other costs for any mortgage policy of title insurance, including but not limited to any endorsements or deletions, (iii) Purchaser's attorney's fees, (iv) any costs of updating the Updated Survey, (v) 1/2 of all of the Title Company's escrow and closing fees, if any, and (vi) the costs of recording any mortgages and related documents.

(b) Seller will pay (i) the cost of the Updated Survey, (ii) 1/2 of all of the Title Company's escrow and closing fees, (iii) Seller's attorneys' fees, (iv) the costs of recording the Deed and the Quit Claim Deed, (v) the base premium for the Title Policy, but excluding any endorsements thereto, (vi) prepayment penalties or premiums incurred by Seller with respect to prepaying the Property's existing mortgage indebtedness at Closing (if any), and (vii) all costs and expenses to perform its obligations under Section 6.2(c) and/or in connection with the Must-Cure Matters.

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

(d) If the Closing does not occur on or before the Closing Date 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 and Service Contract Notice Letters.

(a) Immediately following Closing, Purchaser will deliver to each Tenant (via messenger or certified mail, return receipt requested) a written notice executed by Purchaser and Seller (i) acknowledging the sale of the Property to Purchaser, (ii) acknowledging that Purchaser has received an assignment of the Tenant Lease 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 Seller 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(a) shall survive Closing.

(b) Immediately following Closing, Purchaser will deliver to each service provider or broker (via messenger or certified mail, return receipt requested) a written notice executed by Purchaser and Seller (i) acknowledging the sale of the Property to Purchaser, (ii) acknowledging that Purchaser has received an assignment of the Service Contract and (iii) indicating Purchaser's address for notice under the Service Contract (the "**Service Contract Notice Letters**"). Purchaser shall provide to Seller a copy of each Service Contract Notice Letter promptly after delivery of same, and proof of delivery of same promptly after such proof is available. This Section 10.7(b) 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 in this Article X, the obligations of Purchaser 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 Purchaser to Seller and all of which shall be deemed waived upon Closing:

(a) Seller shall have complied in all material respects with and otherwise performed in all material respects each of the covenants and obligations of Seller set forth in this Agreement including, without limitation, Section 10.3, as of the Closing Date;

(b) The Title Company, Bridge Title and Chicago Title shall be unconditionally and irrevocably committed to co-insure and issue the Title Policy, using the Co-Insurance Endorsements T-48, as provided in Section 6.3;

(c) Purchaser shall have received the Acceptable Estoppel Certificates (and Seller Certificate, if applicable) to the extent required under Section 7.2; and

(d) Subject to Section 10.9, Seller's representations and warranties made in Section 8.1, Section 10.4(e), Section 11.1 and any Seller Certificate shall be true and correct in all material respects as of the Closing as if remade on the Closing Date, except with respect to Authorized Qualifications and Immaterial Events.

The term "**Authorized Qualifications**" shall mean any qualifications to the representations and warranties made by Seller in Section 8.1 to reflect (i) new Tenant Leases, Tenant Lease amendments, new Service Contracts, and/or Service Contract amendments, approved in writing by Purchaser to the extent required under this Agreement and executed by Seller in accordance with this Agreement, (ii) any action taken by Seller 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; provided that an Authorized Qualification shall not include a Tenant monetary default or insolvency occurring after the Effective Date which, individually or when taken together with all other Tenant monetary defaults and insolvencies occurring after the Effective Date, involves defaulted and insolvent Tenants who collectively pay gross rent of Five Hundred Seventy Five Thousand Dollars (\$575,000) or more per year. 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 Two Hundred Fifty Thousand Dollars (\$250,000), in the aggregate. Authorized Qualifications and Immaterial Events shall not constitute a default by Seller or a failure of a condition precedent to Closing.

Section 10.9 Breaches of Seller's Representations Prior to Closing.

(a) If, prior to the Closing, there occurs or exists a breach of a representation or warranty of Seller that in the aggregate with all other such breaches has the effect of constituting Authorized Qualifications and/or Immaterial Events, then Purchaser shall have no remedy therefor and must proceed to the Closing with no adjustment of the Purchase Price and Seller shall have no liability therefor. If, prior to the Closing, such a breach (which is not the result of an Authorized

Qualification or an Immaterial Event) occurs for which the damages from all Claims for such breach in the aggregate with all other such breaches are in an amount that exceeds Two Hundred Fifty Thousand Dollars \$250,000 (a “**Material Breach**”), then Purchaser may, as its sole and exclusive remedy, upon the delivery of written notice of such breach to Seller either (i) proceed to close the purchase of the Property without adjustment of the Purchase Price on account of such asserted breach (and with no liability to Seller) and waive any claims against Seller for such Claims with respect to such Material Breach or (ii) terminate this Agreement by the giving of the written notice to Seller of same, which termination shall be effective upon the expiration of the Termination Nullification Period (defined below) unless Seller has theretofore given a Termination Nullification Notice as provided below. If Purchaser has elected to terminate this Agreement pursuant to Section 10.9(a)(ii) above, Purchaser shall receive a refund of the Earnest Money Deposit, and if such Material Breach results from a default by Seller hereunder, Seller shall be obligated to reimburse Purchaser for its reasonable out of pocket costs incurred in connection with this Agreement and the transaction contemplated hereby (including but not limited to its legal fees and expenses in connection with the negotiation of this Agreement, and its due diligence costs in regards to the Property), not to exceed, however, Five Hundred Thousand Dollars (\$500,000) in the aggregate (unless Seller’s default is willful and intentional, in which case there shall be no limit on the obligation of Seller to reimburse Purchaser for its out of pocket costs); provided, however, that Seller may nullify such termination within ten (10) Business Days after receipt by Seller of such notice from Purchaser electing to terminate this Agreement (or on the Closing Date, if the Closing Date occurs within such ten (10)-Business-Day period) (the “**Termination Nullification Period**”) by (x) delivering to Purchaser a notice nullifying such termination (a “**Termination Nullification Notice**”) and (y) crediting the Purchase Price in the amount of the alleged Claims, in which event Purchaser shall be required to purchase the Property without further adjustment to the Purchase Price under this Section 10.9. Notwithstanding the foregoing, Seller shall not have the right to give a Termination Nullification Notice if the total amount of all alleged Claims exceeds an amount equal to three percent (3%) of the Purchase Price (in Purchaser’s good faith and reasonable estimate).

(b) Notwithstanding anything to the contrary herein contained, from and after the date of Closing, with respect to any asserted breach of Seller’s representations and warranties, Seller shall have no liability to Purchaser with respect to such breach if Purchaser has received a credit against the Purchase Price with respect to such breach whether pursuant to this Section 10.9 above or otherwise.

Section 10.10 General Conditions Precedent to Seller’s Obligations Regarding the Closing. In addition to the conditions to Seller’s obligations set forth in this Article X, the obligations of Seller 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 Seller 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 this Agreement, including without limitation, Section 10.2, as of the Closing Date.

(b) The representations and warranties of Purchaser made in Section 8.2 shall be true and correct in all material respects as of Closing as if remade on the Closing Date, with respect to Purchaser or its assignee.

Section 10.11 Failure of Condition. If any condition precedent to Seller's obligation to effect the Closing (as set forth in Section 10.10) is not satisfied, then Seller shall be entitled to terminate this Agreement by written notice thereof to Purchaser and Title Company by no later than the Closing Date. 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 written notice thereof to Seller and Title Company by no later than the Closing Date. If this Agreement is so terminated, then Purchaser shall be entitled to receive the Earnest Money Deposit (and all accrued interest thereon) and neither party shall have any further obligations hereunder, except for Termination Surviving Obligations and except as provided in Section 10.9. Notwithstanding the foregoing, if the applicable conditions precedent are not satisfied due to a default by Seller or Purchaser hereunder, then Article XIII shall govern and this Section 10.11 shall not apply.

ARTICLE XI

BROKERAGE

Section 11.1 Brokers. Seller agrees to pay to HFF, Inc. ("**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 Seller to Broker will fully satisfy the obligations of Seller for the payment of a real estate commission hereunder. Other than as stated in the first sentence of this Section 11.1, Purchaser and Seller represent and warrant to the other 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 and Seller will indemnify, defend and hold the other party 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. Seller and Purchaser each expressly acknowledges and agrees 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 Seller and Purchaser and will not be disclosed by Seller or Purchaser except to their respective legal counsel, accountants, consultants, officers, investors, lenders, clients, partners, directors, and shareholders, and except and only to the extent that such disclosure may be necessary for their respective performances hereunder or as otherwise required by applicable law or court order or in connection with any litigation. 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 Seller. Nothing contained in this Article XII will preclude or limit either 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 thereof so that the other party 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 Seller, and entities which directly or indirectly own the equity interests in Seller, may disclose in press releases, SEC and other filings with 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 or "generally accepted accounting principles" or other accounting rules or procedures). 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 both parties or as sooner required by law. The provisions of this Article XII will survive any termination of this Agreement.

ARTICLE XIII

REMEDIES

Section 13.1 Default by Seller.

(a) If Closing of the purchase and sale transaction provided for herein does not occur as herein provided by reason of any default of Seller, Purchaser may, as Purchaser's sole and exclusive remedies, elect by written notice to Seller 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, Seller shall be obligated to reimburse Purchaser for its reasonable out of pocket costs incurred in connection with this Agreement and the transaction contemplated hereby (including, but not limited to, its legal fees and expenses in connection with the negotiation of this Agreement, and its due diligence costs in regards to the Property), not to exceed, however, Five Hundred Thousand Dollars (\$500,000) in the aggregate (unless Seller's default consists of Seller's intentional refusal to execute and deliver Closing Documents or perform any of its other obligations at the Closing, in which case there shall be no limit on the obligation of Seller to reimburse Purchaser for its out of pocket costs), whereupon Seller 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 Seller shall be filed within sixty (60) days of the scheduled Closing Date, and, in either event, Purchaser hereby waives all other remedies, including without limitation, any claim against Seller 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 Seller 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 from any Authority with respect to the Property; 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 Seller 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 SELLER AGREE IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO FIX THE DAMAGES WHICH SELLER MAY SUFFER. PURCHASER AND SELLER 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 SELLER WOULD SUFFER IN THE EVENT PURCHASER DEFAULTS AND FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY, AND (ii) SUCH AMOUNT SHALL BE PAID TO SELLER 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 SELLER'S SOLE AND EXCLUSIVE REMEDY (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 SELLER 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 SELLER'S REMEDIES AT LAW, IN EQUITY OR AS HEREIN PROVIDED IN THE EVENT OF A BREACH BY PURCHASER OF ANY OF THE CLOSING SURVIVING OBLIGATIONS AFTER CLOSING OR THE TERMINATION SURVIVING OBLIGATIONS AFTER TERMINATION.

Section 13.3 Consequential and Punitive Damages. Each of Seller and Purchaser waives any right to sue the other for any consequential or punitive damages for matters arising under this Agreement (it being understood that each of Seller and Purchaser has waived the right to obtain incidental, special, exemplary or consequential damages in connection with any default of Purchaser or Seller 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:

Fortis Property Group, LLC
45 Main Street, Suite 800
Brooklyn, New York 11201
Attn: Jonathan Landau
Email: jlandau@fortispropertygroup.com

with copy to:

Bloodworth Carroll, P.C.
10000 North Central Expressway, Suite 1050
Dallas, Texas 75231
Attention: Thom Bloodworth, Esq.
Email: bloodworth@bcrelaw.com

To Seller:

HINES REIT 2200 ROSS AVENUE LP
c/o Hines Advisors Limited Partnership
2800 Post Oak Boulevard, Suite 4800
Houston, Texas 77056
Attn: Kevin McMeans
Email: kevin.mcmeans@hines.com

with copy to:

HINES REIT 2200 ROSS AVENUE LP
c/o Hines Advisors Limited Partnership
2800 Post Oak Boulevard, Suite 4800
Houston, Texas 77056
Attn: Jason P. Maxwell - General Counsel
Email: jason.maxwell@hines.com

with copy to:

Baker Botts L.L.P.
2001 Ross Avenue, Suite 600
Dallas, Texas 75201
Attn: Jonathan W. Dunlay
Email: jon.dunlay@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 Seller's prior written consent, to be given or withheld in Seller's sole and absolute discretion. Notwithstanding the foregoing, Purchaser may assign its rights under this Agreement to an Affiliate of Purchaser without the consent of Seller, provided that any such assignment does not relieve Purchaser of its obligations hereunder. This Agreement will be binding upon and inure to the benefit of Seller 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 Seller 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 and warranties of Seller and Purchaser set forth in this Agreement, any Seller Certificate, and in any Closing Document (as defined below), will survive the Closing until December 15, 2016. Notwithstanding the immediately preceding sentence or any other provision herein to the contrary, if Seller 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 Seller that are covered in such estoppel certificate shall be null and void, and Purchaser shall accept such estoppel certificate in its place. The Closing Surviving Obligations and Seller's and Purchaser's liability thereunder will survive Closing without limitation unless a specified period is otherwise provided in the applicable Closing Surviving Obligation. The Termination Surviving Obligations shall survive termination of this Agreement without limitation unless a specified period is otherwise provided in this Agreement

(b) Purchaser shall not have any right to bring any action against Seller 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 Seller to perform its 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 Two Hundred Fifty Thousand Dollars (\$250,000), and then such action against Seller shall not only be for and to the extent of the amount of all liability and losses in excess of \$250,000, but such action against Seller shall also be for and to the extent of all or any portion of the amount of all liability and losses under and including \$250,000. In addition, in no event will Seller's liability for all such untruths, inaccuracies, breaches, and/or failures under Section 8.1, any other

provision of this Agreement, any Seller Certificate, or under any Closing Documents (including Seller's 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.

(c) Notwithstanding anything to the contrary contained in this Agreement, Seller shall have no liability with respect to any of Seller's representations, warranties and covenants herein if, prior to the Closing, Purchaser has actual knowledge of any breach of a representation, warranty or covenant of Seller 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 Seller or Seller's agents and employees) that contradicts any of Seller's representations, warranties or covenants herein, and Purchaser nevertheless consummates the transaction contemplated by this Agreement.

(d) The limitations on Seller's and Purchaser's 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 Seller 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 Seller, 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, photostatting, 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 17.3 Time of Essence. Seller 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.

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 Purchaser or Seller 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 OF TEXAS. 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 DALLAS, TEXAS, 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 P, 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 Seller and Purchaser with respect to the Property to be conveyed as contemplated hereby.

Section 17.14 Limitations on Benefits. It is the explicit intention of Purchaser and Seller that no person or entity other than Purchaser and Seller 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 Seller 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 Seller expressly reject any such intent, construction or interpretation of this Agreement.

Section 17.15 Exculpation. In no event whatsoever shall recourse be had or liability asserted against any of Seller's or Purchaser's partners, members, shareholders, employees, agents, directors, officers or other owners of Seller or Purchaser or their respective constituent members, partners, shareholders, employees, agents directors, officers or other owners. 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 Seller under this Agreement and the Closing Documents. 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.

Section 17.17 Section 1031 Exchange. In the event that Purchaser elects to purchase the Property as part of a like kind exchange pursuant to Section 1031 of the Code (including, without limitation, a Section 1031 exchange involving tenancy in common interests), Seller agrees to cooperate as reasonably requested with Purchaser in connection therewith and to execute and deliver all documents which reasonably may be required to effectuate such exchange as a qualified transaction pursuant to Section 1031 of the Code; provided, however, that: (a) the Closing shall not be delayed; (b) Seller incurs no additional cost or liability in connection with the like-kind exchange; (c) Purchaser pays all costs associated with the like-kind exchange; (d) Seller is not obligated to take title to any other property; (e) Purchaser's obligations under this Agreement are not in any way conditioned upon its ability to accomplish any like-kind exchange and in no event shall any actual or proposed like-kind exchange limit or affect Purchaser's obligations or liabilities under this Agreement; and (f) Purchaser shall be solely responsible for, and shall indemnify, defend and hold Seller harmless from, all liabilities, costs and expenses relating to any actual or proposed like-kind exchange. The indemnification provision set forth above shall survive the Closing or termination of this Agreement.

[The balance of this page has intentionally been left blank. Signature pages follow.]

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

PURCHASER:

FORTIS PROPERTY GROUP, LLC,
a Delaware limited liability company

By: /s/ Joel Kestenbaum

Name: Joel Kestenbaum

Title: President

SELLER:

HINES REIT 2200 ROSS AVENUE LP,
a Delaware limited liability company,
its general partner

By: /s/ Kevin L. McMeans

Name: Kevin L. McMeans

Title: Manager

**JOINDER
BY
TITLE COMPANY**

Madison Title Agency, LLC, as agent for Stewart Title Guaranty Company, referred to in this Agreement as the “Title Company,” hereby acknowledges that it received this Agreement executed by Seller and Purchaser on the 9 day of May, 2016, and accepts and agrees to 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.

MADISON TITLE AGENCY, LLC, as agent for
Stewart Title Guaranty Company

By: /s/ Samuel Herskovits

Name: Samuel Herskovits

Title: Director of Texas Operations

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 Seller 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 Seller in Article V and (iii) is duly licensed and authorized to do business in the State of Texas.

HFF, INC.

Date: May __, 2016

By:

Name:

Title:

Address:

License No.:

Tax ID. No.:

**REINSTATEMENT OF AND FIRST AMENDMENT
TO
AGREEMENT OF SALE AND PURCHASE**

THIS REINSTATEMENT OF AND FIRST AMENDMENT TO AGREEMENT OF SALE AND PURCHASE (this “**Amendment**”) is entered into and effective for all purposes as of May 26, 2016 (the “**Amendment Effective Date**”) by and between HINES REIT 2200 ROSS AVENUE LP, a Delaware limited partnership (“**Seller**”), and FORTIS PROPERTY GROUP, LLC, a Delaware limited liability company (“**Purchaser**”).

WHEREAS, Seller, as seller, and Purchaser, as purchaser, entered into that certain Agreement of Sale and Purchase dated May 9, 2016 (the “**Original Agreement**”, the Original Agreement together with this Amendment, the “**Agreement**”); and

WHEREAS, in accordance with Section 5.4 of the Original Agreement, the Original Agreement automatically terminated on the Contingency Date when Purchaser failed to timely (i) deliver the Approval Notice to Seller, and (ii) deposit with the Title Company, in immediately available federal funds, the sum of Ten Million and No/Dollars (\$10,000,000.00) as part of the Earnest Money Deposit. Since then, Seller and Purchaser have continued their negotiations and now desire to reinstate and amend the Original Agreement in accordance with the terms of this Amendment.

NOW, THEREFORE, 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, Seller and Purchaser agree as follows:

1. **Defined Terms.** Any capitalized term used but not otherwise defined herein shall have the meaning ascribed to such term in the Original Agreement.
2. **Reinstatement.** Notwithstanding the above-referenced termination of the Original Agreement, Seller hereby agrees to sell the Property and Purchaser hereby agrees to buy the Property in accordance with the terms and conditions contained in the Original Agreement, as amended by this Amendment, as if the Original Agreement had never been terminated. Seller and Purchaser hereby reinstate the Original Agreement and reaffirm, adopt, approve and ratify all the terms and conditions contained in the Original Agreement, as amended by this Amendment, and agree that upon the execution of this Amendment, the Original Agreement shall be in full force and effect, as amended by this Amendment.
3. **Credit against the Purchase Price.** Section 10.4 of the Original Agreement is hereby amended to include the following subsection (f) at the end of Section 10.4 of the Original Agreement:

“(f) At Closing, Purchaser shall receive a credit against the Purchase Price from Seller in the amount of \$7,000,000.00.”

4. **Approval Notice.** Seller and Purchaser hereby acknowledge and agree that (a) the Property Approval Period has expired, (b) Purchaser has determined to proceed with the purchase of the Property in accordance with the Agreement, (c) this Amendment constitutes the Approval Notice under and in accordance with Section 5.4 of the Original Agreement, and (d) Purchaser has no right to terminate the Agreement pursuant to Section 5.4 of the Original Agreement
5. **Earnest Money Deposit; Additional Earnest Money Deposit.** Seller and Purchaser hereby acknowledge and confirm that the \$5,000,000.00 Earnest Money Deposit has been deposited with the Title Company in accordance with Section 4.1 of the Original Agreement, and is currently being held in escrow by the Title Company. The obligation of Purchaser to deposit with the Title Company the sum of \$10,000,000.00 as an additional Earnest Money Deposit pursuant to or under Sections 4.6 and 5.4 of the Original Agreement is hereby deleted. However, Purchaser shall, prior to 5:00 p.m. (Eastern time) on July 1, 2016, deposit with the Title Company, in immediately available federal funds, the additional sum of Five Million and No/100 Dollars (\$5,000,000.00) which shall be held in escrow by the Title Company pursuant to the terms of the Agreement and become a part of the Earnest Money Deposit. If Purchaser fails to deposit such additional sum of Five Million and No/100 Dollars (\$5,000,000.00) with the Title Company prior to 5:00 p.m. (Eastern time) on July 1, 2016, the Agreement shall automatically terminate and the original \$5,000,000.00 Earnest Money Deposit shall be delivered to Seller by the Title Company.
6. **Closing Date.** The term “Closing Date” as defined and used in the Original Agreement is hereby deleted and inserted in its place instead is the following:

“**Closing Date**” means the date on which the Closing occurs, which date shall be July 13, 2016, which date may be extended by Seller in its sole discretion to a date no later than thirty (30) calendar days thereafter, in accordance with Section 10.1, or such earlier or later date to which Purchaser and Seller may hereafter agree in writing; provided, however, notwithstanding the foregoing, Purchaser shall have the right to extend the Closing Date by (a) delivering written notice of the extended, new Closing Date to Seller on or before July 8, 2016, but in no event shall such extended, new Closing Date be later than July 31, 2016 and (b) depositing with the Title Company on or before July 13, 2016, in immediately available federal funds, the sum of \$1,000,000.00 which shall be held in escrow by the Title Company pursuant to the terms of this Agreement and become a part of the Earnest Money Deposit.”
7. **Baker & McKenzie LLP Leasing Costs.** Section 10.4(e) of the Original Agreement is hereby amended and restated to delete clause (iii) therefrom and all references thereto in their entirety.

8. **Service Contracts.** Seller and Purchaser hereby acknowledge and agree that, except as provided below, all of the Service Contracts shall be assigned pursuant to the General Conveyance and are not to be terminated by Seller at and as of Closing, except that, notwithstanding the foregoing, Seller shall terminate (a) the Suez Energy contract, (b) the Cintas contract, (c) the Pitney Bowes contract and (d) any portion of any of the technology accounts or contracts which do not relate directly to the ownership and operation of the Property, all at and as of Closing and at Seller's sole cost and expense. In addition, Seller hereby agrees (i) to use commercially reasonable efforts to obtain the written consent of MacroLease for the assignment to Purchaser of the fitness center equipment lease, and (ii) that the elevator contracts shall not be terminated by Seller prior to Closing, but Purchaser may elect to serve a notice of termination thereof on or after Closing.
9. **Title Insurance Endorsements.** Seller and Purchaser hereby acknowledge and agree that for purposes of Section 6.3 of the Original Agreement the endorsements to the Title Policy which Purchaser has requested and the Title Company, Bridge Title and Chicago Title have agreed to issue are attached hereto as **Exhibit "A"** and made a part hereof for all purposes.
10. **Section 7.4(c).** The first sentence of Section 7.4(c) of the Original Agreement is hereby deleted and inserted in its place instead is the following sentence:
- “Within ten (10) days following the Amendment Effective Date, Purchaser shall prepare and provide to Seller the form of such estoppel certificates.”
11. **Force and Effect.** Notwithstanding anything to the contrary contained in the Agreement, including Section 5.4 of the Original Agreement, (a) although previously terminated, the Original Agreement, as amended by this Amendment, has been reinstated, (b) except as amended herein, the Original Agreement shall continue in full force and effect, and (c) no default exists under the Agreement.
12. **No Oral Agreements.** The parties hereby acknowledge and agree that the Agreement is the final expression of, and contains the entire agreement between, the parties with respect to the subject matter thereof, and supersedes all prior understandings (oral or written) with respect thereto. The 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 under the Agreement.
13. **Execution.** To facilitate the execution of this Amendment, this Amendment 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 Amendment, will constitute a complete and fully executed Amendment. 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.

IN WITNESS WHEREOF, Seller and Purchaser have respectively executed this Amendment to be effective as of the Amendment Effective Date.

PURCHASER:

FORTIS PROPERTY GROUP, LLC,
a Delaware limited liability company

By: /s/ Joel Kestenbaum
Name: Joel Kestenbaum
Title: President

SELLER:

**HINES REIT 2200 ROSS AVENUE
LP,**
a Delaware limited partnership

By:
Hines REIT 2200 Ross Avenue GP LLC,
a Delaware limited liability company
its general partner

By: /s/ Kevin L. McMeans
Name: Kevin L. McMeans
Title: Manager

AGREEMENT OF SALE AND PURCHASE

BETWEEN

HINES REIT 321 NORTH CLARK LLC,

a Delaware limited liability company

as Seller

AND

DIVERSIFIED 321 NORTH CLARK LLC,

a Delaware limited liability company

as Purchaser

pertaining to

321 NORTH CLARK, CHICAGO, ILLINOIS

EXECUTED EFFECTIVE AS OF

May 27, 2016

AGREEMENT OF SALE AND PURCHASE

THIS AGREEMENT OF SALE AND PURCHASE (this “**Agreement**”) is entered into and effective for all purposes as of May 27, 2016 (the “**Effective Date**”), by and between HINES REIT 321 NORTH CLARK LLC, a Delaware limited liability company (“**Seller**”), and DIVERSIFIED 321 NORTH CLARK LLC, a Delaware 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, Seller 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.

“**Additional Deposit**” means an amount equal to \$8,000,000

“**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 Seller, 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.

“**Arbiter**” has the meaning ascribed to such term in Section 10.9(c).

“**Authorities**” means the various governmental and quasi-governmental bodies or agencies having jurisdiction over Seller, 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 7.4.

“**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 Houston, Texas or Chicago,

Illinois. 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(f).

“**Certifying Party**” has the meaning ascribed to such term in Section 4.6.

“**Claim Dispute**” has the meaning ascribed to such term in Section 10.9(a).

“**Claim Dispute Notice**” has the meaning ascribed to such term in Section 10.9(b).

“**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 August 1, 2016, which date may be extended by Seller and Purchaser in accordance with Section 10.1, or such earlier or later date to which Purchaser and Seller may hereafter agree in writing.

“**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 2.1, 3.2, 4.8, 4.10, 5.2 (b), 5.2(d), 5.3, 5.5, 5.6, 8.1, 8.2, 10.4, 10.6, 10.7, 10.9, 11.1, 13.3, 15.1, 16.1, 17.2, 17.14, 17.15, 17.16 and 17.17.

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

“**Code**” has the meaning ascribed to such term in Section 4.10.

“**Contingency Date**” means July 1, 2016.

“**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 Time**” means 12:01 p.m. Central Time on the Closing Date.

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

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

“Earnest Money Deposit” means the sum of the Initial Deposit and the Additional Deposit, plus all interest thereon.

“Easement Estoppel Certificates” has the meaning ascribed to such term in Section 7.3.

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

“Environmental Laws” means, to the extent applicable to the Property, 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 Funds” has the meaning ascribed to such term in Section 10.9(b).

“Escrow Instructions” has the meaning ascribed to such term in Section 4.3.

“Executive Order” has the meaning ascribed to such term in Section 7.4.

“Final Damage” has the meaning ascribed to such term in Section 10.9(c).

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

“Financing Approval Period” has the meaning ascribed to such term in Section 5.4.

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

“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 Seller or Seller’s use and operation of the Real Property or the Improvements or any portion thereof.

“Hard Portion of the Earnest Money Deposit” means (a) the \$2,000,000 Initial Deposit from the Effective Date through the Contingency Date, (b) the sum of the \$2,000,000 Initial Deposit plus \$2,000,000 of the Additional Deposit from the Contingency Date through the Closing Date if Purchaser does not extend the Closing Date pursuant to Section 10.1, and (c) the sum of the \$2,000,000 Initial Deposit plus \$4,000,000 of the Additional Deposit from the date Purchaser extends the Closing Date pursuant to Section 10.1 through the Closing Date if Purchaser extends the Closing Date pursuant to Section 10.1, plus, in each case, all interest earned thereon.

“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 located on the Real Property.

“Independent Consideration” has the meaning ascribed to such term in Section 4.2.

“Initial Deposit” means an amount equal to \$2,000,000.

“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 (in each case, if any) utilized solely by Seller or which Seller has 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), Seller, its Affiliates, the property manager and Tenants), provided however, that the foregoing definition shall specifically exclude all Reserved Company Assets.

“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.

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

“Licenses and Permits” means, collectively, all of Seller’s 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.

“Material Breach” has the meaning ascribed to such term in Section 10.9(a).

“Material Breach Credit” has the meaning ascribed to such term in Section 10.9 (a).

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

“New Exceptions” 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 7.4.

“Official Records” means the official records of Cook County, Illinois.

“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 4.6.

“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 Seller’s 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 exclusively in connection with the ownership or operation of the Improvements owned by Seller, but specifically excluding (i) any items of personal property owned or leased by Seller's property manager, and (ii) 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).

"PTR" has the meaning ascribed to such term in Section 6.2(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 8.2(e).

"Purchaser's Claimed Damage" has the meaning ascribed to such term in Section 10.9(c).

"Purchaser's Title Approval Date" has the meaning ascribed to such term in Section 6.2(a).

"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.

"REAs" mean, collectively, the (i) Easement and Operating Agreement dated January 14, 1986 and recorded January 21, 1986 as Document No. 86025944 in the Official Records, as amended, (ii) Parking Agreement dated as of January 14, 1986 and recorded January 21, 1986 as Document No. 86025945 in the Official Records, as amended, and (iii) Grant of Automobile Access Easement dated August 23, 1988 and recorded August 24, 1988 as Document No. 88384566 in the Official Records, as amended.

"Real Property" means those certain parcels of or interests in the real property located at 321 North Clark, Chicago, Illinois, as more particularly described on **Exhibit A** attached hereto, together with all of Seller's right, title and interest, if any, in and to the appurtenances pertaining thereto, including but not limited to Seller's right, title and interest in and to the streets, alleys and right-of-ways which abut such real property, and any easement rights, air rights, subsurface rights, development rights and water rights appurtenant to such real property.

"Refundable Portion of the Additional Deposit" means the portion of the Additional Deposit that is not included in the Hard Portion of the Earnest Money Deposit, plus all interest earned thereon.

“**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 4.10(a).

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

“**Reserved Company Assets**” shall mean the following assets of Seller 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 proration 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 Seller or its direct or indirect partners, members, shareholders or affiliates, any refund in connection with termination of Seller’s existing insurance policies, all contracts between 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 Seller), the internal books and records of 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. Seller will retain any liabilities related to the Reserved Company Assets including paying amounts owed tenants or service providers out of any refunds.

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

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

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

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

“**Seller’s Claimed Damage**” has the meaning ascribed to such term in Section 10.9 (c).

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

“**Seller’s Title Response Deadline**” has the meaning ascribed to such term in Section 6.2(a).

“**Service Contracts**” means all of Seller’s right, title and interest in service agreements, maintenance contracts, equipment leasing agreements, bonds and other contracts for the provision of labor, services, materials or supplies relating to the Real Property, Improvements or Personal Property owned by Seller and under which Seller is currently paying for services rendered in connection with the Property, as listed and described on **Exhibit B-1** 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 the Improvements or a portion thereof requiring repair costs (or resulting in a loss of value) in excess of an amount equal to five percent (5%) of the Purchase Price as such repair costs or loss of value calculation is reasonably estimated by Seller in accordance with the terms of Section 9.2.

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

“**Tenant Deposits**” means all security deposits, paid or deposited by the Tenants to Seller, as landlord, or any other person on Seller’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(a).

“**Termination Nullification Notice**” has the meaning ascribed to such term in Section 10.9(a).

“**Termination Nullification Period**” has the meaning ascribed to such term in Section 10.9(a).

“**Termination Surviving Obligations**” means the rights, liabilities and obligations set forth in Sections 4.6, 4.7, 4.8, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, 7.4, 11.1, 12.1, 13.1, 13.2, 13.3, 14.1, 15.1, Article XIII, Article XIV, Article XV, Article XVI and Article XVII.

“**Title Company**” means Chicago Title Insurance Company, at its offices located at 10 South LaSalle St. Suite 3100, Chicago, IL 60603, Attn: Abby Hall, Telephone No.: 312-223-2758, Facsimile No.: 312-223-5801, Email: Abby.Hall@ctt.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 Policy**” has the meaning ascribed to such term in Section 6.3.

“**To Seller’s Knowledge**” and similar terms means the present actual (as opposed to constructive or imputed) knowledge solely of Agnes Olejniczak and Blake Williams, without any independent investigation or inquiry whatsoever. Such individuals are named in this Agreement solely for the purpose of establishing the scope of Seller’s knowledge. Such individuals shall not be deemed to be parties to this Agreement nor to have made any representations or warranties hereunder, and no recourse shall be had to such individuals for any of Seller’s representations and warranties hereunder (and Purchaser hereby waives any liability of or recourse against such individuals, some of which are not employees of Seller, but are employees of the third-party manager for the Property).

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

“**Warranties**” means all warranties for the benefit of the Property which are still in effect.

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

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AGREEMENT OF PURCHASE AND SALE

Section

2.1

Agreement. Seller hereby agrees to sell, convey and assign to Purchaser, and Purchaser hereby agrees to purchase and accept from Seller, on the Closing Date and subject

to the terms and conditions of this Agreement, all of Seller's right, title, and interest in and to the Real Property, together with each of the following attributable to the Real Property (but excluding the Reserved Company Assets): (a) the Improvements; (b) the Personal Property; (c) the Tenant Leases in effect on the Closing Date; (d) the Service Contracts in effect on the Closing Date, (e) the Licenses and Permits; (f) the Intangible Personal Property and (g) Warranties, in each of the cases of (e), (f), and (g) 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 (collectively with the Real Property, the "Property").

Section

2.2

Indivisible Economic Package. Purchaser has no right to purchase, and Seller has no obligation to sell, less than all of the Property, it being the express agreement and understanding of Purchaser and Seller that, as a material inducement to Seller and Purchaser to enter into this Agreement, Purchaser has agreed to purchase, and Seller has agreed to sell, all of the Property, subject to and in accordance with the terms and conditions hereof. With the exception of immaterial assets, assets owned or leased by Seller's property manager and the Reserved Company Assets, the Property being transferred to Purchaser includes all assets needed for the current operation of the Property.

ARTICLE III

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CONSIDERATION

Section

3.1

Purchase Price. The purchase price for the Property (the "Purchase Price") is \$340,100,000 in lawful currency of the United States of America, payable as provided in Section 3.3.

Section

3.2

Assumption of Obligations.

(a)

As additional consideration for the purchase and sale of the Property, effective as of the Closing Date, 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 Seller or Seller's predecessor in title in the Tenant Leases, Service Contracts, Licenses and Permits, Intangible Personal Property, and Warranties assigned to Purchaser and which are to be performed on or subsequent to the Closing Date, provided that (other than non-tort obligations relating to the physical condition of the Property) Purchaser will not be assuming any covenants or obligations which relate to payments owed prior to Closing or resulting from Seller or its predecessor having breached, violated or not performed their obligations relating to periods prior to the Closing and (ii) the Leasing Costs, if any, for which Purchaser is responsible under Section 10.4(e).

(b)

Effective as of Closing, and subject in all events to the provisions of this

Section 3.2 and Article XVI, Seller will be deemed to have retained responsibility for (i) third party tort claims that arose or accrued prior to the Closing Date and (ii) Seller's failure to pay or perform any obligations to be performed by it under the Service Contracts and Tenant Leases prior to the Closing Date. Notwithstanding the foregoing, Seller's obligations under this Section 3.2(b)(ii) shall not apply to any claims which (A) are based on any matter which is identified on the Effective Date in this Agreement (including the Exhibits hereto) as an exception or qualification to any representation or warranty of Seller set forth in this Agreement; (B) are based on a liability for which a proration credit was given as a Closing adjustment pursuant to Section 10.4, and/or (C) are based on any claims expressly assumed or expressly waived pursuant to this Agreement, including any claims pertaining to the physical or environmental condition of the Property. This Section 3.2 (b) shall survive Closing subject to the limitations provided in Article XVI. Nothing in this paragraph, Article XVI or otherwise in this Agreement will result in Purchaser assuming at any time any obligations or liabilities which Seller has retained.

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. The parties will enter into deed and money escrow instructions and close by means of a New York style closing as further provided in Section 4.5. 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 Seller 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) Seller will direct the Title Company to pay to the appropriate payees out of the proceeds of Closing payable to Seller, all costs and amounts to be paid by Seller at Closing pursuant to the terms of this Agreement.

ARTICLE IV

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EARNEST MONEY DEPOSIT AND ESCROW INSTRUCTIONS

Section

4.1

Earnest Money Deposit. Within two (2) Business Day after the Effective Date, Purchaser shall deposit with the Title Company, in immediately available federal funds, the Initial Deposit, which will be held in escrow by the Title Company pursuant to the terms of this Agreement. If Purchaser fails to deposit the Initial Deposit within the time period described above, this Agreement shall automatically terminate. In the event this Agreement has not terminated pursuant to Section 5.4 prior to the expiration of the Financing Approval Period or as a result of any other rights hereunder, then Purchaser shall, before the expiration of the Financing Approval Period, deposit the Additional Deposit with the Title Company in immediately available federal funds. If this Agreement has not terminated pursuant to Section 5.4 prior to the expiration of the

Financing Approval Period, and if Purchaser fails to timely deposit the Additional Deposit, Purchaser shall be in default hereunder, this Agreement shall automatically terminate, and the Initial Deposit shall be paid to Seller unless Purchaser is entitled to a return of its Earnest Money under this Agreement. If Closing occurs, the Earnest Money Deposit shall be applied to the payment of the Purchase Price at Closing.

Section

4.2

Independent Consideration. Upon the execution hereof, Purchaser shall pay to Seller One Hundred Dollars (\$100) as independent consideration (the “**Independent Consideration**”) for Purchaser’s right to purchase the Property and Seller’s execution, delivery, and performance of this Agreement. Notwithstanding anything to the contrary contained herein (including any reference to the return of any portion of the Earnest Money Deposit to Purchaser), Seller shall, in all events, retain the Independent Consideration, but the Independent Consideration shall be applied as a credit against the Purchase Price at the Closing. Purchaser and Seller hereby acknowledge and agree that the Independent Consideration constitutes adequate and sufficient consideration for Purchaser’s right to purchase the Property and Seller’s execution, delivery, and performance of this Agreement, and that the loss of Purchaser’s ability to use the funds constituting the Earnest Money Deposit as provided in this Agreement constitutes further consideration therefor.

Section

4.3

Escrow Instructions. Article IV of this Agreement as well as entering into a customary deed and money escrow instructions for the Closing constitutes the escrow instructions of Seller 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 Seller 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

4.4

Documents Deposited into Escrow. On or before the Deposit Time, (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) Seller will deliver in escrow to the Title Company the documents described and provided for in Section 10.3.

Section

4.5

Close of Escrow. Provided that the Title Company has not received from Seller or Purchaser any written termination notice as described and provided for in Section 4.6,

when Purchaser and Seller have delivered the documents required by Section 4.4 and Seller and Purchaser and Purchaser's lender have authorized the release of their deliveries, the Title Company will when it is irrevocably prepared to do all of the following pursuant to the deed and money escrow instructions:

(a)

If applicable and when required, file with the Internal Revenue Service (with copies to Purchaser and Seller) the reporting statement required under Section 6045(e) of the Internal Revenue Code and Section 4.10;

(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 the funds deposited with it pursuant to the agreed closing statement including to Seller, by wire transfer to Seller of immediately available federal funds, in accordance with wiring instructions to be obtained by the Title Company from Seller, all sums to be received by Seller 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 recording it in the Official Records and agreeing to obtain conformed copies of the recorded Deed for delivery to Purchaser and to Seller following recording;

(e)

Issue to Purchaser the Title Policy required by Section 6.3 of this Agreement;

(f)

Deliver to Seller, in addition to Seller's Closing proceeds, all documents deposited with the Title Company for delivery to Seller 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

4.6

Termination Notices.

(a)

If at any time prior to the expiration of the Financing Approval Period, Purchaser timely delivers its Disapproval Notice under Section 5.4, then the Title Company shall immediately deliver the Initial Deposit to Seller and neither Seller nor Purchaser shall thereafter

have any obligations or liabilities under this Agreement, except for those obligations which expressly survive the expiration or termination hereof.

(b)

If, at any time after the expiration of the Financing Approval Period, the Title Company receives a certificate of either Seller or of Purchaser (the “**Certifying Party**”) stating that: (a) the Certifying Party is entitled to receive any portion of 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 (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 such portion of 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 any portion of the Earnest Money Deposit, but will continue to hold the same pursuant hereto, subject to Section 4.7.

Section

4.7

Joint Indemnification of Title Company; Conflicting Demands on Title

Company. If this Agreement or any matter relating hereto (other than the PTR or the Title Policy) becomes the subject of any litigation or controversy, Purchaser and Seller, jointly and severally, will hold the 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 the Title Company’s default under the Escrow Instructions or gross negligence or willful misconduct. In the event conflicting demands are made or notices served upon the 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 Seller 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 Seller 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

4.8

Maintenance of Confidentiality by Title Company.

Except as may otherwise be required by law or by 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 Seller in each instance.

Section**4.9**

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 Seller, 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 Seller 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 Seller is 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**4.10**

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 4.10, 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 4.10, the “**Reporting Person**”), by its execution hereof, hereby assumes all responsibilities for information reporting required under Section 6045(e) of the Code.

(b)

Seller 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 Seller 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)

At all times prior to the Closing Date, subject to the provisions of this Section 5.1 and subject to the obligations set forth in Section 5.3 below, Seller will permit Purchaser and its lender and their 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 Seller and Seller shall have the right to participate in any such communications. Purchaser will provide to Seller 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 Seller’s option, Seller 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 of Illinois carrying the insurance required under Section 5.3 below; provided, however, that no physical or invasive testing or sampling shall be conducted during any such entry by Purchaser or any Licensee Party upon the Real Property without Seller’s specific prior written consent, which consent may be withheld, delayed or conditioned in Seller’s sole and absolute discretion; and provided, further, that prior to giving any such approval, Seller shall be provided with a written sampling plan in reasonable detail in order to allow Seller 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 (so long such communications can be conducted without disclosing that a sale of the Property is contemplated); provided, however, Purchaser, except with respect to routine requests for information, shall provide

Seller at least forty-eight (48) hours prior written notice of Purchaser's intention to communicate with any Authorities and Seller shall have the right to participate in any such communications.

Section

5.2

Document Review.

(a)

Seller has made available and will 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 Seller's possession or control, to Purchaser and its authorized agents or representatives and prospective lenders for review, inspection, examination, analysis and verification: (i) all existing environmental reports and studies of the Property issued on behalf of Seller; (ii) assessments (special or otherwise), ad valorem and personal property tax bills, covering the three (3) years preceding the Effective Date; (iii) Seller's most currently available rent roll; (iv) operating statements and rent rolls 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; and (vii) engineering, mechanical and other drawings, blueprints and specifications and similar documentation relating to the Property (collectively, the "**Documents**"). Purchaser acknowledges that it has received copies of all the Tenant Leases listed on Exhibit F-1, and the Service Contracts listed on Exhibit B-1, including the commission agreements listed on Exhibit D. "**Documents**" shall not include (and Seller 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 Seller is 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 Seller or Seller's Affiliates to the extent relating to Seller's valuation of the Property; (5) any appraisals of the Property, whether prepared internally by Seller or Seller's Affiliates or externally; (6) any documents or items which Seller considers proprietary (such as Seller's or its property managers' operation manuals, software programs or other electronic media or services that are subject to licenses or other agreements that are personal to Seller or Seller's property manager); (7) organizational, financial and other documents relating to Seller or its 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. Except for the representations expressly made in Section 8.1 hereof, Seller makes 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 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 need to know such information in order to advise Purchaser 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 Seller 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, Seller has 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 Seller and any such claims are expressly rejected by Seller 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 promptly destroy all copies Purchaser has made (and computer files of same) of any Documents containing confidential information before or after the execution of this Agreement, not later than ten (10) Business Days following the time this Agreement is terminated for any reason, and provide Seller with a certified notice of the completion of such destruction.

(d)

Purchaser acknowledges that some of the Documents may have been prepared by third parties and may have been prepared prior to Seller’s ownership of the Property. Purchaser hereby acknowledges that, except as expressly provided in Section 8.1, Seller has not made and does not make any representation or warranty regarding the truth, accuracy or completeness of the Documents or the sources thereof (whether prepared by Seller, Seller’s Affiliates or any other person or entity). Seller has not undertaken any independent investigation as to the truth, accuracy or completeness of the Documents and is 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 Seller 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 to maintain commercial general liability (occurrence) insurance in an amount not less than Two Million and No/100 Dollars (\$2,000,000.00) and on terms (including coverage for an "insured contract" with respect to the indemnity in Section 5.3(b)) satisfactory to Seller covering any accident arising in connection with the presence or activities of Purchaser or the other Licensee Parties on the Property, and deliver to Seller a certificate of insurance verifying such coverage and Seller and its property manager (Hines Interests Limited Partnership) being named as an additional insured 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 Seller's consent to any further physical testing or sampling with respect to the Property after the Financing Approval Period.

(b)

Purchaser hereby indemnifies, defends and holds Seller and its 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**

Financing Approval Period. From the Effective Date until 5:00 p.m. (Central time) on the Contingency Date (the “**Financing Approval Period**”), Purchaser shall use good faith and commercially reasonable efforts to obtain third-party financing for the purchase of the Property on terms satisfactory to Purchaser, in Purchaser’s sole discretion. If Purchaser has not obtained satisfactory terms for such financing, in Purchaser’s sole and absolute discretion, prior to the expiration of the Financing Approval Period, then Purchaser may, prior to 5:00 p.m. (Central time) on the Contingency Date, notify Seller in writing (a “**Disapproval Notice**”) that Purchaser is terminating this Agreement. If Purchaser timely elects to terminate this Agreement pursuant to this Section 5.4, the Title Company shall pay the Initial Deposit, together with all interest thereon, to Seller. If Purchaser fails to timely deliver a Disapproval Notice pursuant to the foregoing, this Agreement shall continue in full force and effect and Purchaser shall have waived any right to terminate this Agreement pursuant to this Section 5.4, and Purchaser shall make the Additional Deposit in accordance with Section 4.1. If this Agreement is so terminated, then except for the Termination Surviving Obligations, which expressly survive termination of this Agreement, the parties shall have no further rights or obligations to one another under this Agreement.

Section**5.5**

Sale “As Is”. THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT HAS BEEN NEGOTIATED BETWEEN SELLER AND PURCHASER, THIS AGREEMENT REFLECTS THE MUTUAL AGREEMENT OF SELLER AND PURCHASER, AND PURCHASER HAS CONDUCTED (OR WILL CONDUCT PRIOR TO THE EXPIRATION OF THE FINANCING APPROVAL PERIOD) ITS OWN INDEPENDENT EXAMINATION OF THE PROPERTY. OTHER THAN ANY SPECIFIC MATTERS REPRESENTED IN THIS AGREEMENT OR ANY CLOSING DOCUMENTS, 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 SELLER OR ANY OF SELLER’S AFFILIATES, AGENTS OR REPRESENTATIVES, AND PURCHASER HEREBY ACKNOWLEDGES THAT NO SUCH REPRESENTATIONS OR WARRANTIES HAVE BEEN MADE. SELLER SPECIFICALLY DISCLAIMS, AND NEITHER SELLER NOR ANY OF SELLER’S AFFILIATES NOR ANY OTHER PERSON IS MAKING, ANY REPRESENTATION, WARRANTY OR ASSURANCE WHATSOEVER TO PURCHASER AND, EXCEPT AS SET FORTH IN THIS AGREEMENT OR ANY CLOSING DOCUMENTS, NO WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EITHER EXPRESS OR IMPLIED, ARE MADE BY SELLER 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 SELLER AND PURCHASER THAT, EXCEPT AS EXPRESSLY SET FORTH TO THE CONTRARY IN THIS AGREEMENT OR THE CLOSING DOCUMENTS, THE PROPERTY WILL BE CONVEYED AND TRANSFERRED TO PURCHASER IN THE CONDITION AND STATE OF REPAIR EXISTING ON THE EFFECTIVE DATE, “AS IS” AND “WHERE IS”, WITH ALL FAULTS. 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. Purchaser is hereby 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 Seller (excluding the limited specific matters represented by Seller herein as limited by Section 16.1) or of any Affiliate, officer, director, employee, agent or attorney of Seller. Purchaser acknowledges that all information obtained by Purchaser was obtained from a variety of sources and, except as set forth in this Agreement, Seller 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, Seller 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 Seller, an Affiliate of Seller, any agent of Seller or any third party. Seller is 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 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 Seller 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.

Purchaser's Release of Seller.

(a)

Seller Released From Liability. Purchaser, on behalf of itself and its partners, officers, directors, agents, controlling persons and Affiliates, hereby releases Seller and Seller's 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 Seller, 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, excluding Claims resulting from a breach of the limited specific matters represented by Seller herein (as limited by Section 16.1). Without limiting the foregoing, Purchaser specifically releases Seller and the Seller Released Parties from any claims Purchaser may have against Seller 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 either (i) the Closing and shall not be deemed merged into the provisions of any Closing Documents, or (ii) any termination of this Agreement.

(b)

Purchaser's Waiver of Objections. Purchaser acknowledges that it has 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 Seller, its 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, excluding objections or complaints resulting from a breach of the limited specific matters represented by Seller herein (as limited by Section 16.1).

(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. Seller 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 either (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

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TITLE AND SURVEY MATTERS

Section

6.1

Survey. Prior to May 31, 2016, Seller shall, at its own cost, deliver to Purchaser an ALTA/NSPS survey of the Property prepared by a surveyor licensed in the State of Illinois (the “**Updated Survey**”), certified to Purchaser and the Title Company. Purchaser shall cause the surveyor to revise the Updated Survey to include Table A items, as necessary, and to be certified to Purchaser’s mortgage lender. Seller shall cooperate with Purchaser to obtain such modifications, but shall have no obligation to pay any cost of any such modification, update, or recertification of the Updated Survey, all of which shall be at Purchaser’s sole cost and expense.

Section

6.2

Title and Survey Review.

(e)

Prior to the execution and delivery hereof, Purchaser has caused the Title Company to furnish or otherwise make available to Purchaser a preliminary title commitment for the Real Property and the Improvements dated with an effective date of April 8, 2016 (the “**PTR**”), and copies of all underlying title documents described in the PTR. Purchaser shall have until the

date that is five (5) Business Days after Seller's delivery of the Updated Survey (the "**Title Notice Date**") to provide written notice (the "**Title Notice**") to Seller and the Title Company of any matters shown on the PTR and/or the Updated Survey which are not satisfactory to Purchaser, and a schedule of required coverages and endorsements to the title policy to be issued to Purchaser and its mortgage lender, which coverage and endorsements shall include but not be limited to affirmative insurance for all easement parcels, extended coverage over the general exceptions, Zoning 3.1 with parking, access, utility facility, survey, contiguity, direct access, tax parcel, restrictions, and street assessment ("**Required Endorsements**"). The Updated Survey will be deemed received on May 26, 2016. If Seller has not received such Title Notice from Purchaser by the Title Notice Date, Purchaser shall be deemed to have unconditionally approved of the condition of title to the Property and the Updated Survey, subject to Seller's obligations set forth in Section 6.2(c). Except with respect to the Must-Cure Matters, Seller 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 Seller shall deliver, no later than one (1) Business Day after the Title Notice Date (the "**Seller's Title Response Deadline**"), written notice to Purchaser and the Title Company identifying which disapproved items, if any, Seller shall undertake to cure (by either having the same removed or by obtaining affirmative insurance over the same as part of the final Title Policy) ("**Seller's Response**"). The Title Company shall deliver a proforma policy attaching the form of each of the Required Endorsements as promptly as possible after receipt of the Title Notice. If Seller delivers a Seller's Response undertaking to remove an unpermitted exception, it shall be deemed to be a covenant of Seller to remove such exception and such exception shall be deemed to be a Must-Cure Matter. If Seller does not deliver Seller's Response prior to Seller's Title Response Deadline, except for the Must-Cure Matters, Seller shall be deemed to have elected to not remove or otherwise cure any exceptions disapproved by Purchaser. If Seller elects, or is deemed to have elected, not to remove or otherwise cure an exception disapproved in Purchaser's Title Notice (other than the Must-Cure Matters), Purchaser shall have until one (1) Business Day after the Seller's Title Response Deadline ("**Purchaser's Title Approval Date**") to: (i) deliver a written notice ("**Termination Notice**") to Seller and the Title Company terminating this Agreement as set forth in Section 5.4 above, in which event the Earnest Money Deposit shall be paid to Purchaser, or (ii) waive any such objection to the PTR and the Updated Survey (whereupon such objections shall be deemed Permitted Exceptions for all purposes hereof). If Seller and the Title Company have not received written notice from Purchaser by Purchaser's Title Approval Date, such failure shall be deemed Purchaser's waiver of all such objections to the PTR and the Updated Survey, other than the Must-Cure Matters.

(f)

Purchaser may, at or prior to Closing, notify Seller in writing (the "**Gap Notice**") of any objections to title: (i) raised by the Title Company between April 8, 2016 and the Closing, (ii) not disclosed in writing by the Title Company to Purchaser prior to Purchaser's Title Approval Date, or (iii) not disclosed in writing by Seller to Purchaser and the Title Company prior to Purchaser's Title Approval Date ("**New Exceptions**"); provided that Purchaser must notify Seller of any objection to any such New Exception prior to the date which is five (5) Business Days after being made aware of the existence of such New Exception. If the Closing Date is less than five (5) Business Days after the date Purchaser is made aware of the existence of such New Exception, the Closing shall be extended for a period to permit Purchaser to object and Seller to exercise its rights

in this Section. If Purchaser fails to deliver to Seller 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. Seller will have two (2) Business Days from the receipt of Purchaser's notice (and, if necessary, Seller may extend the Closing Date to provide for such two (2) Business Days period and for two (2) Business Days following such period for Purchaser's response), within which time Seller may, but is under no obligation to (other than Must-Cure Matters), 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) Business Days period, Seller does not remove or otherwise obtain affirmative insurance over the objectionable New Exceptions, then Purchaser may terminate this Agreement upon delivering a Termination Notice to Seller in accordance with Section 5.4 above no later than the earlier to occur of: (x) the date two (2) Business Days following expiration of the two (2) Business Days cure period; or (y) the Closing Date, as may be extended. If Purchaser fails to terminate this Agreement in the manner set forth above, the New Exceptions (other than the Must-Cure Matters and other than those exceptions that Seller has removed or otherwise affirmatively insured over, or committed to do the same as set forth above) will be included as Permitted Exceptions. If this Agreement is terminated by Purchaser pursuant to the foregoing provisions of this Section 6.2(b), then (i) neither Purchaser nor Seller shall have any further rights or obligations hereunder (except for those expressly surviving the termination of this Agreement), and (ii) the Earnest Money Deposit shall be returned to Purchaser.

(g)

Notwithstanding any provision of this Section 6.2 to the contrary, Seller will be obligated to cure exceptions to title to the Real Property and Improvements relating to: (i) liens and security interests securing any loan to, or assumed by, Seller or the Property, (ii) judgment liens and/or tax liens filed against Seller or the Property, (iii) any other liens or security interests created by documents executed by Seller to secure monetary obligations or otherwise created or caused by Seller, other than liens for ad valorem taxes and assessments which are not yet payable, and (iv) liens for assessments which are due and payable (collectively, the "**Must-Cure Matters**"). If Seller fails to cure or remove a Must-Cure Matter on or before Closing, Purchaser may, as its sole and exclusive remedy, terminate this Agreement and receive a return of the Earnest Money Deposit. Notwithstanding anything to the contrary contained in this Agreement, Seller may cure any unpermitted exception or encumbrance (including Must-Cure Matters) by insuring over such unpermitted exception or encumbrance only if Purchaser approves such endorsement to the Title Policy in Purchaser's sole and exclusive discretion. To the extent any mechanic lien is filed against the Property, prior to Closing, as a result of work, service, labor or materials performed or supplied by, for or on behalf of Tenants, Seller will (from the time Seller becomes aware of such lien until Closing) assert its rights as landlord under the applicable lease to attempt to have the tenant resolve the issues and if requested by Purchaser the tenant's security deposit or letter of credit will be used to post security or obtain a bond required by the title company; provided that the foregoing shall, in no event, require Seller to terminate any Tenant Leases or to commence any litigation against any Tenant or third-party.

Section

6.3

Title Insurance. At the Closing, and as a condition thereto, the Title

Company shall issue to Purchaser an ALTA Owner's Policy of Title Insurance (the "**Title Policy**") with liability in the amount of the Purchase Price, showing title to the Real Property and Improvements vested in the Purchaser, with such Required Endorsements as Purchaser shall request and Title Company shall have agreed to issue prior to the Purchaser's Title Approval Date, subject only to: (i) exceptions approved or deemed approved by Purchaser pursuant to Section 6.2 above, including matters of survey, (ii) the Tenant Leases, (iii) any taxes and assessments which are not yet due and payable as of the Closing (iv) any matters which have been affirmatively insured over with Purchaser's prior approval, and (v) any exceptions arising from Purchaser's actions (collectively, the "**Permitted Exceptions**"). It is understood that issuance of the Required Endorsements is a condition to Closing, but only to the extent the Title Company has agreed, in writing and subject only to the payment of fees and delivery of the items set forth in Section 10.3 and 10.4, to issue the Required Endorsements prior to the Purchaser's Title Approval Date.

ARTICLE VII

INTERIM OPERATING COVENANTS AND ESTOPPELS

Section

7.1

Interim Operating Covenants. Seller covenants to Purchaser, that Seller will:

(h)

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

(i)

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 Seller's insurance policies covering the Improvements as of the Effective Date;

(j)

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;

(k)

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: (i) will not be unreasonably withheld, delayed, or conditioned during the Financing Approval Period, and (ii) may be given or withheld in Purchaser's sole discretion from the expiration of the Financing Approval Period until Closing. Furthermore, nothing herein shall be deemed to require Purchaser's

consent to any expansion or renewal or termination which Seller, as landlord, is required to honor pursuant to any Tenant Lease.

(l)

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: (i) will not be unreasonably withheld, delayed, or conditioned during the Financing Approval Period, and (ii) may be given or withheld in Purchaser's sole discretion from the expiration of the Financing Approval Period until Closing. Prior to the Closing Date, Seller shall terminate, at Seller's sole cost and expense, the Exclusive Leasing Agreement with CBRE and any other Service Contract, to the extent terminable without penalty or fee, designated by Purchaser by written notice on or before July 2, 2016; provided that Purchaser must assume the collective bargaining agreements and Service Contracts which are non-terminable.

(m)

Notices. To the extent received by Seller, 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;

(n)

Encumbrances. Without Purchaser's prior approval in its sole discretion, Seller shall not subject or permit the Property to be subjected to any additional liens, encumbrances, covenants or easements, which would not constitute Permitted Exceptions, unless released prior to Closing; and

(o)

Consents to Assignments. Seller will use good faith efforts to obtain any consents required for the assignment of any Licenses and Permits, Intangible Personal Property, and Warranties including the payment of any transfer fees, provided that the failure to obtain any such consent shall not constitute a default by Seller or a failed condition to Closing.

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

Section

7.2

Tenant Lease Estoppels.

(h)

It will be a condition precedent to Purchaser's obligation to Close the transactions contemplated herein that Seller 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 seventy-five percent (75%) 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 in the form prescribed by its Tenant Lease 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. In addition to the Acceptable Estoppel Certificates, Purchaser’s mortgage lender may request, and Seller shall cooperate in obtaining subordination, non-disturbance and attornment agreements (“**SNDA**s”) for tenants at the Property, provided that obtaining any SNDA shall not be a condition to Purchaser’s obligation to Closing hereunder and failure to obtain any SNDA shall not constitute a default by Seller hereunder. Notwithstanding anything contained herein to the contrary, in no event shall Seller’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 Seller 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, in which event the Earnest Money Deposit shall be paid to Purchaser. Prior to delivery of the forms of estoppel certificates to the Tenants, Seller will deliver to Purchaser completed forms of estoppel certificates, in the form attached hereto as **Exhibit C-2**, containing the information contemplated thereby. Within two (2) Business Days following Purchaser’s receipt thereof, Purchaser will send to Seller notice either: (i) approving such forms as completed by Seller, 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. Seller will make such changes to the extent Seller agrees such changes are appropriate, except that Seller will not be obligated to make any changes which request more expansive information than is contemplated by **Exhibit C-2**. Purchaser’s failure to respond within such two (2) Business Day period shall be deemed approval of such estoppel certificate

(i)

Provided acceptable to Purchaser’s lender, Seller, at its sole option, may elect to satisfy part of the requirements under Section 7.2(a) by delivering a representation certificate of Seller in the form attached hereto as **Exhibit C-3** (a “**Seller Certificate**”) for up to fifteen percent (15%) of the rentable area at the Improvements, but not for any Major Tenant. If Seller subsequently obtains an estoppel certificate meeting the requirements of Section 7.2(a) hereof from a Tenant for which Seller had delivered Seller Certificate, the delivered Seller Certificate will be null and void, and Purchaser will accept such estoppel certificate in its place.

Section

7.3

Easement Estoppels. It will be a condition precedent to Purchaser’s obligation to close the transactions contemplated herein that Seller obtains and delivers to Purchaser estoppel certificates from each third party beneficiary under the REAs (each, an “**Easement Estoppel Certificate**”) in substantially the form of the estoppel certificate attached hereto as **Exhibit C-4**, with such modifications as Purchaser shall reasonably request in writing on or before five (5)

Business Days after the Effective Date. Such Easement Estoppel Certificate shall not disclose: (i) any failure to pay any assessment or other financial obligation under an REA, or (ii) any alleged material default or unfulfilled material obligation. Notwithstanding anything contained herein to the contrary, in no event shall Seller's failure to obtain the Easement Estoppel Certificates in accordance with the provisions of this Section 7.3 constitute a default by Seller under this Agreement. Purchaser's sole and exclusive remedy for a failure of the condition to obtain the Easement Estoppel Certificates shall be to terminate this Agreement, in which event the Earnest Money Deposit shall be paid to Purchaser.

Section

7.4

OFAC.

(f)

Pursuant to United States Presidential Executive Order 13224 (the "**Executive Order**"), Seller is required to ensure that it does 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 Seller learns that Purchaser is, becomes, or appears to be a Blocked Person, Seller 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 Seller determines that Purchaser is or becomes a Blocked Person and Purchaser has not corrected the situation within five (5) days, Seller shall have the right to immediately terminate this Agreement, and take all other actions necessary, or in the opinion of Seller, appropriate to comply with applicable law, Purchaser shall receive a return of the Refundable Portion of the Additional Deposit, and the Hard Portion of the Earnest Money Deposit shall be paid to Seller. The provisions of this Section 7.4(a) will survive termination of this Agreement.

(g)

Pursuant to the Executive Order, Purchaser is required to ensure that it does not transact business with a Blocked Person. If Purchaser learns that Seller is, becomes, or appears to be a Blocked Person, Purchaser may delay the sale contemplated by this Agreement pending its conclusion of its investigation into the matter of Seller's status as a Blocked Person. If Purchaser determines that Seller is or becomes a Blocked Person and Seller has not corrected the situation within five (5) days, Purchaser shall have the right to immediately terminate this Agreement and take all other actions necessary, or in the opinion of Purchaser, appropriate to comply with applicable law and the Earnest Money Deposit shall be paid to Purchaser. The provisions of this Section 7.4 (b) will survive termination of this Agreement.

ARTICLE VIII

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REPRESENTATIONS AND WARRANTIES

Section

8.1

Seller's Representations and Warranties. The following constitute the sole representations and warranties of Seller with respect to the purchase and sale of the Property contemplated hereby. Subject to the limitations set forth in Article XVI of this Agreement, Seller represents and warrants to Purchaser the following as of the Effective Date:

(j)

Status. Seller is a limited liability company duly organized and validly existing under the laws of the State of Delaware.

(k)

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

(l)

Non-Contravention. The execution and delivery of this Agreement by Seller and the performance by Seller of Seller's 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 Seller, 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 Seller is a party or by which it is bound.

(m)

Consents. No consent, waiver, approval or authorization is required from any person or entity (that has not already been obtained) in connection with the execution and delivery of this Agreement by Seller or the performance by Seller of the transactions contemplated hereby.

(n)

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 Seller's Knowledge, threatened (in writing) against the Property, Seller relating to the Property, or Seller's ownership or operation of the Property, including without limitation, condemnation, takings by an Authority or similar proceedings.

(o)

No Bankruptcy. 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, and Seller has received no written notice of and has no knowledge of (i) the filing of any involuntary petition by Seller's creditors, (ii) the appointment of a receiver to take possession of all, or substantially all, of Seller's assets, or (iii) the attachment or other judicial seizure of all, or substantially all, of Seller's assets.

(p)

Non-Foreign Entity. 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.

(q)

Tenant Leases and Tenants. As of the Effective Date, the list of Tenants set forth on **Exhibit F-1** attached hereto constitutes all of the Tenants under Tenant Leases affecting the Real Property and Improvements. As of the Effective Date, there are no leases or occupancy agreements affecting the Real Property and Improvements other than the Tenant Leases listed on **Exhibit F-1**. The copies of the Tenant Leases that have been provided or made available to Purchaser are true, correct and complete in all material respects. All Tenant Deposits currently held by Seller as of the Effective Date, are set forth on **Exhibit F-2**. Except as disclosed on **Exhibit F-3**, Seller has not received written notice of any uncured material default by any party under any Tenant Lease.

(r)

Service Contracts; Commission Agreements. The Documents made available to Purchaser pursuant to Section 5.2(a) hereof include copies of all Service Contracts listed on **Exhibit B-1** under which Seller is currently paying for services rendered in connection with the Property, including all of the commission agreements listed on **Exhibit D**. As of the Effective Date, **Exhibit B-1** is a true and correct list of the Service Contracts in effect as of the date hereof and Seller has delivered or made available to Purchaser for review, true and complete copies of all Service Contracts, as set forth on **Exhibit B-1**. 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 Seller has delivered or made available to Purchaser for review, true and complete copies of all commission agreements set forth on **Exhibit D**. Except as disclosed on **Exhibit B-1**, Seller has not received written notice of any uncured material default by any party under any Service Contract.

(s)

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.

(t)

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

(u)

Employee Matters. Seller has no employees at the Property.

(v)

Prohibited Persons. Neither Seller, nor any Affiliate of Seller nor any Person that directly or indirectly owns ten percent (10%) or more of the outstanding equity in 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.

(w)

Violations. Except as disclosed to Purchaser, Seller has not received written notice from any Authority regarding a violation of Government Regulations, including Environmental Laws, which remain uncured.

(x)

Purchase Options. Seller has not granted a right to purchase the Property, including a right of refusal to purchase the Property, except to Purchaser pursuant to this Agreement.

Section

8.2

Purchaser's Representations and Warranties. Purchaser represents and warrants to Seller the following:

(c)

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

(d)

Authority; Enforceability. The execution and delivery of this Agreement and the performance of Purchaser's obligations hereunder have been 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.

(e)

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.

(f)

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

(g)

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.

(h)

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

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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, Seller 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 Seller given not later than ten (10) days after receipt of Seller’s notice. If this Agreement is terminated, the Earnest Money Deposit will be returned to Purchaser upon Purchaser’s compliance with Section 4.6 and thereafter neither Seller 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, Seller will not be obligated to repair such damage or destruction, but (a) Seller 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 Seller 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 Seller 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.

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 Seller will not be obligated to repair such damage or destruction, but (a) Seller 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 Seller 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 Seller 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.

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 Seller 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 Seller written notice within ten (10) days after receipt of Seller's 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, the Seller 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 4.6 and neither Seller 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 Seller to Purchaser will occur on the Closing Date, TIME BEING OF THE ESSENCE, through the escrow established with the Title Company pursuant to a “New York style” closing. Seller shall have the right to extend the Closing Date one or more times, to a date no later than August 31, 2016 to the extent deemed necessary by Seller to satisfy Closing conditions. Purchaser shall have the one-time right to extend the Closing Date to August 22, 2016, by delivering written notice of such election to Seller on or before August 3, 2016. 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 4.4, for delivery to Seller 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)

One (1) counterpart of any required state, county, or municipal transfer declaration form, duly executed by Purchaser;

(e)

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

(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; and

(g)

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.

Section

10.3

Seller’s Closing Obligations. Seller, at its sole cost and expense, will deliver (i) the following items (a), (b), (c), (d), (e), (f), (g), (k), (l), (m) and (n) in escrow with the Title Company pursuant to Section 4.4 on or before the Deposit Time, and (ii) upon receipt of the Purchase Price, Seller shall deliver items (h), (i) and (j) to Purchaser at the Property:

(a)

A special warranty deed substantially in the form attached hereto as Exhibit I (the “**Deed**”), duly executed and acknowledged by Seller conveying to Purchaser the Real Property and the Improvements, which Deed shall be delivered to Purchaser by the Title Company agreeing to cause same to be recorded in the Official Records, along with a separate unrecorded statement of documentary transfer tax duly executed by Seller and attached to the Deed and a water certification from the City of Chicago;

(b)

Four (4) counterparts of the General Conveyance, Bill of Sale and Assignment and Assumption substantially in the form attached hereto as **Exhibit H** (the “**General Conveyance**”) duly executed by Seller;

(c)

One (1) counterpart of the form of Tenant Notice Letters, duly executed by Seller;

(d)

One (1) counterpart of any required state, county or municipal transfer declaration form, duly executed by Seller;

(e)

Evidence reasonably satisfactory to the Title Company that the person executing the Closing Documents on behalf of Seller has full right, power and authority to do so;

(f)

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

(g)

The Tenant Deposits, at Seller’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 Seller 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 Seller 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. Seller 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. To the extent not the obligation of the Tenant under the applicable Lease, Seller 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 Seller's possession and control;

(j)

All keys to the Improvements which are in Seller's possession for the Property;

(k)

Such other transfer and tax forms, if any, as may be required by state and local Authorities;

(l)

A Statement Required for the Issuance of an ALTA Owners Policy in the form attached hereto as **Exhibit K**;

(m)

A GAP undertaking in a form reasonably acceptable to the Title Company;

(n)

A reaffirmation of Seller's representations and warranties confirming that they are true and correct as of the Closing Date; and

(o)

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, Seller in a manner not otherwise provided for herein).

Section

10.4

Prorations.

(e)

Seller and Purchaser agree to adjust, as of 11:59 p.m. on the day immediately preceding 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 so that such proration pursuant to this Section 10.4(a) shall be with respect to taxes payable in the year in which Closing occurs and not the taxes attributable to such year but payable the following year, (i.e. 2015 real estate taxes paid or to be paid in 2016), 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 366 day year, actual days elapsed). Purchaser shall assume the obligation to pay all 2015 real estate taxes (payable in 2016) which have not been paid as of Closing. In calculating the proration of the 2015 real estate taxes (payable in 2016), the full amount of the 2015 real estate taxes (payable in 2016) shall be prorated between Seller and Purchaser giving credit for payments of such real estate taxes made by Seller or to be made by Purchaser. Seller 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. Purchaser shall be solely responsible for real estate taxes for the year 2016 (i.e. taxes and assessments due and payable in 2017). Such preliminary estimated Closing prorations shall be set forth on a preliminary closing statement to be prepared by Seller and submitted to Purchaser for Purchaser's approval (which approval shall not be unreasonably withheld) three (3) Business Days prior to the Closing Date (the "**Closing Statement**"). The Closing Statement, once agreed upon, shall be signed by Purchaser and Seller 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 Seller (if the preliminary prorations result in a net credit to Seller) or by Seller 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 Seller 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 Seller's 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). Seller 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 (except for real estate taxes which shall be handled as otherwise provided here in) shall be made by Purchaser and Seller on or before the date that is ninety (90) days following the Closing Date, but in no event later than December 15, 2016 (herein, the "**Final Proration Date**"); provided that such reconciliation, as it relates to real estate taxes payable in 2016 shall be made within thirty (30) days following the issuance of the second installment 2015 tax bills for the Real Property (but in no event later than December 15, 2016) and provided further, that any reevaluation of Tax Recoveries shall be made within the time frames set forth in Section 10.4(c)(ii) below. The provisions of this Section 10.4 (excluding subsection (e) which is governed by Section 3.2 above, and excluding the reevaluation of Tax Recoveries, which shall be governed by Section 10.4(c)(ii) below) 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.

(f)

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 Seller and attributable to any period following the Closing Time; provided, however, that Rentals on account of contributions toward real estate taxes shall be prorated and accounted for as described in Section 10.4(c)(ii) below. After the Closing, Seller will cause to be paid or turned over to Purchaser all Rentals, if any, received by Seller after Closing and properly attributable to any period following the Closing Time (provided that, as described in the preceding sentence, Rentals on account of contributions toward real estate taxes shall be prorated and accounted for as described in Section 10.4(c)(ii) below). “**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 applicable 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. Delinquent Rentals will not be prorated. For a period which is the earlier of (i) December 15, 2016 or (ii) six (6) months after Closing, 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 Seller by Tenants of the Property. Seller shall have the right to pursue Delinquent Rentals after Closing. With respect to any Delinquent Rentals received by Purchaser on or prior to December 15, 2016 (the “**Delinquent Rental Proration Period**”), Purchaser shall pay to Seller any rent or payment actually collected during the Delinquent Rental Proration Period properly attributable to the period prior to the Closing Time. All other sums collected by Purchaser during the Delinquent Rental Proration Period, from each Tenant (excluding Tenant payments for Operating Expense Recoveries and Tax Recoveries attributable to the period prior to the Closing Time governed by Section 10.4(c) below 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 Seller in all events, notwithstanding anything herein to the contrary) will be applied first to amounts currently owed by such Tenant to Purchaser (including Delinquent Rentals attributable to the period after the Closing Time), then any collection costs of Purchaser related to such Tenant, and then to prior delinquencies owed by Tenant to Seller. Seller shall be entitled to institute legal actions to pursue Delinquent Rental after Closing, but in no event shall Seller be permitted to institute eviction proceedings against any Tenant. Any sums collected by Purchaser and due Seller will be promptly remitted to Seller, and any sums collected by Seller and due Purchaser will be promptly remitted to Purchaser.

(g)

Reconciliation.

(i)

Seller will prepare a reconciliation as of the Closing Time of the amounts of all billings and charges for operating expenses (excluding any Rentals on account of contributions toward real estate taxes, which shall be prorated and accounted for as described in Section 10.4(c)(ii) below) in excess of the applicable base year, if any, specified in each Tenant Lease (collectively, “**Operating Expense Recoveries**”) for calendar year 2016. If less amounts have been collected from Tenants for Operating Expense Recoveries for calendar year 2016 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 incurred by Seller for calendar year 2016 up to the Closing Time (as prorated pursuant to Section 10.4(a) above), Purchaser will pay such difference to Seller at Closing, as a proration credit, in addition to the Purchase Price. If more amounts have been collected from Tenants for Operating Expense Recoveries for calendar year 2016 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 incurred by Seller for calendar year 2016 up to the Closing Time (as prorated pursuant to Section 10.4(a) above), Seller will pay to Purchaser at Closing as a credit against the Purchase Price such excess collected amount. Any Operating Expense Recoveries payable with respect to the month in which Closing occurs or with respect to any prior month, which have not been paid to Seller as of the Closing Date, shall be treated as Delinquent Rentals as provided above. Purchaser and Seller agree that such proration of Operating Expense Recoveries at Closing for calendar year 2016 will fully relieve Seller from any responsibility to Tenants or Purchaser for such matters subject to Seller’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(a) and (b) dealing with re-prorations and Delinquent Rentals, the foregoing proration will fully relieve Seller 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 2016 for periods before and after Closing, and (ii) where appropriate reimbursing Tenants for amounts attributable to Operating Expense Recoveries for calendar year 2016, as may be necessary based on annual reconciliations for Operating Expense Recoveries for such calendar year.

(ii)

(A)

Rentals on account of contributions toward real estate taxes (“Tax Recoveries”) shall be prorated on a cash basis as provided in this Section 10.4(c) (ii). Purchaser will receive a credit for the prorated amount (determined as of the Closing Time, and prorated based on the number of days remaining in said month from and after the Closing Date) of all Tax Recoveries previously paid to and collected by Seller and attributable to the month in which Closing occurs, which

credit shall be based on the Tax Recoveries paid to Seller as of the Closing Date with respect to such month. Any Tax Recoveries payable with respect to the month in which Closing occurs or with respect to any prior month, which have not been paid to Seller as of the Closing Date, shall be treated as Delinquent Rentals as provided above. Seller shall be entitled to retain all Tax Recoveries payable by Tenants during all months prior to the month in which Closing occurs, and Purchaser shall be entitled to retain all Tax Recoveries payable by Tenants during all months following the month in which Closing occurs, with Tax Recoveries payable by Tenants during the month in which Closing occurs being equitably adjusted between the parties based on the number of days preceding, and occurring from and after, Closing as provided above.

(B)

With respect to those Tenants making payments of Tax Recoveries on a cash basis under their respective Leases (i.e., meaning that such Tenants are responsible for making Tax Recovery rental payments during 2016 relative to real estate taxes due and owing in calendar year 2016), Purchaser and Seller shall reconcile such amounts between themselves at Closing (if the final installment tax bill for real estate taxes which are payable in 2016 has then been issued), or within thirty (30) days following the issuance of the final installment tax bill for real estate taxes which are payable in 2016 (if the final installment tax bill for real estate taxes which are payable in 2016 has not been issued as of Closing) and delivery of notice thereof and demand for reconciliation by either party to the other, but in no event later than December 15, 2016 (with Seller owing Purchaser any over collections of Tax Recoveries from such Tenants theretofore paid to Seller and attributable to payments due from such Tenants with respect to the period through the Closing Time and with Purchaser owing to Seller any under collections of such Tax Recoveries theretofore paid to Seller and attributable to the period through the Closing Time).

(C)

With respect to those Tenants making payments of Tax Recoveries on an accrual basis under their respective Leases relative to calendar year 2015 (i.e., meaning that such Tenants are responsible for making Tax Recovery rental payments during 2015 relative to real estate taxes due and owing for calendar year 2015, but payable in calendar year 2016), a reconciliation between Seller and Purchaser shall be made at Closing (if the second installment tax bill for the Real Property payable in 2016 has then been issued), or within thirty (30) days following the issuance of the second installment tax bill for the Real Property payable in 2016 (if the second installment tax bill for the Real Property payable in 2016 has not been issued as of Closing), but in no event later than December 15, 2016, in either case as the full and final reconciliation and adjustment of Tax Recovery rental payments from such accrual-based Tenants relative to calendar year 2015 (with Seller owing Purchaser an amount equal to the total amount any over collections of Tax Recoveries from such Tenants theretofore paid to Seller on account of 2015 real estate taxes (payable in 2016) and with Purchaser owing to Seller an amount equal to the total amount

any under collections of Tax Recoveries from such Tenants theretofore paid to Seller on account of 2015 real estate taxes (payable in 2016)).

(D)

With respect to those Tenants making payments of Tax Recoveries on an accrual basis under their respective Leases relative to calendar year 2016 (i.e., meaning that such Tenants are responsible for making Tax Recovery rental payments during 2016 relative to real estate taxes due and owing for calendar year 2016, but payable in calendar year 2017), a reconciliation between Seller and Purchaser shall be made at Closing as the full and final reconciliation and adjustment with respect to such Tax Recovery rental payments from such accrual-based Tenants paid to Seller relative to calendar year 2016, with Seller giving a proration credit to Purchaser at Closing in the amount of \$205,000.

(E)

Without limitation of the reconciliation of Tax Recoveries between Seller and Purchaser as described above in this Section 10.4(c)(ii), and without limiting the credits and reconciliation of Proration Items attributable to real estate taxes being adjusted between the parties under Section 10.4(a) above or the rights and obligations of the parties with respect to Delinquent Rentals as described in Section 10.4(b) above, it is understood and agreed that Purchaser will be solely responsible, from and after Closing, for collecting from Tenants the amount of any outstanding Tax Recoveries, or paying to Tenants the amount of any over collection of Tax Recoveries and for performing all annual reconciliations thereof with Tenants as provided in their respective Leases for real estate taxes payable in 2016 and 2017.

(h)

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 Seller after the Closing Time but expressly state they are for such specific services rendered by Seller or its property manager prior to the Closing Time, Purchaser shall cause such collected amounts to be paid to Seller, or Seller may retain such payment if such payment is received by Seller after the Closing Time.

(i)

(i) Seller 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 Seller 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). Notwithstanding anything to the contrary set forth herein, with respect to the Leasing Costs attributable to (i) the most recent amendment to the Foran, O'Toole & Burke lease, Seller shall be responsible for the Leasing Costs, and (ii) any amendments entered into after the Effective Date to the Tom Leahy, Peter Hoste, et al. lease and the Steinco, Inc. lease, Purchaser shall be responsible for the Leasing Costs.

Section

10.5

Delivery of Real Property. Upon completion of the Closing, Seller 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 all endorsements to the Title Policy not paid by Seller pursuant to Section 10.6(b), (ii) all premiums and other costs for any mortgagee policy of title insurance, including any endorsements or deletions, (iii) Purchaser's attorney's fees, (iv) any costs of updating the Updated Survey, (v) 1/2 of all of the Title Company's escrow (including the New York style closing) and closing fees, if any, (vi) the costs of recording any mortgages and related documents, (vii) any costs of recording the Deed, and (viii) that portion of the transfer tax imposed upon buyers by the City in which the Real Property is located;

(b)

Seller will pay (i) the premium for the basic Title Policy, extended coverage including the cost of extended coverage and the cost of any endorsement with respect to matters for which Seller has agreed to obtain affirmative insurance pursuant to Section 6.2, (ii) the cost of the Updated Survey, (iii) 1/2 of all of the Title Company's escrow (including the New York style closing) and closing fees, (iv) Seller's attorneys' fees, (v) the portion of the transfer tax imposed by the City in which the Real Property is located equal to \$1.50 per \$500 of taxable value (i.e., being the so-called "C.T.A. portion" of the city-imposed transfer taxes), and (vi) any transfer taxes imposed by the county and state in which the Real Property is located;

(c)

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

(d)

If the Closing does not occur on or before the Closing Date 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 UPS or other nationally-recognized messenger service or certified mail, return receipt requested) a written notice executed by Purchaser and Seller (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 Seller 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 in this Agreement, 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 Seller, and all of which shall be deemed waived upon Closing:

(a)

Seller shall have performed in all material respects each of the obligations of Seller set forth in Section 10.3 as of the Closing Date;

(b)

The Title Company shall be irrevocably committed to issue the Title Policy and all Required Endorsements, subject to Section 6.3;

(c)

Purchaser shall have received the Acceptable Estoppel Certificates to the extent required under Section 7.2 and the Easement Estoppel Certificates required under Section 7.3; and

(d)

Subject to Section 10.9, Seller’s representations and warranties made in Section 8.1 shall be true and correct in all material respects as of the Closing and shall be deemed remade on the Closing Date, except for those representations and warranties that expressly 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 Seller in Section 8.1 to reflect (i) new Tenant Leases, Tenant Lease amendments, new Service Contracts, and/or Service Contract amendments, executed by Seller in accordance with this Agreement, (ii) any action taken by Seller 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 Two Hundred Fifty Thousand Dollars (\$250,000), in the aggregate.

Authorized Qualifications and Immaterial Events shall not constitute a default by Seller or a failure of a condition precedent to Closing. If between the Effective Date and the Closing Date, facts are discovered or events occur that 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 Seller under this Agreement, such failure shall not constitute a breach of this Agreement, and following Seller's 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 Seller); 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 ten (10) 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 paid to Purchaser, and the parties shall have no further obligations or liabilities hereunder, except for the Termination Surviving Obligations.

Section

10.9

Breaches of Seller's Representations Prior to Closing.

(a)

If, prior to the Closing, there occurs or exists a breach of a representation or warranty of Seller that in the aggregate with all other such breaches has the effect of constituting Authorized Qualifications and/or Immaterial Events, then Purchaser shall have no remedy therefor and must proceed to the Closing with no adjustment of the Purchase Price and Seller shall have no liability therefor. If, prior to the Closing, there occurs a breach (which does not constitute an Authorized Qualification) for which the damage from all its Claims for all breaches in the aggregate are in an amount that exceeds Two Hundred Fifty Thousand Dollars \$250,000 (a "**Material Breach**"), then Purchaser may, as its sole and exclusive remedy, upon the delivery of written notice of such breach to Seller either (i) proceed to close the purchase of the Property without adjustment of the Purchase Price on account of such asserted breach (and with no liability to Seller) and waive any claims against Seller for such Claims with respect to such Material Breach or (ii) terminate this Agreement by the giving of the written notice to Seller of same, which termination shall be effective upon the expiration of the Termination Nullification Period (defined below) unless Seller has theretofore given a Termination Nullification Notice as provided below. If Purchaser has elected to terminate this Agreement pursuant to Section 10.9(a)(ii) above, then the Earnest Money Deposit shall be paid to Purchaser. If the breaches are a result of Seller's default, in addition to the payment of the Earnest Money Deposit to Purchaser, Seller shall be obligated to reimburse Purchaser for its reasonable out of pocket costs incurred in connection with this Agreement or the Property (including but not limited to its legal fees and expenses in connection with the negotiation of this Agreement, and its due diligence costs in regards to the Property), not to exceed, however, Two Hundred Thousand Dollars (\$200,000) in the aggregate. Notwithstanding Purchaser's election to terminate this Agreement, Seller may nullify such termination within ten (10) Business Days after receipt by Seller of such notice from Purchaser (or earlier if the Closing Date) electing to terminate this Agreement (the "**Termination Nullification Period**") by (x) delivering to Purchaser a notice nullifying such termination (a "**Termination Nullification Notice**") and (y) either (1) crediting the Purchase Price in the amount of the alleged Claims (the "**Material Breach Credit**"), in which event

Purchaser shall be required to purchase the Property without further adjustment to the Purchase Price under this Section 10.9 or (2) if Seller disputes that Purchaser is entitled to terminate this Agreement under this Section 10.9 because Seller asserts that either (I) no such breach has occurred or exists, (II) the asserted breach is not a Material Breach and/or (III) the amount of the alleged Claims exceeds the diminution in the value of the Property or other loss, damage, cost or expense directly resulting from such breach (a “**Claim Dispute**”), Seller may deliver a Claims Dispute Notice (as defined below) and deposit with Title Company upon Closing as described in Section 10.9(b) below, an amount equal to the Material Breach Credit, in which event Purchaser shall be required to close the purchase of the Property without further adjustment of the Purchase Price, and such dispute shall be resolved after Closing pursuant to Section 10.9(c) below. Notwithstanding the foregoing, Seller shall not have the right to give a Termination Nullification Notice if the total amount of all alleged Claims exceeds One Million Dollars (\$1,000,000) in Purchaser’s good faith and reasonable estimate.

(b)

If, prior to the Closing, Purchaser serves a notice of a Claim asserting a Material Breach and Seller has given a Termination Nullification Notice in accordance with Section 10.9(a), Seller may dispute such notice of a Claim by delivering written notice to Purchaser in the manner herein provided (a “**Claim Dispute Notice**”). A Claim Dispute Notice shall be given at or prior to the Closing. If Seller has given a Termination Nullification Notice but does not deliver a Claim Dispute Notice, then the parties shall proceed with the Closing as described in Section 10.9 (a) and the Purchase Price shall be reduced by the Material Breach Credit; provided that Seller shall not be obligated to deposit any amounts with the Title Company at the Closing. If Seller has given a Termination Nullification Notice and delivers a Claim Dispute Notice, then Seller shall deposit with Title Company at the Closing an amount equal to the Material Breach Credit (the “**Escrow Funds**”), to be held in escrow pending a resolution of the Claim Dispute by the Arbiter in accordance with the terms set forth in an escrow agreement to be entered into by the parties at the Closing, the form of which to be reasonably agreed by the parties on or before Closing, until the earlier to occur of (i) written agreement of Seller and Purchaser with respect to the disposition of the Escrow Funds, or (ii) a resolution of the Claim Dispute made by the Arbiter pursuant to Section 10.9(c) below. Seller may direct that a portion of the Purchase Price to be paid at Closing be paid to Title Company to serve as the Escrow Funds. Provided Seller has deposited the Escrow Funds with Title Company pending resolution of the Claim Dispute as hereinabove provided, Purchaser shall be required to close title to the Property without adjustment of the Purchase Price on account of the breach in the Claim Dispute.

(c)

The Claim Dispute as set forth in Seller’s Claim Dispute Notice shall be resolved by the arbitration procedure set forth below. Seller shall within ten (10) Business Days after the Closing submit in writing to Purchaser (i) the amount, if any, by which Seller believes the total value of the Property has been diminished or such other loss, damage, cost or expense by reason of the breach claimed by Purchaser (“**Seller’s Claimed Damage**”) or (ii) that Seller believes no reduction of the value of the Property or such other loss, damage, cost or expense has occurred. The parties shall attempt in good faith to agree upon an individual acceptable to each party to act as arbiter (the “**Arbiter**”) of the Claim Dispute. If, after expiration of twenty (20) days following

Seller's delivery of a Claim Dispute Notice, the parties are unable to agree upon the selection of the Arbiter, either party may request that an office of the American Arbitration Association in the city and/or county in which the Property is located select a retired jurist or other individual having substantial experience in dispute resolution of commercial real estate matters (who is impartial and has no existing or historical personal or professional relationship with Seller, Purchaser or their respective affiliates) to act as Arbiter. Within ten (10) days after selection of an Arbiter, each party shall deliver to the Arbiter all instruments, documents and other materials forming the basis for the existence or non-existence of a breach or the calculation of the amount of the Claims alleged by Purchaser ("**Purchaser's Claimed Damage**") or Seller's Claimed Damage, as applicable. Within twenty (20) days of receipt of the submission of such documents and other instruments from both Seller and Purchaser, the Arbiter shall determine whether (x) such a breach has occurred, (y) if so, whether the same constitutes a Material Breach and (z) if a Material Breach has occurred, which of the Purchaser's Claimed Damage or Seller's Claimed Damage most closely reflects the actual diminution, if any, in the value of the Property resulting from the Material Breach found to exist. If the Arbiter determines that a Material Breach has occurred, the Arbiter shall have no authority to select an amount which is not either the Purchaser's Claimed Damage or Seller's Claimed Damage (the amount actually selected by the Arbiter whether none (if no Material Breach occurred), the Purchaser's Claimed Damage or the Seller's Claimed Damage is hereinafter referred to as the "**Final Damage**"). If the determination of the Arbiter hereunder is that there did not occur a Material Breach, the entire amount of the Escrow Funds shall be paid to Seller in accordance with the Escrow Agreement. If the determination by the Arbiter is that a Material Breach exists and the Arbiter selects (1) the Purchaser's Claimed Damage, then the Escrow Funds shall be paid to the Purchaser in accordance with the Escrow Agreement or (2) Seller's Claimed Damage, then a portion of the Escrow Funds in the amount of Seller's Claimed Damages shall be paid to the Purchaser and the balance of the Escrow Funds shall be paid to Seller, in each case in accordance with the escrow agreement to be agreed by the parties. The determination of the Arbiter hereunder shall be final and binding in all respects against all parties to this Agreement. Purchaser shall in no event be entitled to a credit or any other recourse against Seller for any sum in excess of the Escrow Funds with respect to any Material Breach. The costs and expenses of arbitration hereunder (including the fees and disbursements of the Arbiter) shall be paid by the party whose calculation of diminution in value of the Property resulting from the subject breach shall not have been selected, (i.e. if the Arbiter finds in favor of Seller's Claimed Damage, Purchaser shall pay the arbitration costs and if the Arbiter finds in favor of the Purchaser's Claimed Damage, Seller shall pay the arbitration costs), or if the dispute is as to the existence of such a breach, such costs shall be paid by the losing party. Notwithstanding the foregoing, if interim payments are required to be made on account of such costs prior to the determination by the Arbiter, such interim payments shall be funded equally by Seller and Purchaser, subject to reimbursement of the prevailing party by the losing party upon the Arbiter's final determination hereunder.

(d)

Notwithstanding anything to the contrary herein contained, from and after the date of Closing, with respect to any asserted breach of Seller's representations and warranties, Seller shall have no liability to Purchaser with respect to such breach if Purchaser has received a credit against the Purchase Price with respect to such breach whether pursuant to this Section 10.9 above or otherwise, or there is pending a Claim Dispute with respect to such breach in respect of

which there have been deposited Escrow Funds pursuant to this Section 10.9(b) above on account of such asserted breach (except, in the case of such a Claim Dispute, for the Purchaser's Claimed Damage or Seller's Claimed Damage as determined pursuant Section 10.9(c)).

Section

10.10

General Conditions Precedent to Seller's Obligations Regarding the

Closing. In addition to the conditions to Seller's obligations set forth in this Agreement, the obligations of Seller 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 Seller 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, as of the Closing Date.

(b)

The representations and warranties of Purchaser made in Section 8.2 shall be true and correct in all material respects.

Section

10.11

Failure of Condition. If any condition precedent to Seller's obligation to effect the Closing (as set forth in Section 10.10) is not satisfied, then Seller 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 Seller and Title Company, subject to section 10.9. If this Agreement is so terminated, Purchaser shall be entitled to receive the Earnest Money Deposit (including both the Initial Deposit and the Additional Deposit and all accrued interest thereon), and neither party 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 Seller or Purchaser hereunder, then Article XIII shall govern and this Section 10.11 shall not apply.

ARTICLE XI

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BROKERAGE

Section

11.1

Brokers. Seller agrees to pay to CBRE, Inc. ("**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 Seller to Broker will fully satisfy the obligations of the Seller for the payment of a real estate commission hereunder. Other than as stated in the first sentence of this Section 11.1, Purchaser and Seller represent and warrant to the other 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 and Seller will

indemnify, defend and hold the other party 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

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CONFIDENTIALITY

Section

12.1

Confidentiality. Seller and Purchaser each expressly acknowledges and agrees 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, and shareholders, and except and only to the extent that such disclosure may be necessary for their respective 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 Seller. Nothing contained in this Article XII will preclude or limit either 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 thereof so that the other party 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 Seller, and entities which directly or indirectly own the equity interests in Seller, 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 Seller 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 both parties or as sooner required by law. The provisions of this Article XII will survive any termination of this Agreement.

ARTICLE XIII

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REMEDIES

Section**13.1****Default by Seller.**

(j)

If Closing of the purchase and sale transaction provided for herein does not occur as herein provided by reason of any default of Seller, Purchaser may, as Purchaser's sole and exclusive remedies, elect by written notice to Seller 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 Seller 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 Seller shall be filed and served within thirty (30) days of the scheduled Closing Date, and, in either event, Purchaser hereby waives all other remedies, including without limitation, any claim against Seller 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 Seller 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 Seller's 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 Seller 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 SELLER AGREE IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO FIX THE DAMAGES WHICH SELLER MAY SUFFER. PURCHASER AND SELLER HEREBY AGREE THAT (i) AN AMOUNT EQUAL TO THE EARNEST MONEY DEPOSIT, INCLUDING BOTH THE INITIAL DEPOSIT AND THE ADDITIONAL DEPOSIT, TOGETHER WITH ALL INTEREST ACCRUED THEREON, IS A REASONABLE ESTIMATE OF THE TOTAL NET DETRIMENT SELLER WOULD SUFFER IN THE EVENT PURCHASER DEFAULTS AND FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY, AND (ii) SUCH AMOUNT SHALL BE PAID TO SELLER 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 SELLER'S SOLE AND EXCLUSIVE REMEDY (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 SELLER AND PURCHASER WILL HAVE NO FURTHER RIGHTS OR OBLIGATIONS HEREUNDER, EXCEPT WITH RESPECT TO THE TERMINATION

SURVIVING OBLIGATIONS; PROVIDED THAT IF PURCHASER DOES NOT CLOSE BECAUSE ITS LENDER FAILS TO CLOSE THE FINANCING (REGARDLESS OF THE REASON), THEN ONLY THE HARD PORTION OF THE EARNEST MONEY DEPOSIT SHALL BE PAID TO SELLER AND THE REFUNDABLE PORTION OF THE ADDITIONAL DEPOSIT SHALL BE PAID TO PURCHASER. NOTWITHSTANDING THE FOREGOING, NOTHING CONTAINED IN THIS SECTION 13.2 HEREIN WILL LIMIT SELLER'S REMEDIES AT LAW, IN EQUITY OR AS HEREIN PROVIDED IN THE EVENT OF A BREACH BY PURCHASER OF ANY OF THE CLOSING SURVIVING OBLIGATIONS AFTER CLOSING OR THE TERMINATION SURVIVING OBLIGATIONS AFTER TERMINATION.

Section

13.3

Consequential and Punitive Damages. Each of Seller and Purchaser waives any right to sue the other for any consequential or punitive damages for matters arising under this Agreement (it being understood that each of Seller and Purchaser has waived the right to obtain incidental, special, exemplary or consequential damages in connection with any default of Purchaser or Seller 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

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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: DIVERSIFIED 321 NORTH CLARK LLC
c/o Diversified Real Estate Capital LLC
111 S. Wacker Drive, Suite 3975
Chicago, IL 60606
Attn: Michael Miller
Email: MMiller@drecapital.com

and

HINES INTERESTS LIMITED PARTNERSHIP
One S. Dearborn Street, Suite 2000
Chicago, IL 60603
Attn: Thomas J. Danilek
Email: Tom.Danilek@Hines.com

with copy to: Reed Smith LLP
10 S. Wacker Drive, Suite 4000
Chicago, IL 60606
Attn: Stephen R. Miller
Fax: (312) 207-6400
Email: SRMiller@reedsmith.com

To Seller: HINES REIT 321 NORTH CLARK LLC
c/o Hines Advisors Limited Partnership
2800 Post Oak Boulevard, Suite 4800
Houston, Texas 77056
Attn: Kevin McMeans
Email: kevin.mcmeans@hines.com

with copy to: HINES REIT 321 NORTH CARK LLC
c/o Hines Advisors Limited Partnership
2800 Post Oak Boulevard, Suite 4800
Houston, Texas 77056
Attn: Jason P. Maxwell – General Counsel
Email: jason.maxwell@hines.com

with copy to: Baker Botts L.L.P.
2001 Ross Avenue, Suite 600
Dallas, Texas 75201
Attn: Jonathan W. Dunlay
Email: jon.dunlay@bakerbotts.com

ARTICLE XV

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ASSIGNMENT AND BINDING EFFECT

Section

15.1

Assignment; Binding Effect. Except as provided herein, Purchaser will not have the right to assign this Agreement without Seller's prior written consent, to be given or withheld in Seller's sole and absolute discretion. Notwithstanding the foregoing, Purchaser may assign its rights and obligations under this Agreement to an entity formed for the acquisition in

which Purchaser is an owner without the consent of Seller, provided that such assignee agrees to assume all of Purchaser's obligations hereunder in which event the assignee will be substituted for Purchaser and Purchaser will have no further obligations hereunder. This Agreement will be binding upon and inure to the benefit of Seller 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 Seller 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 and warranties of Seller set forth in this Agreement, in any Seller Certificate, and in any Closing Document (as defined below), will survive the Closing until December 15, 2016 (the "**Survival Period**"). The Closing Surviving Obligations and Seller's liability thereunder will survive Closing for the Survival Period unless a specified period is otherwise provided in the applicable Closing Surviving Obligation. All other representations, warranties, covenants and agreements made or undertaken by Seller 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. Notwithstanding the immediately preceding sentence or any other provision herein to the contrary, if Seller 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 Seller that are covered in such estoppel certificate shall be null and void, and Purchaser shall accept such estoppel certificate in its place.

(b)

Purchaser shall not have any right to bring any action against Seller 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 Seller to perform its 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 Two Hundred Fifty Thousand Dollars (\$250,000), and then for the full amount of liability and losses from dollar one. In addition, in no event will Seller's liability for all such untruths, inaccuracies, breaches, and/or failures under Sections 8.1, any other provision of this Agreement, any Seller Certificate, or under

any Closing Documents (excluding Seller's 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.

(c)

Notwithstanding anything to the contrary contained in this Agreement, Seller shall have no liability with respect to a breach of a Seller's representations, warranties and covenants herein if, prior to the Closing, Purchaser has actual knowledge of any such breach of a representation, warranty or covenant of Seller herein, or Purchaser obtains actual knowledge (from whatever source, including, without limitation, any tenant estoppel certificates, as a result of Purchaser's review of the items set forth in Sections 5.1 and 5.2, and its due diligence tests, investigations and inspections of the Property, or written disclosure by Seller or Seller's agents and employees) that contradicts any of Seller's representations, warranties or covenants herein, and Purchaser nevertheless consummates the transaction contemplated by this Agreement. For the purposes of this Section 16.1(c), the "actual knowledge" of Purchaser shall mean and refer to the actual (as opposed to constructive or imputed) knowledge solely of Thomas J. Danilek, without any independent investigation of inquiry whatsoever.

(d)

The limitations on Seller's 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

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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 Seller 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 Seller, 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, photostatting, 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

17.3

Time of Essence. Seller 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.

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 Purchaser or Seller 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 OF ILLINOIS. 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 COOK COUNTY, ILLINOIS, 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 **K**, 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 Seller and Purchaser with respect to the Property to be conveyed as contemplated hereby.

Section

17.14

Limitations on Benefits. It is the explicit intention of Purchaser and Seller that no person or entity other than Purchaser and Seller 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 Seller 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 Seller expressly reject any such intent, construction or interpretation of this Agreement.

Section**17.15**

Exculpation. In no event whatsoever shall recourse be had or liability asserted against any of Purchaser or Seller's partners, members, shareholders, employees, agents, directors, officers or other owners of Purchaser or Seller or their respective constituent members, partners, shareholders, employees, agents directors, officers or other owners. Purchaser and 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 Seller or 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.

Section**17.17**

Illinois Tax Withholding. Subject to the terms of the last sentence of this Section 17.17, on or before Closing Seller shall deliver to Purchaser either (A) (i) a release letter or other certificate or notice issued to Purchaser by the Illinois Department of Revenue evidencing that Purchaser has no liability for the payment of any of Seller's assessed but unpaid taxes, penalties or interest due under the Illinois Income Tax Act, 35 ILCS 902(d) (the "**State Bulk Sales Acts**"); (ii) a release letter or other certificate or notice from the Cook County Department of Revenue evidencing that Purchaser has no liability for the payment of any of Seller's assessed but unpaid taxes, penalties or interest due under Article III, Section 34-92 of the Code of Ordinances of Cook County, Illinois (the "**County Bulk Sales Ordinance**"); and (iii) a release letter or other certificate or notice from the City of Chicago Department of Finance Tax Division, Bulk Sales Unit pursuant to Section 3-4-140 of the Uniform Revenue Procedures Ordinance (the "**City Bulk Sales Ordinance**") evidencing that Purchaser has no liability for the payment of any of Seller's assessed but unpaid taxes, penalties or interest due thereunder, or (B) in the absence of any such release letters or other certificates or notices under any of subclauses (i), (ii) and/or (iii) of the preceding clause (A), then Purchaser may, at the Closing, deduct and withhold from the proceeds that are due to Seller the amount necessary to comply with the withholding requirements imposed by the State Bulk Sales Act, the County Bulk Sales Act or the City Bulk Sales Ordinance. Purchaser shall deposit the amounts withheld in escrow with the Title Company, as escrowee, pursuant to terms and conditions acceptable to Seller and Purchaser, but in any event complying with the State Bulk Sales Act, the County Bulk Sales Act and the City Bulk Sales Ordinance. Seller will apply for the tax clearances contemplated by this paragraph within five (5) Business Days of execution of this Agreement. Notwithstanding the foregoing provisions of this Section 17.17, Seller may, at its option, in lieu of the foregoing deliveries or withholdings described in clauses (A) and (B) above and in full satisfaction of the requirements of this Section 17.17, provide Purchaser with an indemnity agreement, in form and substance reasonably satisfactory to Purchaser, pursuant to which Seller indemnifies Purchaser with respect to all liabilities which may be imposed upon Purchaser as a result of the State Bulk Sales Act, the County Bulk Sales Act or the City Bulk Sales Ordinance;

however, if Seller subsequently obtains a certificate from the Illinois Department of Revenue, the Cook County Department of Revenue and/or the City of Chicago Department of Finance Tax Division, Bulk Sales Unit indicating that Purchaser is not required to hold back any such sales proceeds, then the aforementioned indemnity agreement for the particular certificate shall be null and void.

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

PURCHASER:

DIVERSIFIED 321 NORTH CLARK LLC,
a Delaware limited liability company

By: Diversified Real Estate Capital, LLC
West Resources LLC
/s/ Michael L. Miller
Name: Michael L. Miller
Title: Manager

SELLER:

HINES REIT 321 NORTH CLARK LLC,
a Delaware limited liability company

By: /s/ Kevin L. McMeans

Name: Kevin L. McMeans

Title: Manager

JOINDER BY TITLE COMPANY

Chicago Title Insurance Company, referred to in this Agreement as the “Title Company,” hereby acknowledges that it received this Agreement executed by Seller and Purchaser on the 27th day of May, 2016, 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.

CHICAGO TITLE INSURANCE COMPANY

By: /s/ Andres R. Bardelas

Printed Name: Andres R. Bardelas

Title: AVP

Escrow: 201603138-001

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 Seller 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 Seller in Article V and (iii) is duly licensed and authorized to do business in the State of Illinois.

CBRE, INC.

Date: May 27, 2016

By: /s/ Jeremiah Olsen

Printed Name: Jeremiah Olsen

Title: Financial Analyst

Address: 321 N. Clark Street, 34th Floor
Chicago, IL 60654

License No.: 475157802

Tax ID. No.: 95-2743174

AGREEMENT OF SALE AND PURCHASE

BETWEEN

HR VENTURE PROPERTIES I LLC,

a Delaware limited liability company

as Seller

AND

NEW MARKET PROPERTIES, LLC,

a Maryland limited liability company

as Purchaser

pertaining to

Champions Village, Houston, TX and Oak Park Village, San Antonio, TX

EXECUTED EFFECTIVE AS OF

June 24, 2016

AGREEMENT OF SALE AND PURCHASE

THIS AGREEMENT OF SALE AND PURCHASE (this “**Agreement**”) is entered into and effective for all purposes as of June 24, 2016 (the “**Effective Date**”), by and between HR Venture Properties I LLC, a Delaware limited liability company (“**Seller**”), and New Market Properties, LLC, a Maryland 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, Seller 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.

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

“**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 Seller, 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.

“**Authorities**” means the various governmental and quasi-governmental bodies or agencies having jurisdiction over Seller, 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 Houston or San Antonio, Texas. 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 4.6.

“**Champions Village Real Property**” means those certain parcels of real property located at 5515 FM 1960 West, Houston TX 77069 and commonly known as the Champions Village Shopping Center, as more particularly described on **Exhibit A-1** attached hereto, together with all of Seller’s right, title and interest, if any, in and to the appurtenances pertaining thereto, including but not limited to Seller’s right, title and interest in and to the streets, alleys and right-of-ways which abut such real property, and any easement rights, air rights, subsurface rights, development rights and water rights appurtenant to such real property.

“**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 August 8, 2016, which date may be extended in accordance with Section 10.1 hereof to September 7, 2016 by either Seller or Purchaser, in their sole discretion, only in the event that any of the Closing Extension Conditions remain unsatisfied (and otherwise not waived in writing by Purchaser) as of the initial Closing Date. The Closing Date may also be an earlier or later date (i) as required for the Champions Property pursuant to Section 10.13 hereof, or (ii) to which Purchaser and Seller may hereafter agree in writing.

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

“**Closing Extension Conditions**” means those conditions precedent to Purchaser’s obligation to consummate Closing as expressly provided in Sections 10.8(b) and 10.8(c) hereof.

“**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 4.8, 4.10, 5.2(d), 5.3, 5.5, 5.6, 8.1 (subject to Section 16.1), 8.2, 10.4 (subject to the limitations therein), 10.6, 10.7, 10.9, 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 4.10.

“**Contingency Date**” means July 8, 2016.

“**Deeds**” 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 Time**” means 3:30 p.m. Eastern 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 4.3.

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

“**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).

“**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 Seller or Seller’s 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 Seller and located on the Real Properties, with such Improvements located on the Champions Village Real Property sometimes referred to herein as the **“Champions Village Improvements”** and such Improvements located on the Oak Park Real Property sometimes referred to herein as the **“Oak Park Improvements”**.

“Independent Consideration” has the meaning ascribed to such term in Section 4.2.

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

“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 (in each case, if any) utilized solely by Seller or which Seller has 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), Seller, its Affiliates, the property manager and Tenants), provided however, that the foregoing definition shall specifically exclude all Reserved Company Assets.

“Inspection Agreement” means that certain Inspection Agreement and Confidentiality Agreement, executed prior to the date hereof by Seller 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 (but not legal and professional fees related to Tenant Leases entered into, renewed, amended,

modified or expanded between the Effective Date and the Closing Date), 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.

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

“**Licenses and Permits**” means, collectively, all of Seller’s 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.

“**Material Breach**” has the meaning ascribed to such term in Section 10.9(a).

“**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).

“**Oak Park Real Property**” means those certain parcels of real property located at 1901 Nacogdoches Road, San Antonio, Texas 78209 and commonly known as Oak Park Shopping Center, as more particularly described on **Exhibit A-2** attached hereto, together with all of Seller’s right, title and interest, if any, in and to the appurtenances pertaining thereto, including but not limited to Seller’s right, title and interest in and to the streets, alleys and right-of-ways which abut such real property, and any easement rights, air rights, subsurface rights, development rights and water rights appurtenant to such real property.

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

“**Official Records**” means the official records of Harris County, Texas with respect to the Champions Village Real Property and Champions Village Improvements and Bexar County, Texas with respect to the Oak Park Real Property and Oak Park Improvements.

“**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 4.6.

“**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 Seller’s 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 exclusively in connection with the ownership or operation of the Improvements owned by Seller, 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 Seller, and (iii) any items of personal property owned or leased by Seller’s property manager, and (iv) all other Reserved Company Assets.

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

“Property Approval Period” shall have the meaning ascribed to such term in Section 4.6.

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

“PTRs” has the meaning ascribed to such term in Section 6.2(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 8.2(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.

“Real Property” means the Champions Village Real Property and the Oak Park Real Property individually, and **“Real Properties”** means the Champions Village Real Property together with the Oak Park 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 4.10(a).

“Reserved Company Assets” shall mean the following assets of Seller as of the Closing Date: all cash (subject to the prorations and obligations hereinafter set forth), cash equivalents (including certificates of deposit; subject to the prorations and obligations hereinafter set forth), deposits held by third parties (e.g., utility companies, but expressly excluding Tenant Deposits), 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 Seller or its direct or indirect partners, members, shareholders or affiliates, any refund in connection with termination of Seller’s existing insurance policies, all contracts between 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 Seller), the internal books and records of 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.

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

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

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

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

“**Service Contracts**” means all of Seller’s 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 Seller and under which Seller is 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). Notwithstanding anything to the contrary provided in this Agreement, in no event shall any management agreement relating to the Real Property, Improvements or Personal Property be deemed a “Service Contract” under this Agreement.

“**Significant Portion**” means damage by fire or other casualty (or loss of value due to condemnation or eminent domain proceedings) (a) requiring repair costs (or resulting in a loss of value) in excess of an amount equal to Five Hundred Thousand and No/100 Dollars (\$500,000.00) as such repair costs or loss of value calculation is reasonably agreed upon by Purchaser and Seller in accordance with the terms of Section 9.2, or (b) whereby more than Ten Thousand (10,000) square feet of leasable space is substantially damaged, in either case, to any of the following: (i) the Champions Village Real Property and the Champions Village Improvements or any portion thereof and (ii) the Oak Park Real Property and the Oak Park Improvements or any portion thereof.

“**Tenant Deposits**” means, as to each Property, all security deposits, paid or deposited by the Tenants to Seller, as landlord, or any other person on Seller’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, together with any and all guaranties thereof or relating thereto (and any and all written renewals, amendments, modifications, supplements or agreements related 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, together with any and all guaranties thereof or relating thereto, entered into after the Effective Date, and (iii) any and all new written renewals, amendments, modifications and supplements, together with any and all guaranties thereof or relating thereto, to any of the foregoing entered into after the Effective Date; provided, however, that the documentation referenced in items (ii) and (iii) shall only be deemed “Tenant Leases” to the extent that such documentation is approved by Purchaser in each instance 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 4.6, 4.7, 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 601 Travis, Suite 1875, Houston, Texas 77002, Attn: Read Hammond, Telephone No.: 713-346-1652, Facsimile No.: 866-899-6403, Email: jthammond@firstam.com; provided, however, if the Title Company Option (as defined in Section 6.3) is exercised, “Title Company” shall be deemed revised to mean Fidelity National Title Insurance Company, at its offices located at 5565 Glenridge Connector, Suite 300, Atlanta, Georgia 30342, Attn: Laura W. Kaltz, Telephone No.: 404-419-3216, Facsimile 404-968-2182, Email: Laura.Kaltz@FNTG.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 Policy**” has the meaning ascribed to such term in Section 6.3.

“**To Seller’s Knowledge**” and similar terms means the present actual (as opposed to constructive or imputed) knowledge solely of Kenton McKeehan and Chris Buchtien without any independent investigation or inquiry whatsoever, which individuals are familiar with the operations of the Real Property. Such individuals are named in this Agreement solely for the purpose of establishing the scope of Seller’s knowledge. Such individuals shall not be deemed to be a party to this Agreement nor to have made any representations or warranties hereunder, and no recourse shall be had to such individuals for any of Seller’s representations and warranties hereunder (and Purchaser hereby waives any liability of or recourse against such individuals, who are not employees of Seller, but are employees of the advisor to Seller).

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

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

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AGREEMENT OF PURCHASE AND SALE

Section

2.1

Agreement. Seller hereby agrees to sell, convey and assign to Purchaser, and Purchaser hereby agrees to purchase and accept from Seller, on the Closing Date and subject to the terms and conditions of this Agreement, the Real Properties and the Improvements, together with all of Seller’s right, title, and interest in and to each of the following attributable to the Real Properties and the Improvements: (a) the Personal Property; (b) the Tenant Leases in effect on the Closing Date and, subject to the terms of the respective applicable Tenant Leases, the Tenant Deposits (if any); (c) the Service Contracts in effect on the Closing Date, except for those Service Contracts that Purchaser duly requires to be terminated at or prior to Closing pursuant to the express terms of this Agreement, (d) the Licenses and Permits; and (e) the Intangible Personal Property, in each of the cases of (d) and (e) 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 (collectively with the Real Properties, the “**Property**”).

Section

2.2

Indivisible Economic Package. Purchaser has no right to purchase, and Seller has no obligation to sell, less than all of the Property, it being the express agreement and understanding of Purchaser and Seller that, as a material inducement to Seller and Purchaser to enter into this Agreement, Purchaser has agreed to purchase, and Seller has 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 \$67,960,000.00 (\$52,000,000.00 for the Champions Village Real Property and the Champions Village Improvements and \$15,960,000.00 for the Oak Park Real Property and the Oak Park Improvements) 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, at Closing and effective as of Closing, Purchaser shall (i) execute and deliver to Seller the General Conveyance, and (ii) be responsible for certain Leasing Costs pursuant to the express provisions of 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 4:00 p.m. Eastern time on the Closing Date, the parties shall consummate Closing subject to the terms and provisions of this Agreement.

ARTICLE IV

EARNEST MONEY DEPOSIT AND ESCROW INSTRUCTIONS

Section 4.1

Earnest Money Deposit. Within two (2) Business Days after the Effective Date, Purchaser shall deposit with the Title Company, in immediately available federal funds, the sum of \$2,500,000 (\$1,250,000 for each Real Property) (the “**Initial Earnest Money Deposit**”), which will be held in escrow by the Title Company pursuant to the terms of this Agreement. Provided that this Agreement remains in full force and effect, within two (2) Business Days after the Contingency Date, Purchaser shall deposit an additional amount of \$2,500,000 (\$1,250,000 for each Real Property) (the “**Additional Earnest Money Deposit**” and together with the Initial Earnest Money Deposit, the “**Earnest Money Deposit**”) with the Title Company. If Purchaser fails to deposit the Initial Earnest Money Deposit or the Additional Earnest Money Deposit within the time periods described above, this Agreement shall automatically terminate.

Section 4.2

Independent Consideration. Upon the execution hereof, Purchaser shall pay to Seller One Hundred Dollars (\$100) as independent consideration (the “**Independent Consideration**”) for Purchaser’s right to purchase the Property and Seller’s execution, delivery,

and performance of this Agreement. Notwithstanding anything to the contrary contained herein (including any reference to the return of the Earnest Money Deposit to Purchaser), Seller shall, in all events, retain the Independent Consideration, but the Independent Consideration shall be applied as a credit against the Purchase Price at the Closing. Purchaser and Seller hereby acknowledge and agree that the Independent Consideration constitutes adequate and sufficient consideration for Purchaser's right to purchase the Property and Seller's execution, delivery, and performance of this Agreement, and that the loss of Purchaser's ability to use the funds constituting the Earnest Money Deposit as provided in this Agreement constitutes further consideration therefor.

Section

4.3

Escrow Instructions. Article IV of this Agreement constitutes the escrow instructions of Seller 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 Seller 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

4.4

Documents Deposited into Escrow. On or before the Deposit Time, (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) Seller will deliver in escrow to the Title Company the documents described and provided for in Section 10.3.

Section

4.5

Close of Escrow. Provided that the Title Company has not received from Seller or Purchaser any written termination notice as described and provided for in Section 4.6 (or if such a notice has been previously received, the Title Company has received a withdrawal of such notice), and subject in all events to the terms and conditions of this Agreement and the terms and conditions of any closing instruction letters delivered by Purchaser and/or Seller to Title Company prior to Closing, when Purchaser and Seller have delivered the documents required by Section 4.4, the Title Company will:

(a)

If applicable and when required, file with the Internal Revenue Service (with copies to Purchaser and Seller) the reporting statement required under Section 6045(e) of the Internal Revenue Code and Section 4.10;

(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)

Contemporaneously (i) deliver the Deeds (and deeds without warranty, if applicable) to Purchaser by causing the same to immediately be recorded in the Official Records and agreeing to obtain conformed copies of the recorded Deeds for delivery to Purchaser and to Seller following recording, (ii) issue to Purchaser the Title Policy required by Section 6.3 of this Agreement, and (iii) disburse to all applicable parties on the Closing Statement by wire transfer of immediately available federal funds, in accordance with wiring instructions to be obtained by the Title Company from such parties, all sums to be received by such parties pursuant to the Closing Statement; and

(d)

Contemporaneously deliver to Seller and Purchaser, all remaining documents deposited with the Title Company for delivery to such parties at the Closing.

Section

4.6

Termination Notices. If at any time prior to 5:00 p.m. (Eastern time) on the Contingency Date (the “**Property Approval Period**”), the Title Company receives a notice from Purchaser that Purchaser has exercised its termination right under Section 5.4, the Title Company, within three (3) Business Days after the receipt of such notice, will deliver the Earnest Money Deposit to Purchaser. If at any time, except as provided in the preceding sentence, the Title Company receives a certificate of either Seller or of Purchaser (for purposes of this Section 4.6, 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 4.6, 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 five (5) 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 five (5) 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 five (5) 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 4.7.

Section

4.7

Joint Indemnification of Title Company; Conflicting Demands on Title Company. If this Agreement or any matter relating hereto (other than the PTR or the Title Policy) becomes the subject of any litigation or controversy, Purchaser and Seller 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 Seller 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 Seller 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

4.8

Maintenance of Confidentiality by Title Company. Except as may otherwise be required by law or by 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 Seller in each instance.

Section

4.9

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 Seller, 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 Seller 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 Seller is 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

4.10

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 4.10, 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 4.10, the "**Reporting Person**"), by its execution hereof, hereby assumes all responsibilities for information reporting required under Section 6045(e) of the Code.

(b)

Seller 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 Seller 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) Through the earlier of Closing or the termination of this Agreement, Purchaser and its agents, representatives, contractors and consultants shall inspect and investigate the Property and shall 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, Seller 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 interview Tenants unless interviews are coordinated through Seller and Seller shall have the right to participate in any such interviews. Purchaser will provide to Seller written notice of the intention of Purchaser or the other Licensee Parties to enter the Real Property or Improvements at least forty-eight (48) hours prior to such intended entry and specify the intended purpose therefor and the inspections and examinations contemplated to be made. At Seller's option, Seller may be

present for any such entry, inspection and interview 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 invasive testing or sampling shall be conducted during any such entry by Purchaser or any Licensee Party upon the Real Property without Seller's specific prior written consent, which consent may be withheld, delayed or conditioned in Seller's sole and absolute discretion; and provided, further, that prior to giving any such approval, Seller shall be provided with a written sampling plan in reasonable detail in order to allow Seller 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 Seller at least forty-eight (48) hours prior written notice of Purchaser's intention to communicate with any Authorities and Seller shall have the right to participate in any such communications.

Section

5.2

Document Review.

(a)

Beginning no later than two (2) Business Days following the Effective Date, and through the earlier of Closing or the termination of this Agreement, and to the extent not already available on the Effective Date, Seller shall 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 Seller's 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 Seller; (ii) assessments (special or otherwise), ad valorem and personal property tax bills, covering the three (3) years preceding the Effective Date; (iii) Seller's most currently available rent roll; (iv) operating statements and rent rolls for the stub period of the current calendar year plus the prior two (2) 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; (viii) copies of Seller's title insurance policies and surveys for the Property; (ix) a schedule of capital expenditures at the Property for the past 3 years; (x) copies of floor plans and marketing materials currently utilized in marketing the Property to tenants; (xi) a current certificate of insurance regarding property casualty insurance at the Property; (xii) intentionally deleted; (xiii) reconciliations with respect to common area maintenance and taxes for the last two (2) calendar years; (xiv) intentionally deleted; (xv) a leasing activity report including active lease proposals, other prospects and the status of near-term expirations/termination options;

(xvi) utility bills for the Property for the twelve (12) months preceding the Effective Date; (xvii) an insurance claims history for the earlier of the last five (5) years or Seller's period of ownership of the Property; (xviii) an accounts receivable report for the Property; (xix) tenant and other Property files including correspondence contained therein; and (xx) any other due diligence materials reasonably requested by Purchaser from time to time (collectively, the "**Documents**"). Purchaser acknowledges that, prior to the Effective Date, Purchaser has received from Seller copies of Tenant Leases and Service Contracts, including commission agreements; provided, however, that Purchaser does not acknowledge or agree, as of the Effective Date, that same are true, correct and complete 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**, and Purchaser shall continue to review such documentation following the Effective Date. "**Documents**" shall not include (and Seller 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 Seller is 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 Seller or Seller's Affiliates to the extent relating to Seller's valuation of the Property; (5) any appraisals of the Property, whether prepared internally by Seller or Seller's Affiliates or externally; (6) any documents or items which Seller reasonably considers proprietary (such as Seller's or its property managers' operation manuals, software programs or other electronic media or services that are subject to licenses or other agreements that are personal to Seller or Seller's property manager); (7) organizational, financial and other documents relating to Seller or its 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. Except for the representations expressly made in Section 8.1 hereof, Seller makes 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 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, prospective lenders or prospective investors (collectively, for purposes of this Section 5.2 (b), the "**Permitted Outside Parties**"); provided, however, that notwithstanding anything to the contrary provided in this Agreement, Purchaser shall have the right to release a press notice containing such information as Purchaser is required to include in its filing of Form 8-K with the SEC (as defined below) reporting the entry of a "Material Definitive Agreement" following the full execution of this Agreement. 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 need to know such information in order to advise Purchaser 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 Seller and the Tenants or prospective tenants are 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, Seller has 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 Seller and any such claims are expressly rejected by Seller 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 promptly destroy all copies Purchaser has made (and computer files of same) of any Documents containing confidential information before or after the execution of this Agreement, not later than ten (10) Business Days following the time this Agreement is terminated for any reason.

(d)

Purchaser acknowledges that some of the Documents may have been prepared by third parties and may have been prepared prior to Seller's ownership of the Property. Purchaser hereby acknowledges that, except as expressly provided in Section 8.1, (i) Seller has not made and does not make any representation or warranty regarding the truth, accuracy or completeness of the Documents or the sources thereof (whether prepared by Seller, Seller's Affiliates or any other person or entity) and (ii) Seller has not undertaken any independent investigation as to the truth, accuracy or completeness of the Documents and is 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: unreasonably disturb the Tenants or unreasonably interfere with their use of the Property pursuant to their respective Tenant Leases; unreasonably 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 Seller 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; interview 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 to maintain commercial general liability (occurrence) insurance in an

amount not less than Two Million and No/100 Dollars (\$2,000,000.00) and on terms (including coverage for an “insured contract” with respect to the indemnity in Section 5.3(b)) satisfactory to Seller covering any accident arising in connection with the presence or activities of Purchaser or the other Licensee Parties on the Property, and deliver to Seller a certificate of insurance verifying such coverage and Seller and its property manager (Weingarten Realty Investors) being named as an additional insured 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.

(b)

Purchaser hereby indemnifies, defends and holds Seller and its 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) (collectively, “**Indemnified Liabilities**”) arising out of any personal injury or death or physical damage to property caused by 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, for purposes of clarification, the foregoing obligation to indemnify, defend and hold harmless shall not apply to any Indemnified Liabilities arising by virtue of (x) the negligence or willful misconduct of Seller or any other indemnified party, or (y) 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, except and solely to the extent of any exacerbation by Purchaser or any Licensee Party of any 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

Property Approval Period. Through the earlier of Closing or the termination of this Agreement, 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 Property Approval Period. Notwithstanding anything to the contrary provided in this Agreement, Purchaser hereby acknowledges that the Property Approval Period has

expired with respect to the Oak Park Property (as defined in Section 10.11 hereof), but Purchaser shall have the right to terminate this Agreement prior to the expiration of the Property Approval Period for any reason or no reason at all related to the Champions Property (as defined in Section 10.13). Furthermore, notwithstanding anything to the contrary provided in this Agreement, (i) Purchaser and the Licensee Parties shall have the right to conduct a Phase II environmental site assessment (the “**Phase II**”) with respect to the Champions Property and (ii) unless required by federal, state or local law or ordinance, or unless requested in writing by Seller, Purchaser shall not disclose the results of the Phase II to Seller. If Purchaser elects to terminate this Agreement prior to the expiration of the Property Approval Period, then Purchaser shall deliver written notice thereof to Seller and the Title Company stating such election, and Title Company shall return to Purchaser the Earnest Money Deposit pursuant to the terms of Section 4.6 hereof. Following such termination, Purchaser shall pay any cancellation fees or charges of Title Company, and except for the Termination Surviving Obligations, the parties shall have no further rights or obligations to one another under this Agreement. If Purchaser fails to terminate this Agreement prior to the expiration of the Property Approval Period, Purchaser shall be deemed to have waived its right to terminate this Agreement as provided in this Section 5.4. If Purchaser elects to terminate this Agreement pursuant to this Section 5.4, the Other Property Agreements shall also terminate in accordance with Section 10.11 hereof.

Section

5.5

Sale “As Is”. THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT HAS BEEN NEGOTIATED BETWEEN SELLER AND PURCHASER, THIS AGREEMENT REFLECTS THE MUTUAL AGREEMENT OF SELLER AND PURCHASER, AND PURCHASER HAS CONDUCTED (OR WILL CONDUCT PRIOR TO THE EXPIRATION OF THE PROPERTY APPROVAL PERIOD) ITS OWN INDEPENDENT EXAMINATION OF THE PROPERTY. OTHER THAN ANY SPECIFIC MATTERS REPRESENTED IN SECTION 8.1 HEREOF OR IN ANY CLOSING DOCUMENT EXECUTED BY SELLER AT CLOSING (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 SELLER OR ANY OF SELLER’S AFFILIATES, AGENTS OR REPRESENTATIVES, AND PURCHASER HEREBY ACKNOWLEDGES THAT NO SUCH REPRESENTATIONS OR WARRANTIES HAVE BEEN MADE. SELLER SPECIFICALLY DISCLAIMS, AND NEITHER SELLER NOR ANY OF SELLER’S AFFILIATES NOR ANY OTHER PERSON IS MAKING, ANY REPRESENTATION, WARRANTY OR ASSURANCE WHATSOEVER TO PURCHASER AND, EXCEPT AS SET FORTH IN SECTION 8.1 HEREOF OR IN ANY CLOSING DOCUMENT EXECUTED BY SELLER AT CLOSING, NO WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EITHER EXPRESS OR IMPLIED, ARE MADE BY SELLER 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 SELLER AND PURCHASER THAT, EXCEPT AS EXPRESSLY SET FORTH TO THE CONTRARY IN SECTION 8.1 HEREOF OR IN ANY CLOSING DOCUMENT EXECUTED BY SELLER AT CLOSING (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. 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 the consummation of Closing, 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 Seller (excluding the limited specific matters represented by Seller herein or in any closing document executed by Seller at Closing as limited by Section 16.1 of this Agreement) or of any Affiliate, officer, director, employee, agent or attorney of Seller. Purchaser acknowledges that all information obtained by Purchaser was obtained from a variety of sources and, except as set forth in this Agreement, Seller 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, Seller will sell and convey to Purchaser, and Purchaser will accept the Property, "**AS IS, WHERE IS,**" with all faults, subject to any rights granted to Purchaser hereunder which survive Closing with respect to Seller's representations, warranties, covenants, agreements and obligations contained in this Agreement and/or in any closing document executed by Seller at Closing, as limited by Section 16.1 of this Agreement. Purchaser further acknowledges and agrees that there are no oral agreements, warranties or representations, collateral to or affecting the Property, by Seller, an Affiliate of Seller, any agent of Seller or any third party. Seller is 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 Seller 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 Seller.

(a)

Seller Released From Liability. Except with respect to, and in connection with, any rights granted to Purchaser hereunder which survive Closing with respect to Seller's representations, warranties, covenants, agreements and obligations contained in this Agreement and/or in any closing document executed by Seller at Closing, as limited by Section 16.1 of this Agreement, Purchaser, on behalf of itself and its partners, officers, directors, agents, controlling persons and Affiliates, hereby releases Seller and Seller's 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 that Purchaser may have against Seller and/or the other Seller Released Parties (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 Seller, 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, except with respect to, and in connection with, any rights granted to Purchaser hereunder which survive Closing with respect to Seller's representations, warranties, covenants, agreements and obligations contained in this Agreement and/or in any closing document executed by Seller at Closing, as limited by Section 16.1 of this Agreement, Purchaser specifically releases Seller and the Seller Released Parties from any claims Purchaser may have against Seller 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 either (i) the Closing and shall not be deemed merged into the provisions of any closing documents, or (ii) any termination of this Agreement.

(b)

Purchaser's Waiver of Objections. Purchaser acknowledges that it has (or shall have prior to Closing) 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, except with respect to, and in connection with, any rights granted to Purchaser hereunder which survive Closing with respect to Seller's representations, warranties, covenants, agreements and obligations contained in this Agreement and/or in any closing document executed by Seller at Closing, as limited by Section 16.1 of this Agreement, 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) which Purchaser may have against Seller, its 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 State government. Seller 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 either (i) the Closing and shall not be deemed merged into the provisions of any Closing Documents, or (ii) any termination of this Agreement.

(f)

No Third Party Releases. Notwithstanding anything to the contrary provided in this Agreement, the provisions of this Section 5.6 shall not be deemed to release Seller or the Seller Released Parties from any liability, responsibility, penalties, fines, suits, demands, actions,

losses, damages, expenses, causes of action, proceedings, judgments, executions, costs of any kind or nature whatsoever by any parties, including Authorities, other than Purchaser.

ARTICLE VI

TITLE AND SURVEY MATTERS

Section

6.1

Survey. Prior to the execution and delivery of this Agreement, Seller has, at its own cost, delivered to Purchaser a copy of (a) that certain survey of the Champions Village Real Property, dated March 22, 2016, prepared by Bock and Clark Corporation (the “**Updated Champions Village Survey**”) and (b) that certain survey of the Oak Park Real Property, dated March 30, 2016, prepared by Bock and Clark Corporation (the “**Updated Oak Park Survey**” and together with the Updated Champions Village Survey, the “**Updated Surveys**”). Seller shall have no obligation to obtain any modification, update, or recertification of the Updated Surveys. Any such modification, update or recertification of the Updated Surveys may be obtained by Purchaser at its sole cost and expense.

Section

6.2

Title and Survey Review.

(e)

Prior to the execution and delivery hereof, Seller has caused the Title Company to furnish or otherwise make available to Purchaser (i) a preliminary title commitment for the Champions Village Real Property dated with an effective date of February 24, 2016 (the “**Champions Village PTR**”) and (ii) a preliminary title commitment for the Oak Park Real Property dated with an effective date of February 21, 2016 (the “**Oak Park PTR**” and together with the Champions Village PTR, the “**PTRs**”), and copies of all underlying title documents described in the PTRs. Purchaser shall have until June 14, 2016 (the “**Title Notice Date**”) to provide written notice (the “**Title Notice**”) to Seller and Title Company of any matters shown on the Oak Park PTR and/or the Updated Oak Park Survey which are not satisfactory to Purchaser. Purchaser shall have until July 5, 2016 (the “**Champions Village Title Notice Date**”) to provide written notice (the “**Champions Village Title Notice**”) to Seller and Title Company of any matters shown on the Champions Village PTR and/or the Updated Champions Village Survey which are not satisfactory to Purchaser. If Seller has not received such written notice from Purchaser by the Title Notice Date or the Champions Village Title Notice Date, as applicable, Purchaser shall be deemed to have unconditionally approved the specific exceptions to title expressly provided in the PTRs and all matters revealed in the Updated Surveys, subject to Seller’s obligations set forth in Section 6.2(c) below and as otherwise expressly provided in this Agreement. Except as expressly provided herein, Seller 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 and a Champions Village Title Notice, then Seller shall deliver, no later than June 17, 2016 as to the Title Notice and no later than July 7, 2016 as to the Champions Village Title Notice, written notice to Purchaser and Title Company identifying which disapproved items, if any, Seller shall be obligated to cure by Closing (by either having the same removed as an exception in the applicable PTR or by otherwise obtaining affirmative insurance

over the same as part of the final Title Policy, such affirmative insurance to be acceptable to Purchaser in its sole and absolute discretion) (“**Seller’s Response**”). If Seller does not deliver Seller’s Response prior to such date, Seller shall be deemed to have elected to not remove or otherwise cure any exceptions disapproved by Purchaser. If Seller elects, or is deemed to have elected, not to remove or otherwise cure an exception disapproved in Purchaser’s Title Notice or Purchaser’s Champions Village Title Notice, Purchaser shall have until June 21, 2016 as to the Title Notice and until the Contingency Date as to the Champions Village Title Notice to (i) deliver a written notice terminating this Agreement (“**Termination Notice**”) to Seller and Title Company terminating this Agreement as set forth in Section 5.4 above, or (ii) waive any such objection to the PTRs and the Updated Surveys (whereupon such objections shall be deemed Permitted Exceptions for all purposes hereof). If Seller and Title Company have not received a Termination Notice from Purchaser by June 21, 2016 as to the Title Notice and by the Contingency Date as to the Champions Village Title Notice, such failure to deliver same shall be deemed Purchaser’s waiver of all objections to the PTRs and the Updated Surveys that Seller did not agree to cure by Closing, subject to Seller’s obligations set forth in Section 6.2(c) below and as otherwise expressly provided in this Agreement.

(f)

Purchaser may, at or prior to Closing, notify Seller in writing (the “**Gap Notice**”) of any objections to title (i) raised by the Title Company between the Title Notice Date or the Champions Village Title Notice Date, as applicable, and the Closing, (ii) not disclosed in writing by the Title Company to Purchaser by 3:00 p.m. Eastern Time on the second Business Day preceding the Title Notice Date or the Champions Village Title Notice Date, as applicable, and/or (iii) not disclosed in writing by Seller to Purchaser and the Title Company by 3:00 p.m. Eastern Time on the second Business Day preceding the Title Notice Date or the Champions Village Title Notice Date, as applicable (“**New Exceptions**”); provided that Purchaser must notify Seller of any objection to any such New Exception prior to the date which is the earlier to occur of (x) three (3) Business Days after receipt of an updated PTR revealing the existence of such New Exception and (y) the Closing Date. If Purchaser fails to deliver to Seller 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. Seller will have two (2) days from the receipt of Purchaser’s notice (and, if necessary, Seller 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 Seller may, but is under no obligation to, remove same as an exception in the applicable PTR or otherwise obtain affirmative insurance over same as part of the final Title Policy, such affirmative insurance to be acceptable to Purchaser in its sole and absolute discretion. If, within the two (2) day period, Seller does not remove such objectionable New Exceptions in the applicable PTR or otherwise obtain affirmative insurance over same as part of the final Title Policy (such affirmative insurance to be acceptable to Purchaser in its sole and absolute discretion objectionable), then Purchaser may terminate this Agreement upon delivering a Termination Notice to Seller in accordance with Section 5.4 above no later than the date that is two (2) Business Days following the expiration of the two (2) day cure period (and Closing shall automatically be extended to permit such 2 Business Day Period to run), 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 Seller has removed as an exception in the applicable PTR or otherwise

affirmatively insured over on terms acceptable to Purchaser in its sole and absolute discretion) will be included as Permitted Exceptions.

(g)

Notwithstanding any provision of this Agreement to the contrary including, but not limited to Section 6.2 hereof, (A) at or prior to Closing, Seller shall cause the removal of all exceptions to title to the Real Properties and Improvements from each PTR and each related Title Policy relating to monetary liens, security liens and interests, mechanic's liens, judgment liens and/or tax liens affecting the Property arising by, through or under Seller, other than liens caused by Tenants or Purchaser or its agents or the lien for ad valorem taxes and assessments for tax years not yet due and payable (collectively, the "**Must-Cure Matters**"), (B) in no event shall any Must-Cure Matter be deemed a Permitted Exception under this Agreement, and (C) if Seller fails to satisfy its obligations under Section 6.2(c)(A) hereof with respect to any Must-Cure Matter, then (i) Seller shall be in default under this Agreement, and (ii) in lieu of pursuing specific performance or any other remedy against Seller pursuant to the terms of Section 13.1 hereof, Purchaser shall have the right on behalf of Seller to satisfy such obligations at Closing and all of Purchaser's actual out-of-pocket costs and expenses actually incurred in connection with same shall be credited against the Purchase Price at Closing.

Section

6.3

Title Insurance. At the Closing, and as a condition thereto, the Title Company shall issue to Purchaser a TLTA Owner's Policy of Title Insurance (the "**Title Policy**") with liability in the amount of the Purchase Price, showing title to the Real Properties vested in the Purchaser, with such endorsements as Purchaser shall request and Title Company shall have agreed to issue same, subject only to: (i) the pre-printed standard exceptions in such Title Policy that are not customarily deleted at closings following the Title Company's receipt of all Schedule C requirements contained in the PTRs, (ii) exceptions approved or deemed approved by Purchaser pursuant to Section 6.2 above, (iii) the Tenant Leases, (iv) any taxes and assessments for any year that are not yet due and payable as of the Closing, (v) [intentionally deleted], (vi) a specific, itemized list of adverse matters shown on the Updated Survey, or any updates thereto, that are approved or deemed approved by Purchaser pursuant to Section 6.2 above or shown on the PTRs, (vii) any matters which are affirmatively insured over on terms acceptable to Purchaser in its sole and absolute discretion, and (viii) any exceptions arising from Purchaser's actions (collectively, the "**Permitted Exceptions**"). In the event Purchaser elects not to pay for any additional premium for the survey modification or any other endorsements, then the Title Policy to be issued as of the Closing shall be a standard TLTA Owner's Policy of Title Insurance which shall include, among other things, a general survey exception. It is understood that Purchaser may request a number of endorsements to the Title Policy, but the issuance of any such endorsements shall not be a condition to Closing. If (i) the Title Company (A) is unable or unwilling to consummate Closing or to otherwise delete or revise any title exception, issue any endorsement or commit to any specific coverage or affirmative title insurance requested by Purchaser with respect to the Title Policy or any title policy requested by Purchaser's lender (such requested insurance, the "**Requested Insurance**"), or (B) requires that Purchaser, Seller, Purchaser's lender or any other third party provide any affidavits, indemnities, agreements, due diligence or other documentation in order for the Title Company to consummate Closing or to otherwise provide the Requested Insurance, (ii) Purchaser provides written evidence

(which may be via electronic mail) to Sellers of such inability or unwillingness of, or requirements by, the Title Company to provide the Requested Insurance, and (iii) Purchaser provides written evidence to Sellers that Fidelity National Title Insurance Company (“**Fidelity**”) has committed to consummate Closing or to otherwise provide the Requested Insurance without requiring the satisfaction of any requirements of Title Company being contested by Purchaser, Purchaser shall have the right (the “**Title Company Option**”) to transfer responsibility as the Title Company hereunder to Fidelity by written notice to Seller. If Purchaser properly exercises the Title Company Option, (w) Title Company, Seller and Purchaser shall cause the Earnest Money Deposit to be transferred to Fidelity, (x) Fidelity shall execute a revised Title Company Joinder page to this Agreement upon receipt of the Earnest Money Deposit, (y) the Closing Extension Conditions shall be modified to remove the condition precedent described in Section 10.8(b), and (z) Seller shall not be required to modify the form of Owner Affidavit attached hereto as **Exhibit K** except to change the name of the Title Company to Fidelity.

ARTICLE VII

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INTERIM OPERATING COVENANTS AND ESTOPPELS

Section

7.1

Interim Operating Covenants. Seller covenants to Purchaser that Seller will:

(h)

Operations. From the Effective Date until Closing, continue to operate, manage and maintain the Real Property and Improvements in the ordinary course of Seller’s business and substantially in accordance with Seller’s present practice, subject to ordinary wear and tear and Article IX of this Agreement.

(i)

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 Seller’s insurance policies covering the Improvements as of the Effective Date.

(j)

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, and provided that such removed Personal Property shall be repaired or replaced prior to Closing. 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.

(k)

Leases. From the Effective Date until the Contingency Date, 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 Purchaser, which consent will not be unreasonably withheld, delayed or conditioned. From the Contingency Date until the 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 Purchaser, which consent may be withheld in Purchaser's sole discretion. Notwithstanding anything to the contrary provided in this Section 7.1(d), (i) nothing herein shall be deemed to require Purchaser's consent to any expansion or renewal which Seller, as landlord, is required to honor pursuant to any Tenant Lease in existence as of the Effective Date, and (ii) except as provided in item (i) in this Section 7.1(d), from the Effective Date through Closing, Seller shall not, without first obtaining the prior written consent of Purchaser which may be withheld in Purchaser's sole discretion, enter into any new lease or any amendments, expansions or renewals of Tenant Leases that will require Purchaser, as landlord, following Closing to pay or be subject to any Leasing Costs.

(l)

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, fee or premium or unless Purchaser consents thereto in writing, which consent will not be unreasonably withheld, delayed or conditioned; provided, however, that Purchaser may withhold such consent in Purchaser's sole discretion following the Contingency Date. Further, Seller shall terminate each Service Contract related to the Champions Property at its sole cost and expense prior to or at Closing that Purchaser elects, by written notice delivered to Seller not later than the last day of the Property Approval Period, to have terminated prior to Closing, and Purchaser shall not assume any obligations with respect to such Service Contracts at Closing.

(m)

Notices. To the extent received by Seller, 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.

(n)

Encumbrances. Without Purchaser's prior written approval in its sole discretion, not voluntarily subject the Property to any additional liens, encumbrances, covenants or easements, unless released prior to Closing.

Whenever in this Section 7.1, Seller is required to obtain Purchaser's approval with respect to any transaction described therein, Purchaser shall, within five (5) Business Days after receipt of Seller's request therefor, notify Seller of its approval or disapproval of same and, if Purchaser fails to notify Seller of its approval within said five (5) Business Day period, Purchaser shall be deemed to have approved same.

Section

7.2

Tenant Lease Estoppels; SNDAs and Other Estoppels.

(e)

It will be a condition to Purchaser's obligation to consummate Closing that Seller obtain and deliver to Purchaser executed Acceptable Estoppel Certificates from (i) each of the major tenants leasing space in Seller's Improvements listed on **Exhibit C-1** ("**Major Tenants**"), which Major Tenants include all Tenants leasing over 20,000 rentable square feet at the

Improvements located on the Real Property, and (ii) from Tenants (exclusive of any and all Major Tenants) collectively leasing at least seventy five percent (75%) in the aggregate of the rentable square feet located on the Real Property, exclusive of the rentable square feet leased by Major Tenants. “**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 default or unfulfilled material obligation on the part of the landlord not previously disclosed in writing to Purchaser in this Agreement; provided that an estoppel certificate executed by a Tenant either: (x) in the form prescribed by its Tenant Lease (y) with respect to a regional or national Tenant, in the standard form generally used by such Tenant, or (z) in the form attached hereto as **Exhibit C-2** but for which Section 12 or Section 13 thereof shall have been deleted, shall each 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 Seller’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 Seller 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 Tenants including, but not limited to, the Major Tenants, Seller will deliver to Purchaser for each Tenant 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. Within three (3) Business Days following Purchaser’s receipt thereof, Purchaser will send to Seller notice either (A) approving such forms as completed by Seller or (B) 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. Seller will make such changes to the extent Seller agrees such changes are appropriate, except that Seller 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 three (3) Business Day period shall be deemed approval of such estoppel certificate.

(f)

[Intentionally Deleted].

(g)

Seller shall deliver to Tenants, Subordination, Non-Disturbance and Attornment Agreements (“**SNDAs**”) as may be required by Purchaser’s lender(s); provided however, nothing contained in this Agreement shall obligate Seller to obtain any SNDAs, and delivery of any SNDAs shall not be a condition to Purchaser’s obligation to close on the purchase of the Property pursuant to the terms of this Agreement.

(h)

If requested by Purchaser prior to the expiration of the Property Approval Period, Seller shall request an estoppel certificate from all applicable parties under any Declarations

of Covenants and Restrictions (or other similar instruments) affecting the Property confirming that the Seller and the Property are in compliance with the terms of such Declarations of Covenants and Restrictions and that all sums, if any, payable with respect to the Property under such Declarations have been paid in full; provided however, nothing contained in this Agreement shall obligate Seller to obtain any such estoppel certificates, and delivery of any such estoppel certificates shall not be a condition to Purchaser's obligation to close on the purchase of the Property pursuant to the terms of this Agreement.

Section

7.3

OFAC. Pursuant to United States Presidential Executive Order 13224 (“**Executive Order**”), Seller is required to ensure that it does 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 Seller learns that Purchaser is, becomes, or appears to be a Blocked Person, Seller 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 Seller determines that Purchaser is or becomes a Blocked Person, Seller shall have the right to immediately terminate this Agreement and take all other actions necessary, or in the opinion of Seller, 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

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REPRESENTATIONS AND WARRANTIES

Section

8.1

Seller's Representations and Warranties. Except as otherwise expressly provided in any closing document delivered by Seller at Closing and in Section 11.1 of this Agreement, the following constitute the sole representations and warranties of Seller with respect to the purchase and sale of the Property contemplated hereby. Subject to the limitations set forth in Article XVI of this Agreement, Seller represents and warrants to Purchaser the following as of the Effective Date:

(i)

Status. Seller is a limited liability company duly organized and validly existing under the laws of the State of Delaware, and is qualified to transact business within the State of Texas.

(j)

Authority; Enforceability. The execution and delivery of this Agreement and the performance of Seller's obligations hereunder have been or will be duly authorized by all necessary action on the part of Seller, and this Agreement constitutes the legal, valid and binding

obligation of Seller, enforceable against Seller in accordance with its terms, subject to equitable principles and principles governing creditors' rights generally.

(k)

Non-Contravention. The execution and delivery of this Agreement by Seller and the performance by Seller of Seller's 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 Seller, any note or other evidence of indebtedness, any mortgage, deed of trust or indenture (except for such approvals needed from the current mortgage lender in order to secure the release of the lien on the Property as part of Closing), or any lease or other material agreement or instrument to which Seller is a party or by which it is bound.

(l)

Suits and Proceedings, No Violation Notices. Except as listed in **Exhibit E**, there are no legal actions, suits or similar proceedings pending and served, or to Seller's Knowledge, threatened (in writing) against the Property, relating to the Property, or Seller's ownership or operation of the Property, including without limitation, condemnation, takings by an Authority or similar proceedings (collectively, "**Suits and Proceedings**"), which Suits and Proceedings individually or in the aggregate would have an adverse effect on the Property; provided, however, that, to Seller's Knowledge, **Exhibit E** is a true, complete and correct list of all Suits and Proceedings. Further, Seller has received no written notice from any Authority alleging that the Property is in violation of applicable laws, ordinances or regulations which remain uncured.

(m)

No Bankruptcy. 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 and Seller has received no written notice of and has no knowledge of (i) the filing of any involuntary petition by Seller's creditors, (ii) appointment of a receiver to take possession of all, or substantially all, of Seller's assets, or (iii) attachment or other judicial seizure of all, or substantially all, of Seller's assets.

(n)

Non-Foreign Entity. 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.

(o)

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 Seller and, to Seller's Knowledge, all of the Tenants under Tenant Leases affecting the Real Property and Improvements that were entered into prior to Seller'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 Seller or, to Seller's Knowledge, by which Seller is bound other than the Tenant Leases listed on **Exhibit F**.

The copies of the Tenant Leases executed by Seller and the guaranties accompanying such Tenant Leases that have been provided or made available to Purchaser are true, correct and complete, and to Seller's Knowledge the copies of the other Tenant Leases and accompanying guaranties that have been provided or made available to Purchaser are true, correct and complete in all material respects. Except as disclosed on **Exhibits F-1** through **F-3**, Seller has not received written notice of any termination or uncured default by any party under any Tenant Lease, and Seller has not given written notice of any default to any Tenant under any Tenant Lease that remains outstanding as of the Effective Date.

(p)

Service Contracts; Commission Agreements. 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 Seller is currently paying for services rendered in connection with the Property, including all of the commission agreements listed on **Exhibit D**, except for the property management agreement with Seller's property manager (the "**Management Agreement**"). As of the Effective Date, **Exhibit B** is a true and correct list of all Service Contracts in effect and Seller has delivered or made available to Purchaser for review, true and complete copies of all Service Contracts, as set forth on **Exhibit B**. 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 Seller has delivered or made available to Purchaser for review, true and complete copies of all commission agreements set forth on **Exhibit D**, except for the Management Agreement. Except as disclosed on **Exhibit B**, Seller has not received written notice of any termination or uncured default by any party under any Service Contract.

(q)

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 that are in effect as of the Closing Date.

(r)

Available Environmental Reports; Violations. To Seller's Knowledge, (i) Seller has provided or made available to Purchaser all third-party reports in the possession of Seller that pertain to the analysis of Hazardous Substances at the Property owned by Seller, (ii) Seller has not received any written notice from any Authority or employee or agent thereof whereby such Authority or employee or agent has determined, or threatens to determine, that there is a presence, release or threat of release or placement on, in or from the Property of any Hazardous Substance, and (iii) the Property is not in violation of any Environmental Laws.

(s)

Employee Matters. Seller has no employees at the Property.

(t)

Prohibited Persons. Neither Seller, nor any Affiliate of Seller nor any Person that directly or indirectly owns 10% or more of the outstanding equity in Seller (each, a "**Seller Person**"), 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.

(u)

Guarantor. Upon the consummation of Closing, Guarantor (as defined below), shall have received adequate consideration for Guarantor's execution and delivery of the Guaranty (as defined below).

Section

8.2

Purchaser's Representations and Warranties. Purchaser represents and warrants to Seller the following:

(a)

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

(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 (that has not already been obtained) in connection with the execution and delivery of this Agreement by Purchaser or the performance by Purchaser of the transactions contemplated hereby.

(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

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CONDEMNATION AND CASUALTY

Section

9.1

Significant Casualty. If, prior to or on the Closing Date, all or any portion of the Real Properties and the Improvements is destroyed or damaged by fire or other casualty, Seller will promptly notify Purchaser of such casualty. Purchaser will have the option, in the event that (i) all or any Significant Portion to any of the Real Properties and any of the Improvements is so destroyed or damaged, (ii) any Major Tenant is permitted to terminate its Tenant Lease as a result of such casualty, or (iii) any portion of the Real Property and/or Improvements fails to comply with applicable zoning laws, rules and regulations as a result of such casualty, which non-compliance is not susceptible to being fully cured by the restoration of the affected Real Property and/or Improvements to the condition of same as existed immediately prior to the occurrence of the casualty, to terminate this Agreement upon notice to Seller given not later than fifteen (15) days after receipt of Seller’s notice. If this Agreement is terminated, the Earnest Money Deposit will be returned to Purchaser upon Purchaser’s compliance with Section 4.6 and thereafter neither Seller 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, Seller will not be obligated to repair such damage or destruction, but (a) Seller 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 Seller 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 to repair any uninsured portion of the casualty plus the amount of the deductible on such insurance policy less any amounts expended by Seller 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 mutually agreed upon by Purchaser and Seller, both parties agreeing to act reasonably.

Casualty of Less Than a Significant Portion. If less than a Significant Portion of any of the Real Properties and any of the Improvements are damaged as aforesaid or Purchaser does not otherwise have the right to terminate this Agreement pursuant to the terms of Section 9.1 above following a casualty, Purchaser shall not have the right to terminate this Agreement and Seller will not be obligated to repair such damage or destruction, but (a) Seller 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 Seller 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 to repair any uninsured portion of the casualty plus the amount of the deductible on such insurance policy less any amounts expended by Seller 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 mutually agreed upon by Purchaser and Seller, all parties agreeing to act reasonably.

Condemnation of Property. In the event of condemnation or sale in lieu of condemnation (i) of all or any Significant Portion of any of the Real Properties and any of the Improvements, (ii) that materially and adversely affects existing points of vehicular access to and/or from any portion of the Real Property and/or Improvements to a public or private street or other roadway, (iii) that permits any Major Tenant to terminate its Tenant Lease as a result of such casualty, or (iv) other than a temporary taking, that causes any portion of the Real Property and/or Improvements to fail to comply with applicable zoning laws, rules and regulations, or if Seller shall receive an official notice from any governmental authority having eminent domain power over any of the Real Properties and the Improvements thereon of its intention to take, by eminent domain proceeding, all or any portion of any of the Real Properties and any of the Improvements and such taking would result in any one or more of items (i) through (iv) above, prior to the Closing, Purchaser will have the option, by providing Seller written notice within fifteen (15) days after receipt of Seller's 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, the Seller 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 4.6 and neither Seller 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 (in lieu of fee simple title), 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 Seller to Purchaser will occur on the Closing Date, TIME BEING OF THE ESSENCE, through the escrow established with the Title Company. Each of Seller and Purchaser shall have the right to extend the Closing Date one time, to a date no later than September 7, 2016, only in the event that any of the Closing Extension Conditions remain unsatisfied (and otherwise not waived in writing by Purchaser) as of the initial Closing Date. 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 4.4, for delivery to Seller 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 the form of Tenant Notice Letters, duly executed by Purchaser;

(d)

Evidence reasonably satisfactory to the Title Company that the person executing any financing documents on behalf of Purchaser has full right, power, and authority to do so; provided, however, that, notwithstanding anything to the contrary provided in this Agreement, no such evidence shall be made available or otherwise provided to Seller;

(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 (provided the same do not increase in any material respect the costs to, or liability or obligations of, Purchaser in a manner not otherwise provided for herein); and

(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

Seller’s Closing Obligations. Seller, at its sole cost and expense, will deliver for the Property (i) the following items (a), (b), (c), (d), (e), (f), (j), (k), (l), (m) and (n) in escrow with the Title Company pursuant to Section 4.4 on or before the Deposit Time, and (ii) upon receipt of the Purchase Price, Seller shall deliver items (g), (h) and (i) to Purchaser at the Property:

(a)

A special warranty deed substantially in the form attached hereto as **Exhibit I**, duly executed and acknowledged by Seller conveying to Purchaser the Champions Village Real Property and the Champions Village Improvements (the “**Champions Village Deed**”) and a special warranty deed substantially in the form attached hereto as **Exhibit I**, duly executed and acknowledged by Seller conveying to Purchaser the Oak Park Real Property and the Oak Park Improvements (the “**Oak Park Deed**”) and together with the Champions Village Deed, the “**Deeds**”), which Deeds shall be delivered to Purchaser by the Title Company agreeing to cause same to be recorded in the Official Records; additionally, if the legal description of any Real Property drawn from the final versions of the Updated Surveys differs from the descriptions set forth in **Exhibit A-1** and/or **Exhibit A-2** attached hereto, Seller shall, in addition to the Deeds, deliver to Purchaser at Closing a deed without warranty using the description of the applicable Real Property from the final versions of the Updated Surveys to be recorded immediately following the recordation of the Deeds

(b)

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

(c)

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

(d)

Evidence reasonably satisfactory to Title Company (to enable the Title Company to issue the Title Policy without except for matters related to the lack of authority of Seller to convey the Property) that the person executing the Closing Documents on behalf of Seller has full right, power and authority to do so, and evidence that Seller is duly organized and authorized to execute this Agreement and all other documents required to be executed by Seller hereunder;

(e)

A certificate in the form attached hereto as **Exhibit J** (“**Certificate as to**

Foreign Status”) from Seller certifying that Seller is not a “foreign person” as defined in Section 1445 of the Internal Revenue Code of 1986, as amended;

(f)

The Tenant Deposits, at Seller’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 Seller 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 Seller 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. Seller 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;

(g)

The Personal Property;

(h)

All original Licenses and Permits, Service Contracts and Tenant Leases in Seller’s possession and control;

(i)

All keys to the Improvements which are in Seller’s possession;

(j)

An Owner Affidavit in the form attached hereto as Exhibit K duly executed by Seller;

(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, Seller in a manner not otherwise provided for herein);

(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;

(m)

Evidence reasonably acceptable to Purchaser that Seller has duly terminated all management agreements relating to the Real Property, Improvements and/or Personal Property prior to or at Closing; and

(n)

The executed Guaranty.

Section

10.4

Prorations.

(e)

Seller and Purchaser agree to adjust, as of 11:59 p.m. on the day immediately preceding 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), expenses under the Permitted Exceptions, and expenses under Service Contracts assumed by Purchaser at Closing payable by the owner of the Property (on the basis of a 365 day year, actual days elapsed). Seller 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 Seller and submitted to Purchaser for Purchaser’s approval (which approval shall not be unreasonably withheld) two (2) Business Days prior to the Closing Date (the “**Closing Statement**”). The Closing Statement, once agreed upon, shall be signed by Purchaser and Seller 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 Seller (if the preliminary prorations result in a net credit to Seller) or by Seller 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 Seller 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 Seller’s 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). Seller 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. Seller shall cooperate in good faith with Purchaser to facilitate the transfer of all utilities to Purchaser at and/or immediately following the Closing. A final reconciliation of Proration Items shall be made by Purchaser and Seller on or before November 30, 2016 (herein, the “**Final Proration Date**”). The provisions of this Section 10.4 will survive the Closing until the Final Proration Date has occurred, and in the event any items subject to proration hereunder are discovered prior to the Final Proration Date, the same shall be promptly prorated by the parties in accordance with the terms of this Section 10.4. Notwithstanding anything to the contrary provided in this Agreement including, but not limited to, this Section 10.4(a), Seller and Purchaser hereby agree to use the following, estimated 2016 real estate taxes and assessments for purposes of the proration of same

at Closing: (x) \$1,452,200.00 for the Champions Village Real Property and the Champions Village Improvements and (y) \$178,200.00 for the Oak Park Real Property and the Oak Park Improvements.

(f)

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 Seller and attributable to any period following the Closing Time. After the Closing, Seller will cause to be paid or turned over to Purchaser all Rentals, if any, received by Seller 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. Delinquent Rentals will not be prorated. For a period of three (3) months after Closing, 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 incur legal fees or other out-of-pocket expenses, conduct lock-outs or take any other legal action to enforce collection of any such amounts owed to Seller by Tenants of the Property. Purchaser shall have the exclusive right to collect Delinquent Rentals from current Tenants of the Property and Seller hereby relinquishes its rights to pursue claims against any Tenant or guarantor under any Tenant Leases for same. Nothing herein shall prohibit Seller from pursuing Delinquent Rentals from former tenants of the Property. With respect to any Delinquent Rentals received by Purchaser within one (1) year after Closing (the “**Delinquent Rental Proration Period**”), Purchaser shall pay to Seller 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 Tenant (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 Seller in all events, notwithstanding anything herein to the contrary) will be applied first to amounts currently owed by such Tenant to Purchaser (including Delinquent Rentals attributable to the period after the Closing Time), then any collection costs of Purchaser related to such Tenant, and then to prior delinquencies owed by Tenant to Seller. Seller shall not be entitled to institute legal actions to pursue Delinquent Rental after Closing. Any sums collected by Purchaser and due Seller will be promptly remitted to Seller, and any sums collected by Seller and due Purchaser will be promptly remitted to Purchaser.

(g)

Not less than ten (10) days prior to the scheduled Closing Date, Seller 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 2016. Seller

shall deliver all supporting invoices when it delivers the reconciliation prepared by Seller described in the preceding sentence. Furthermore, in preparing the reconciliation, all delinquent payments from Tenants shall be disregarded so as to reduce any amount potentially owed from Purchaser to Seller at Closing. If less amounts have been collected from Tenants for Operating Expense Recoveries for calendar year 2016 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 Seller for calendar year 2016 up to the Closing Time (as prorated pursuant to Section 10.4(a) above), Purchaser will pay such difference to Seller at Closing as an addition to the Purchase Price. If more amounts have been collected from Tenants for Operating Expense Recoveries for calendar year 2016 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 Seller for calendar year 2016 up to the Closing Time (as prorated pursuant to Section 10.4(a) above), Seller will pay to Purchaser at Closing as a credit against the Purchase Price such excess collected amount. Purchaser and Seller agree that such proration of Operating Expense Recoveries at Closing for calendar year 2016 will fully relieve Seller from any responsibility to Tenants or Purchaser for such matters subject to Seller'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 Seller 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 2016 for periods before and after Closing, and (ii) reimbursing Tenants for amounts attributable to Operating Expense Recoveries for calendar year 2016, as may be necessary based on annual reconciliations for Operating Expense Recoveries for such calendar year.

(h)

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 Seller after the Closing Time but expressly state they are for such specific services rendered by Seller or its property manager prior to the Closing Time, Purchaser shall cause such collected amounts to be paid to Seller, or Seller may retain such payment if such payment is received by Seller after the Closing Time.

(i)

(i) Seller shall pay those Leasing Costs incurred in connection with the lease of space in the Property that were executed prior to the Effective Date including, but not limited to, those Leasing Costs identified on **Exhibit G** attached hereto to the extent unpaid as of the Closing Date; (ii) Seller shall pay all Leasing 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 that required the approval of Purchaser pursuant to Section 7.1(d) but for which Seller failed to obtain such approval of Purchaser pursuant thereto; (iii) in the event Closing is consummated, Purchaser will be solely responsible for and shall pay all Leasing 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 that has been approved by Purchaser in accordance with Section 7.1(d) (“**New Tenant Costs**”); and (iv) to the extent Leasing Costs described in clause (i) and/or (ii) above remain unpaid as of Closing, Purchaser shall receive a credit from Seller therefor at Closing and Purchaser shall be responsible after Closing for paying any Leasing Costs for which Purchaser received such a credit, provided that Purchaser shall not receive a credit for any leasing commissions payable to Seller’s property manager pursuant to the Management Agreement, and Seller shall pay all such amounts due in accordance with the Management Agreement.

(j)

Notwithstanding anything to the contrary provided in this Agreement, Seller shall not have the right to file and pursue any appeals attributable to Seller’s period of ownership of the Property with respect to tax assessments for the Property. If Purchaser elects to file and pursue such an appeal and Purchaser is successful in its pursuit related to the calendar year in which the Closing occurs, Purchaser and Seller shall share in the cost of any such appeal and rebates or refunds in the same proportion as the proration of Proration Items set forth on the settlement statement executed by the parties at Closing.

Section

10.5

Delivery of Real Property. Upon completion of the Closing, Seller will deliver to Purchaser possession of the Real Properties 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 all endorsements to the Title Policy, (ii) all premiums and other costs for any mortgagee policy of title insurance, including but not limited to any endorsements or deletions, (iii) Purchaser’s attorney’s fees, (iv) the costs of any update or re-certification of the Updated Surveys, (v) 1/2 of all of the Title Company’s escrow and closing fees, if any, and (vi) any mortgage recording fees for any financing obtained by Purchaser in connection with Closing.

(b)

Seller will pay (i) all basic premium costs for the Title Policy, (ii) the cost of the Updated Surveys, (iii) 1/2 of all of the Title Company’s escrow and closing fees, (iv) Seller’s attorneys’ fees, and (v) prepayment penalties or premiums incurred by Seller with respect to prepaying the Property’s existing mortgage indebtedness at Closing (if any).

(c)

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

(d)

Except as otherwise expressly provided in this Agreement, if the Closing does not occur on or before the Closing Date 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 a written notice executed by Purchaser and Seller (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 Seller a copy of each Tenant Notice Letter promptly after delivery of same. 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 in this Agreement, 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 Seller, and all of which shall be deemed waived upon Closing:

(a)

Seller shall have performed in all material respects each of the obligations of Seller set forth in this Agreement as of the Closing Date;

(b)

The Title Company shall be irrevocably committed to issue the 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)

Subject to Section 10.9, Seller’s representations and warranties made in Section 8.1 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 Seller in Section 8.1 to reflect (i) new Tenant Leases, Tenant Lease amendments, new Service Contracts, and/or Service Contract amendments, executed by Seller after the Effective Date in accordance with this Agreement, and (ii) any action taken by Seller in accordance with any Tenant Leases, Service Contracts, or Permitted Exceptions after the Effective Date not prohibited by or otherwise in contravention of the terms of this Agreement, and (iii) a Tenant Lease default or

a Tenant insolvency occurring after the Effective Date. The term “**Immaterial Events**” shall mean any fact or event that is not caused by Seller or any of the Seller Released Parties that does not or is not expected to result in a loss of value, damage (including, but not limited to, indirect, consequential and speculative damages likely to be incurred), claim or expense in excess of \$100,000.00, in the aggregate; provided, however, that any and all breaches of Seller’s representations and warranties made in Section 8.1 that are not true and correct in all material respects as of the Effective Date shall in no event be deemed an Immaterial Event, and Section 10.9 (b) shall be applicable with respect to such items. Authorized Qualifications and Immaterial Events shall not constitute a default by Seller or a failure of a condition precedent to Closing. Purchaser shall receive a credit against the Purchase Price at Closing for the amount of damage anticipated to be caused by any Immaterial Event. If (x) between the Effective Date and the Closing Date, facts or events not known to Seller prior to the Effective Date are discovered by Seller, (y) such facts or events are not Authorized Qualifications or Immaterial Events or otherwise caused by any Seller or any of the Seller Released Parties, and (z) such facts or events would result in a failure of the condition set forth in Section 10.8(d) above, such failure shall not constitute a breach of this Agreement, and following Seller’s written notice to Purchaser (which Seller shall be obligated to deliver to Purchaser within two [2] Business Days of Seller’s actual knowledge of same), 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 Seller); provided, however, if Purchaser does not exercise its right to terminate this Agreement on or before the later of (1) Closing or (2) the date that is three (3) Business Days after Purchaser receives written notice from Seller of such facts or events (and Closing shall be automatically extended to permit the running of such period), 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, subject to compliance with Section 10.9 below, 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

Breaches of Seller’s Representations Prior to Closing.

(a)

If, prior to the Closing, Purchaser shall deliver a written notice to Seller asserting a breach of any representation or any warranty of Seller that was initially true and correct in all material respects on the Effective Date but which thereafter failed to remain true and correct in all material respects due to any fact or event that was not caused by Seller or any of the Seller Released Parties (and which is not the result of an Authorized Qualification), for which the damage (including, but not limited to, indirect, consequential and speculative damages) from all its Claims for such breaches are in an amount that exceeds \$100,000.00 (a “**Material Breach**”), then Purchaser may, as its sole and exclusive remedy, upon the delivery of written notice of such breach to Seller either (i) proceed to close the purchase of the Property with a credit against the Purchase Price in an amount of the damage (including, but not limited to, indirect, consequential and speculative damages) as reasonably determined by Purchaser in such written notice, such amount to be not more than \$500,000 on account of such asserted breach (and with no liability to Seller beyond such credit) and, upon receipt of such credit at Closing, to waive any claims against Seller for such Claims

with respect to such Material Breach or (ii) terminate this Agreement by the giving of the written notice to Seller of same. If Purchaser has elected to terminate this Agreement pursuant to Section 10.9(a)(ii) above, Purchaser shall receive a refund of the Earnest Money Deposit, and Seller shall be obligated to promptly reimburse Purchaser for its actual out of pocket costs incurred in connection with this Agreement or the Property including, but not limited to, the negotiation of this Agreement, Purchaser's due diligence with respect to the Property, Purchaser's financing with respect to the Property (including, but not limited to, good faith deposits, commitment fees, and costs of hedging and other rate lock contracts), and all of Purchaser's legal fees and expenses related thereto, not to exceed, however, \$250,000 with respect to this Agreement and the Other Property Agreements in the aggregate.

(b)

If, prior to the Closing, Purchaser shall deliver a written notice to Seller asserting a breach of any representation or any warranty of Seller (which constitutes a Material Breach) that was not true and correct in all material respects on the Effective Date, or that otherwise no longer remains true and correct in all material respects (and which is not the result of an Authorized Qualification) due to any fact or event caused by Seller or any of the Seller Released Parties, then Purchaser may, as its sole and exclusive remedy, upon the delivery of written notice of such breach to Seller either (i) proceed to close the purchase of the Property with a credit against the Purchase Price in an amount of the damage (including, but not limited to, indirect, consequential and speculative damages) as reasonably determined by Purchaser in such written notice, such amount to be not more than \$500,000 on account of such asserted breach (and with no liability to Seller beyond such credit) and, upon receipt of such credit at Closing, to waive any claims against Seller for such Claims with respect to such Material Breach or (ii) terminate this Agreement by the giving of the written notice to Seller of same. If Purchaser has elected to terminate this Agreement pursuant to Section 10.9(b)(ii) above, Purchaser shall receive a refund of the Earnest Money Deposit, and Seller shall be obligated to promptly reimburse Purchaser for its actual out of pocket costs incurred in connection with this Agreement and the Other Property Agreements (as defined below) or the Property and the Other Properties (as defined below) including, but not limited to, the negotiation of this Agreement and the Other Property Agreements, Purchaser's due diligence with respect to the Property and the Other Properties, Purchaser's financing with respect to the Property and the Other Properties (including, but not limited to, good faith deposits, commitment fees, and costs of hedging and other rate lock contracts), and all of Purchaser's legal fees and expenses related thereto, not to exceed, however, \$700,000 with respect to this Agreement and the Other Property Agreements in the aggregate.

Section

10.10

General Conditions Precedent to Seller's Obligations Regarding the Closing.

In addition to the conditions to Seller's obligations set forth in this Article X, the obligations and liabilities of Seller 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 Seller 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 8.2 shall be true and correct in all material respects.

Section

10.11

Condition Precedent to Closing. Notwithstanding anything to the contrary contained herein (but subject to Section 9.1 and 9.3 hereof), it shall be a condition to each party's obligation to close the sale of the Oak Park Real Property, the Oak Park Improvements and all Property related thereto (the "**Oak Park Property**"), that a closing occur simultaneously with the Closing with respect to (i) Shoppes at Parkland and University Palms in Florida, (ii) Heritage Station in North Carolina, and (iii) Cherokee Plaza, Sandy Plains Exchange and Thompson Bridge Commons in Georgia (collectively, the "**Other Properties**"), which Other Properties are the subject to Agreements of Purchase and Sale by and between Affiliates of Seller, as seller, and Purchaser, as purchaser (the "**Other Property Agreements**") the parties hereto acknowledging that the Oak Park Property is being sold as a part of the portfolio containing the Oak Park Property and the Other Properties and the parties do not intend to sell or purchase the Oak Park Property or any of the Other Properties as individual assets. Seller intends that the sale of the Oak Park Property, together with the sale of the Other Properties by Affiliates of Seller constitute the sale of property to one buyer as part of one transaction within the meaning of Section 857(b)(6)(E)(vi) of the Internal Revenue Code of 1986, as amended. Furthermore, if either party exercises any right to terminate this Agreement in accordance herewith (except for Seller's right to terminate this Agreement with respect to the Champions Property pursuant to Section 10.13 below), such party (or its applicable Affiliate) shall simultaneously terminate each of the Other Property Agreements (if such Other Property Agreements are not terminated by their terms), and the earnest money deposits held under such Other Property Agreements shall be delivered to the party (or its applicable Affiliate) entitled to receive same hereunder. Seller and Purchaser hereby agree that the exercise of a right to terminate under any of the Other Property Agreements shall automatically terminate this Agreement, and the Earnest Money Deposit shall be delivered to the party hereunder who is entitled to receive (or whose applicable Affiliate is entitled to receive) same under such terminated Other Property Agreement. Further, a default under any of the Other Property Agreements shall constitute a default under this Agreement and Seller and Purchaser shall have all rights and remedies provided hereunder as if such default had occurred with respect to this Agreement. Notwithstanding anything to the contrary provided in this Agreement, (x) if Closing is extended pursuant to the express terms of this Agreement, such party (or its applicable Affiliate) shall simultaneously be deemed to agree to extend the closing under each of the Other Property Agreements for the same number of days as the Closing is extended hereunder (if closing under such Other Property Agreements is not automatically extended for the same number of days by their terms), and (y) Seller and Purchaser hereby agree that the extension of closing under any of the Other Property Agreements shall automatically extend the Closing under this Agreement for the same number of days as the closing is extended under any of the Other Property Agreements.

Failure of Condition. If any condition precedent to Seller's obligation to effect the Closing (as set forth in Section 10.10) is not satisfied, then Seller shall be entitled to terminate this Agreement by notice thereof to Purchaser and Title Company. Subject to Section 10.9, 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 Seller and Title Company. If the condition precedent to each party's obligation to effect the Closing (as set forth in Section 10.11) is not satisfied, then either party shall be entitled to terminate this Agreement by notice thereof to the other party and the Title Company (if this Agreement is not terminated by its terms). If this Agreement is so terminated, then Purchaser shall be entitled to receive the Earnest Money Deposit (and all accrued interest thereon) and neither party 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 Seller or Purchaser hereunder, then Article XIII shall govern and this Section 10.12 shall not apply.

Champions Village. Notwithstanding anything to the contrary provided in this Agreement, Seller shall have the right to terminate this Agreement as to the Champions Village Real Property, the Champions Village Improvements and all Property related thereto (the "**Champions Property**") at any time prior to the date which is ninety (90) days following the Effective Date (the "**Champions Exercise Date**") upon delivery of written notice to Purchaser. Seller and Purchaser acknowledge that \$52,000,000 of the Purchase Price and \$2,500,000 of the Earnest Money Deposit have been allocated to the Champions Property, and if Seller exercises its termination right hereunder, (x) the Purchase Price shall be reduced by such allocated amount, (y) such amount of the Earnest Money Deposit shall immediately be returned to Purchaser, and (z) Seller shall be obligated to promptly pay to Purchaser the sum of \$125,000.00 as consideration for Purchaser's pursuit of its acquisition of the Champions Property. On the Closing Date, Seller and Purchaser shall close as to the Oak Park Property as well as the Other Properties, but (i) the portion of the Earnest Money Deposit related to the Champions Property shall remain with the Title Company, and (ii) the closing and funding as to the Champions Property shall be delayed until the Champions Closing Date (hereinafter defined). The Closing with respect to the Champions Property shall occur not later than the date that is sixty (60) days following the first to occur of (1) the date that Purchaser receives written notice from Seller of Seller's waiver of its termination right under this Section 10.13, and (2) the Champions Exercise Date, or such earlier or later date as mutually agreed upon by Seller and Purchaser (such date, the "**Champions Closing Date**"), and the portion of the Earnest Money Deposit related to the Champions Property shall be applied against the Purchase Price for the Champions Property at Closing. Without limiting any other provisions of this Agreement, Seller hereby acknowledges and agrees that Seller shall not deliver the estoppel certificates to the Tenants of the Champions Property for execution until the later to occur of (a) the expiration of the Property Approval Period, and (b) the date that Purchaser receives written notice from Seller of Seller's waiver of its termination right under this Section 10.13 (or the Champions Exercise Date if no such waiver occurs). Notwithstanding anything to the contrary provided in this Agreement, the Champions Closing Date may be extended for up to ten (10) Business Days by either Seller or Purchaser, in their sole discretion, in the event that any of the Closing

Extension Conditions remain unsatisfied (and otherwise not waived in writing by Purchaser) with respect to the Champions Property as of the initial Champions Closing Date.

ARTICLE XI

BROKERAGE

Section

11.1

Brokers. Seller agrees to pay to CBRE (“**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 Seller to Broker will fully satisfy the obligations of the Seller for the payment of a real estate commission hereunder. Other than as stated in the first sentence of this Section 11.1, Purchaser and Seller represent and warrant to the other 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 and Seller will indemnify, defend and hold the other party 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. Seller and Purchaser each expressly acknowledges and agrees 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 Seller and Purchaser and will not be disclosed by Seller or Purchaser except to their respective legal counsel, accountants, consultants, officers, prospective investors, prospective lender, clients, partners, directors, and shareholders, and except and only to the extent that such disclosure may be necessary for their respective performances hereunder or as otherwise required by applicable law; provided, however, that notwithstanding anything to the contrary provided in this Agreement, Purchaser shall have the right to release a press notice containing such information as Purchaser is required to include in its filing of Form 8-K with the SEC reporting the entry of a “Material Definitive Agreement” following the full execution of this Agreement. 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 Seller. Nothing contained in this Article XII will preclude or limit either 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 thereof so that the other party 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, Seller and Purchaser acknowledge and agree that Seller and Purchaser, and entities which directly or indirectly own the equity interests in Seller or Purchaser, 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, acquisition and financing 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 Seller and Purchaser 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 both parties or as soon as required by law. Additionally, notwithstanding anything to the contrary provided in this Agreement, Seller hereby agrees to reasonably cooperate with Purchaser (at no third party cost to Seller) during the term of this Agreement in the preparation by Purchaser and its advisors, at Purchaser’s sole cost and expense, of audited financial statements of the Property for the most recent completed fiscal year of Seller and the current fiscal year-to-date that comply with Form 8-K filing requirements and Rule 3-14 of Regulation S-X, both as promulgated by the SEC, including current and historical operating statements and information regarding the Property. The provisions of this Article XII will survive any termination of this Agreement.

ARTICLE XIII

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REMEDIES

Section

13.1

Default by Seller.

Notwithstanding any provision in this Agreement to the contrary, if Closing of the purchase and sale transaction provided for herein does not occur as herein provided by reason of any default of Seller, Purchaser may, as Purchaser’s sole and exclusive remedies, elect by written notice to Seller within five (5) Business Days following the scheduled Closing Date, to either (a) terminate this Agreement, in which event Seller shall be obligated to promptly reimburse Purchaser for its actual out of pocket costs incurred in connection with this Agreement or the Property including, but not limited to, the negotiation of this Agreement, Purchaser’s due diligence with respect to the Property, Purchaser’s financing with respect to the Property (including, but not limited to, good faith deposits, commitment fees, and costs of hedging and other rate lock contracts), and all of Purchaser’s legal fees and expenses related thereto, not to exceed, however, \$700,000.00 with respect to this Agreement and the Other Property Agreements in the aggregate, and Purchaser shall receive from the Title Company the Earnest Money Deposit, whereupon Seller 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 Seller shall be filed and served within thirty (30) days of the scheduled Closing Date, and, in either event, Purchaser hereby waives all other remedies, including without limitation, any claim against Seller 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 Seller 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 with respect to the Property or Seller's 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 Seller 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 SELLER AGREE IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO FIX THE DAMAGES WHICH SELLER MAY SUFFER. PURCHASER AND SELLER 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 SELLER WOULD SUFFER IN THE EVENT PURCHASER DEFAULTS AND FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY, AND (ii) SUCH AMOUNT SHALL BE PAID TO SELLER 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 SELLER'S SOLE AND EXCLUSIVE REMEDY (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 SELLER 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 SELLER'S 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. Seller and Purchaser each waive any right to sue the other for any consequential or punitive damages for matters arising under this Agreement (it being understood that Seller and Purchaser each have waived the right to obtain incidental, special, exemplary or consequential damages in connection with any default of Purchaser or Seller 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:

NEW MARKET PROPERTIES, LLC

3284 Northside Parkway, NW, Suite 515

Atlanta, Georgia 30327

Attn: Mr. Joel Murphy

Email: joel@newmarketprop.com

with copy to:

NEW MARKET PROPERTIES, LLC

3284 Northside Parkway, NW, Suite 515

Atlanta, Georgia 30327

Attn: Mr. Michael C. Aide

Email: michael@newmarketprop.com

with copy to:

ARNALL GOLDEN GREGORY LLP
171 17th Street, Suite 2100
Atlanta, Georgia 30363
Attn: Andrew D. Siegel
Email: Andrew.siegel@agg.com

To Seller: HR VENTURE PROPERTIES I LLC
c/o Hines Interests Limited Partnership
2800 Post Oak Boulevard, Suite 4800
Houston, Texas 77056
Attn: Kevin McMeans
Email: kevin.mcmeans@hines.com

with copy to: HR VENTURE PROPERTIES I LLC

c/o Hines Advisors Limited Partnership

2800 Post Oak Boulevard, Suite 4800

Houston, Texas 77056

Attn: Jason P. Maxwell – General Counsel
Email: jason.maxwell@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 Seller's prior written consent, to be given or withheld in Seller's sole and absolute discretion. Notwithstanding the foregoing, Purchaser may assign its rights under this Agreement to a wholly-owned (directly or indirectly) and controlled Affiliates 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, and provided that the wholly-owned (directly or indirectly) and controlled Affiliates are disregarded as an entity separate from Purchaser for federal income tax purposes within the meaning of Section 301.7701-3 of the Treasury Regulations under the Internal Revenue Code of 1986, as amended, at all times from such assignment through and including the Closing. This Agreement will be binding upon and inure to the benefit of Seller 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 Seller 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 Seller set forth in this Agreement and Seller's liability under any provision of this Agreement and under any Closing Document (as defined below), will survive the Closing for a period ending on November 30, 2016; provided however, that if Purchaser delivers written notice(s) to Seller of a breach of a representation, warranty or covenant of Seller prior to the expiration of such period (such notice[s] being collectively referred to herein as a "**Breach Notice**"), those representations, warranties and/or covenants referenced in such Breach Notice(s) shall survive beyond such period until conclusively and finally resolved by Purchaser and Seller including, if applicable, the resolution of any litigation beyond any applicable appeals periods (such period ending on November 30, 2016, as same may be extended by the terms hereof, the "**Seller Survival Period**"). Purchaser shall not have any right to bring any action for monetary damages against Seller as a result of (i) any untruth, inaccuracy or breach of such representations and warranties under this Agreement or any Closing Document, or (ii) the failure of Seller to perform its obligations under any other provision of this Agreement 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 (including Seller's liability for attorneys' fees and costs due to Purchaser) exceeds \$100,000. In addition, in no event will Seller's liability for all such untruths, inaccuracies, breaches, and/or failures under Sections 8.1, any other provision of this Agreement or under any Closing Documents (including Seller's liability for attorneys' fees and costs in connection with such untruths, inaccuracies, breaches and/or failures) exceed, in the aggregate, one percent (1%) of the Purchase Price. In order to secure Seller's obligations set forth in this Section 16.1(a), Seller shall cause Hines Real Estate Investment Trust, Inc., a Maryland corporation, ("**Guarantor**"), to execute and deliver a guaranty in favor of

Purchasers guaranteeing Seller's obligations under this Section 16.1(a) for the duration of the Survival Period (the "**Guaranty**").

(b)

Seller shall have no liability to Purchaser following Closing with respect to any specific representation, warranty or covenant of Seller herein if, prior to the Closing, Purchaser has actual knowledge of such specific breach of a representation, warranty or covenant of Seller herein (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 Seller or Seller's agents and employees) that contradicts any of Seller's 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 Seller or Purchaser 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 Seller's 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 Seller 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. 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, photostatting, 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

17.3

Time of Essence. Seller 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 and Seller acknowledge that, except as expressly provided in this Agreement, neither party has any, right to extend the Closing Date.

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 Purchaser or Seller 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 EITHER 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 **K**, 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 Seller and Purchaser with respect to the Property to be conveyed as contemplated hereby.

Section 17.14

Limitations on Benefits. It is the explicit intention of Purchaser and Seller that no person or entity other than Purchaser and Seller 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 Seller 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 Seller expressly reject any such intent, construction or interpretation of this Agreement.

Section

17.15

Exculpation. In no event whatsoever shall recourse be had or liability asserted against any of Seller's or Purchaser's partners, members, shareholders, employees, agents, directors, officers or other owners of Seller or Purchaser or their respective constituent members, partners, shareholders, employees, agents directors, officers or other owners. Seller's or 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 Seller or 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.

[End of Page]

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

PURCHASER:

NEW MARKET PROPERTIES, LLC,
a Maryland limited liability company

By: /s/ Joel T. Murphy
Name: Joel T. Murphy
Title: CEO

SELLER:

HR VENTURE PROPERTIES I LLC,
a Delaware limited liability company

By: HR Retail Venture I LLC,
a Delaware limited liability company,
its sole member

By: Hines REIT Retail Holdings LLC,
a Delaware limited liability company,
its sole member

By: /s/ Kevin L. McMeans
Name: Kevin L. McMeans
Title: Manager

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 Seller and Purchaser on the 24th day of June, 2016, 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: /s/ Elvira Fuentes

Printed Name: Elvira Fuentes

Title: VP/ Escrow Manager

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 Seller 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 Seller in Article V and (iii) is duly licensed and authorized to do business in the State in which the Property is located.

CBRE, Inc.

Date: June 28, 2016

By: /s/ Christopher Cozby

Printed Name: Christopher Cozby

Title: Executive Vice President

Address: 2100 McKinney Ste 700
Dallas, Texas 75201

License No.: 365477

Tax ID. No.: 95-2743174

AGREEMENT OF SALE AND PURCHASE

BETWEEN

**HR VENTURE PROPERTIES I LLC,
and HR PARKLAND LLC,**

each a Delaware limited liability company

as Sellers

AND

**NEW MARKET PROPERTIES, LLC,
a Maryland limited liability company**

as Purchaser

pertaining to

Shoppes at Parkland, Fort Lauderdale, FL and University Palms, Oviedo, FL

EXECUTED EFFECTIVE AS OF

June 24, 2016

AGREEMENT OF SALE AND PURCHASE

THIS AGREEMENT OF SALE AND PURCHASE (this “**Agreement**”) is entered into and effective for all purposes as of June 24, 2016 (the “**Effective Date**”), by and between HR Venture Properties I LLC (the “**HR Venture Properties I Seller**”), HR Parkland LLC (the “**HR Parkland Seller**”), each a Delaware limited liability company (the HR Venture Properties I Seller and the HR Parkland Seller are together referred to herein as “**Sellers**” and individually as a “**Seller**”), and New Market Properties, LLC, a Maryland 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.

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

“**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.

“**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 Fort Lauderdale or Orlando,

Florida. 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 4.6.

“**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 August 8, 2016, which date may be extended in accordance with Section 10.1 hereof to September 7, 2016 by either Sellers or Purchaser, in their sole discretion, only in the event that any of the Closing Extension Conditions remain unsatisfied (and otherwise not waived in writing by Purchaser) as of the initial Closing Date. The Closing Date may also be an earlier or later date to which Purchaser and Sellers may hereafter agree in writing.

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

“**Closing Extension Conditions**” means those conditions precedent to Purchaser’s obligation to consummate Closing as expressly provided in Sections 10.8(b) and 10.8(c) hereof.

“**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 4.8, 4.10, 5.2(d), 5.3, 5.5, 5.6, 8.1 (subject to Section 16.1), 8.2, 10.4 (subject to the limitations therein), 10.6, 10.7, 10.9, 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 4.10.

“**Contingency Date**” means July 8, 2016.

“**Deeds**” 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 Time” means 3:30 p.m. Eastern 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 4.3.

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

“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).

“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, as to each Seller, all buildings, structures, fixtures, parking areas and improvements owned by such Seller and located on the Real Properties, with such Improvements located on the Shoppes at Parkland Real Property sometimes referred to herein as the **“Shoppes at Parkland Improvements”** and such Improvements located on the University Palms Real Property sometimes referred to herein as the **“University Palms Improvements”**.

“Independent Consideration” has the meaning ascribed to such term in Section 4.2.

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

“Intangible Personal Property” means, as to each Seller, 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 (in each case, if any) utilized solely by such Seller or which such Seller has a right to utilize in connection with the operation of the Real Property owned by such Seller and Improvements thereon (other than the names or variations thereof of Hines Interests Limited Partnership (or Hines), each Seller, its Affiliates, the property manager and Tenants), provided however, that the foregoing definition shall specifically exclude all Reserved Company Assets.

“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 (but not legal and professional fees related to Tenant Leases entered into, renewed, amended, modified or expanded between the Effective Date and the Closing Date), 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.

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

“Licenses and Permits” means, collectively, as to each Seller, all of such Seller’s 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 owned by such Seller and the Improvements thereon, together with all renewals and modifications thereof.

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

“Material Breach” has the meaning ascribed to such term in Section 10.9(a).

“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 Broward County, Florida with respect to the Shoppes at Parkland Real Property and Shoppes at Parkland Improvements and Seminole County, Florida with respect to the University Palms Real Property and University Palms Improvements.

“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 4.6.

“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, as to each Seller, all of such Seller’s 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 exclusively in connection with the ownership or operation of the Improvements owned by such Seller, 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 such Seller, and (iii) any items of personal property owned or leased by such Seller’s property manager, and (iv) all other Reserved Company Assets.

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

“Property Approval Period” shall have the meaning ascribed to such term in Section 4.6.

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

“PTRs” has the meaning ascribed to such term in Section 6.2(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 8.2(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.

“Real Property” means the Shoppes at Parkland Real Property and the University Palms Real Property individually, and **“Real Properties”** means the Shoppes at Parkland Real Property together with the University Palms 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 4.10(a).

“Reserved Company Assets” means, as to each Seller, the following assets of such Seller as of the Closing Date: all cash (subject to the prorations and obligations hereinafter set forth), cash equivalents (including certificates of deposit; subject to the prorations and obligations hereinafter set forth), deposits held by third parties (e.g., utility companies, but expressly excluding Tenant Deposits), 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 such Seller or its direct or indirect partners, members, shareholders or affiliates, any refund in connection with termination of such Seller’s existing insurance policies, all contracts between such 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 such Seller), the internal books and records of such 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 of such Seller or

any other real property owned by such Seller, and any other intangible property that is not used exclusively in connection with the Property owned by such Seller.

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

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

“**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, as to each Seller, all of such Seller’s 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 such Seller and under which such Seller is 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). Notwithstanding anything to the contrary provided in this Agreement, in no event shall any management agreement relating to the Real Property, Improvements or Personal Property be deemed a “Service Contract” under this Agreement.

“**Shoppes at Parkland Real Property**” means those certain parcels of real property located at 5901-5933 W. Hillsboro Boulevard, Fort Lauderdale, Florida 33067 and commonly known as the Shoppes at Parkland Shopping Center, as more particularly described on **Exhibit A-1** attached hereto, together with all of HR Parkland Seller’s right, title and interest, if any, in and to the appurtenances pertaining thereto, including but not limited to HR Parkland Seller’s right, title and interest in and to the streets, alleys and right-of-ways which abut such real property, and any easement rights, air rights, subsurface rights, development rights and water rights appurtenant to such real property.

“**Significant Portion**” means damage by fire or other casualty (or loss of value due to condemnation or eminent domain proceedings) (a) requiring repair costs (or resulting in a loss of value) in excess of an amount equal to Five Hundred Thousand and No/100 Dollars (\$500,000.00) as such repair costs or loss of value calculation is reasonably agreed upon by Purchaser and Sellers in accordance with the terms of Section 9.2, or (b) whereby more than Ten Thousand (10,000) square feet of leasable space is substantially damaged, in either case, to any of the following: (i) the Shoppes at Parkland Real Property and the Shoppes at Parkland Improvements or any portion thereof or (ii) the University Palms Real Property and the University Palms Improvements or any portion thereof.

“**Tenant Deposits**” means, as to each Property, all security deposits, paid or deposited by the Tenants to the Seller of such Property, as landlord, or any other person on such Seller’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, together with any and all guaranties thereof or relating thereto (and any and all written renewals, amendments, modifications, supplements or agreements related 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, together with any and all guaranties thereof or relating thereto, entered into after the Effective Date, and (iii) any and all new written renewals, amendments, modifications and supplements, together with any and all guaranties thereof or relating thereto, to any of the foregoing entered into after the Effective Date; provided, however, that the documentation referenced in items (ii) and (iii) shall only be deemed “Tenant Leases” to the extent that such documentation is approved by Purchaser in each instance 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 4.6, 4.7, 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 601 Travis, Suite 1875, Houston, Texas 77002, Attn: Read Hammond, Telephone No.: 713-346-1652, Facsimile No.: 866-899-6403, Email: jthammond@firstam.com; provided, however, if the Title Company Option (as defined in Section 6.3) is exercised, “Title Company” shall be deemed revised to mean Fidelity National Title Insurance Company, at its offices located at 5565 Glenridge Connector, Suite 300, Atlanta, Georgia 30342, Attn: Laura W. Kaltz, Telephone No.: 404-419-3216, Facsimile 404-968-2182, Email: Laura.Kaltz@FNTG.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 Policy**” has the meaning ascribed to such term in Section 6.3.

“**To Sellers’ Knowledge**” and similar terms means the present actual (as opposed to constructive or imputed) knowledge solely of Kenton McKeehan and Chris Buchtien, without any independent investigation or inquiry whatsoever, which individuals are familiar with the operations of each Real Property. Such individuals are named in this Agreement solely for the purpose of establishing the scope of Sellers’ knowledge. Such individuals shall not be deemed to be a party to this Agreement nor to have made any representations or warranties hereunder, and no recourse shall be had to such individuals for any of Sellers’ representations and warranties hereunder (and Purchaser hereby waives any liability of or recourse against such individuals, who are not employees of any Seller, but are employees of the advisor to the Seller).

“**University Palms Real Property**” means those certain parcels of real property located at 4250 Alafaya Trail, Oviedo, Florida 32765 and commonly known as the University Palms Shopping Center, as more particularly described on **Exhibit A-2** attached hereto, together with all of HR Venture Properties I Seller’s right, title and interest, if any, in and to the appurtenances pertaining thereto, including but not limited to HR Venture Properties I Seller’s right, title and interest in and to the streets, alleys and right-of-ways which abut such real property, and any easement rights, air rights, subsurface rights, development rights and water rights appurtenant to such real property.

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

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

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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, the Real Properties and the Improvements, together with all of Sellers’ right, title, and interest in and to each of the following attributable to the Real Properties and the Improvements: (a) the Personal Property; (b) the Tenant Leases in effect on the Closing Date and, subject to the terms of the respective applicable Tenant Leases, the Tenant Deposits (if any); (c) the Service Contracts in effect on the Closing Date, (except for those Service Contracts that Purchaser duly requires to be terminated at or prior to Closing pursuant to the express terms of this Agreement, (d) the Licenses and Permits; and (e) the Intangible Personal Property, in each of the cases of (d) and (e) 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 (collectively with the Real Properties, 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

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CONSIDERATION

Section

3.1

Purchase Price. The purchase price for the Property (the “**Purchase Price**”) will be \$49,850,000.00 (\$22,260,000.00 for the University Palms Real Property and the University Palms Improvements and \$27,590,000.00 for the Shoppes at Parkland Real Property and the Shoppes at Parkland Improvements) 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, at Closing and effective as of Closing, Purchaser shall (i) execute and deliver to Seller the General Conveyance, and (ii) be responsible for certain Leasing Costs pursuant to the express provisions of 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 4:00 p.m. Eastern time on the Closing Date, the parties shall consummate Closing subject to the terms and provisions of this Agreement.

ARTICLE IV

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EARNEST MONEY DEPOSIT AND ESCROW INSTRUCTIONS

Section

4.1

Earnest Money Deposit. Within two (2) Business Days after the Effective Date, Purchaser shall deposit with the Title Company, in immediately available federal funds, the sum of \$2,500,000 (\$1,250,000 for each Real Property) (the “**Initial Earnest Money Deposit**”), which will be held in escrow by the Title Company pursuant to the terms of this Agreement. Provided that this Agreement remains in full force and effect, within two (2) Business Days after the Contingency Date, Purchaser shall deposit an additional amount of \$2,500,000 (\$1,250,000 for each Real Property) (the “**Additional Earnest Money Deposit**” and together with the Initial Earnest Money Deposit, the “**Earnest Money Deposit**”) with the Title Company. If Purchaser fails to

deposit the Initial Earnest Money Deposit or the Additional Earnest Money Deposit within the time periods described above, this Agreement shall automatically terminate.

Section

4.2

Independent Consideration. Upon the execution hereof, Purchaser shall pay to Sellers One Hundred Dollars (\$100) as independent consideration (the “**Independent Consideration**”) for Purchaser’s right to purchase the Property and Sellers’ execution, delivery, and performance of this Agreement. Notwithstanding anything to the contrary contained herein (including any reference to the return of the Earnest Money Deposit to Purchaser), Sellers shall, in all events, retain the Independent Consideration, but the Independent Consideration shall be applied as a credit against the Purchase Price at the Closing. Purchaser and Sellers hereby acknowledge and agree that the Independent Consideration constitutes adequate and sufficient consideration for Purchaser’s right to purchase the Property and Sellers’ execution, delivery, and performance of this Agreement, and that the loss of Purchaser’s ability to use the funds constituting the Earnest Money Deposit as provided in this Agreement constitutes further consideration therefor.

Section

4.3

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

4.4

Documents Deposited into Escrow. On or before the Deposit Time, (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

4.5

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 4.6 (or if such a notice has been previously received, the Title Company has received a withdrawal of such notice), and subject in all events to the terms and conditions of this Agreement and the terms and conditions of any closing instruction letters delivered by Purchaser and/or Seller to Title Company prior to Closing, when Purchaser and Sellers have delivered the documents required by Section 4.4, 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 4.10;

(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)

Contemporaneously (i) deliver the Deeds (and quitclaim deeds, if applicable) to Purchaser by causing the same to immediately be recorded in the Official Records and agreeing to obtain conformed copies of the recorded Deeds for delivery to Purchaser and to Sellers following recording, (ii) issue to Purchaser the Title Policy required by Section 6.3 of this Agreement, and (iii) disburse to all applicable parties on the Closing Statement by wire transfer of immediately available federal funds, in accordance with wiring instructions to be obtained by the Title Company from such parties, all sums to be received by such parties pursuant to the Closing Statement; and

(d)

Contemporaneously deliver to Sellers and Purchaser, all remaining documents deposited with the Title Company for delivery to such parties at the Closing.

Section

4.6

Termination Notices. If at any time prior to 5:00 p.m. (Eastern time) on June 21, 2016 (the “**Property Approval Period**”), the Title Company receives a notice from Purchaser that Purchaser has exercised its termination right under Section 5.4, the Title Company, within three (3) Business Days after the receipt of such notice, will deliver the Earnest Money Deposit to Purchaser. If at any time, except as provided in the preceding sentence, the Title Company receives a certificate of either Sellers or of Purchaser (for purposes of this Section 4.6, 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 4.6, 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 five (5) 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 five (5) 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 five (5) 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 4.7.

Section

4.7

Joint Indemnification of Title Company; Conflicting Demands on Title

Company. If this Agreement or any matter relating hereto (other than the PTR or the Title Policy) 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

4.8

Maintenance of Confidentiality by Title Company. Except as may otherwise be required by law or by 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

4.9

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

4.10

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 4.10, 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 4.10, 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)

Through the earlier of Closing or the termination of this Agreement, Purchaser and its agents, representatives, contractors and consultants shall inspect and investigate the Property and shall 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 interview Tenants unless interviews are coordinated through the applicable Seller and the applicable Seller shall have the right to participate in any such interviews. 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 forty-eight (48) hours prior to such intended entry and specify the intended purpose therefor and the inspections and examinations contemplated to be made. At the applicable Seller's option, such Seller may be present for any such entry, inspection and interview with any Tenants and service providers with respect to the Property owned by such Seller. 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 invasive testing or sampling shall be conducted during any such entry by Purchaser or any Licensee Party upon the Real Property without the applicable Seller's specific prior written consent, which consent may be withheld, delayed or conditioned in such Seller's sole and absolute discretion; and provided, further, that prior to giving any such approval, such Seller shall be provided with a written sampling plan in reasonable detail in order to allow such Seller 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 recompact 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 forty-eight (48) hours prior written notice of Purchaser's intention to communicate with any Authorities and the applicable Seller shall have the right to participate in any such communications.

Section

5.2

Document Review.

(a)

Beginning no later than two (2) Business Days following the Effective Date, and through the earlier of Closing or the termination of this Agreement, and to the extent not already available on the Effective Date, Sellers shall 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 any Seller; (ii) assessments (special or otherwise), ad valorem and personal property tax bills, covering the three (3) years preceding the Effective Date; (iii) Sellers' most currently available rent roll; (iv) operating statements and rent rolls for the stub period of the current calendar year plus the prior two (2) 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; (viii) copies of Sellers' title insurance policies and surveys for the Property; (ix) a schedule of capital expenditures at the Property for the past 3 years; (x) copies of floor plans and marketing materials currently utilized in marketing the Property to tenants; (xi) a current certificate of insurance regarding property casualty insurance at the Property; (xii) intentionally deleted; (xiii) reconciliations with respect to common area maintenance and taxes for the last 2 calendar years; (xiv) intentionally deleted; (xv) a leasing activity report including active lease proposals, other prospects and the status of near-term expirations/termination options; (xvi) utility bills for the Property for the 12 months preceding the Effective Date; (xvii) an insurance claims history for the earlier of the last 5 years or Seller's period of ownership of the Property; (xviii) an accounts receivable report for the Property; (xix) tenant and other Property files including correspondence contained therein; and (xx) any other due diligence materials reasonably requested by Purchaser from time to time (collectively, the "**Documents**"). Purchaser acknowledges that, prior to the Effective Date, Purchaser has received from Seller copies of Tenant Leases and Service Contracts, including commission agreements; provided, however, that Purchaser does not acknowledge or agree, as of the Effective Date, that same are true, correct and complete 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, and Purchaser shall continue to review such documentation following the Effective Date. "**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 any Seller is 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 reasonably 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 Sellers' property managers); (7) organizational, financial and other documents relating to Sellers or Sellers' 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. Except for the representations expressly made in Section 8.1 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 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, prospective lenders or prospective investors (collectively, for purposes of this Section 5.2 (b), the "**Permitted Outside Parties**"); provided, however, that notwithstanding anything to the contrary provided in this Agreement, Purchaser shall have the right to release a press notice containing such information as Purchaser is required to include in its filing of Form 8-K with the SEC (as defined below) reporting the entry of a "Material Definitive Agreement" following the full

execution of this Agreement. 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 need to know such information in order to advise Purchaser 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 Sellers and the Tenants or prospective tenants are 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 promptly destroy all copies Purchaser has made (and computer files of same) of any Documents containing confidential information before or after the execution of this Agreement, not later than ten (10) Business Days following the time this Agreement is terminated for any reason.

(d)

Purchaser acknowledges that some of the Documents may have been prepared by third parties and may have been prepared prior to each Seller's ownership of its Property. Purchaser hereby acknowledges that, except as expressly provided in Section 8.1, (i) 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), and (ii) 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: unreasonably disturb the Tenants or unreasonably interfere with their use of the Property pursuant to their respective Tenant Leases; unreasonably 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; interview 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 to maintain commercial general liability (occurrence) insurance in an amount not less than Two Million and No/100 Dollars (\$2,000,000.00) 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 (Weingarten Realty Investors) being named as an additional insured 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.

(b)

Purchaser hereby indemnifies, defends and holds each Seller and all of 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) (collectively, "**Indemnified Liabilities**") arising out of any personal injury or death or physical damage to property caused by 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, for purposes of clarification, the foregoing obligation to indemnify, defend and hold harmless shall not apply to any Indemnified Liabilities arising by virtue of (x) the negligence or willful misconduct of Seller or any other indemnified party, or (y) 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, except and solely to the extent of any exacerbation by Purchaser or any Licensee Party of any 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.

Property Approval Period. Through the earlier of Closing or the termination of this Agreement, 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 Property Approval Period. Notwithstanding anything to the contrary provided in this Agreement, Purchaser hereby acknowledges that the Property Approval Period has expired.

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 PROPERTY APPROVAL PERIOD) ITS OWN INDEPENDENT EXAMINATION OF THE PROPERTY. OTHER THAN ANY SPECIFIC MATTERS REPRESENTED IN SECTION 8.1 HEREOF OR IN ANY CLOSING DOCUMENT EXECUTED BY SELLER AT CLOSING (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 SECTION 8.1 HEREOF OR IN ANY CLOSING DOCUMENT EXECUTED BY SELLER AT CLOSING, 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 SECTION 8.1 HEREOF OR

IN ANY CLOSING DOCUMENT EXECUTED BY SELLER AT CLOSING (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. 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 the consummation of Closing, 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 or in any closing document executed by Seller at Closing 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, subject to any rights granted to Purchaser hereunder which survive Closing with respect to Seller’s representations, warranties, covenants, agreements and obligations contained in this Agreement and/or in any closing document executed by Seller at Closing, as limited by Section 16.1 of this Agreement. 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. Except with respect to, and in connection

with, any rights granted to Purchaser hereunder which survive Closing with respect to Seller's representations, warranties, covenants, agreements and obligations contained in this Agreement and/or in any closing document executed by Seller at Closing, as limited by Section 16.1 of this Agreement, Purchaser, on behalf of itself and its partners, officers, directors, agents, controlling persons and Affiliates, hereby releases each Seller 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 that Purchaser may have against Sellers and/or the other Seller Released Parties (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, except with respect to, and in connection with, any rights granted to Purchaser hereunder which survive Closing with respect to Seller's representations, warranties, covenants, agreements and obligations contained in this Agreement and/or in any closing document executed by Seller at Closing, as limited by Section 16.1 of this Agreement, Purchaser specifically releases each Seller 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 either (i) the Closing and shall not be deemed merged into the provisions of any closing documents, or (ii) any termination of this Agreement.

(b)

Purchaser's Waiver of Objections. Purchaser acknowledges that it has (or shall have prior to Closing) 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 except with respect to, and in connection with, any rights granted to Purchaser hereunder which survive Closing with respect to Seller's representations, warranties, covenants, agreements and obligations contained in this Agreement and/or in any closing document executed by Seller at Closing, as limited by Section 16.1 of this Agreement, 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) which Purchaser may have against each Seller, its 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 State 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 either (i) the Closing and shall not be deemed merged into the provisions of any Closing Documents, or (ii) any termination of this Agreement.

(f)

No Third Party Releases. Notwithstanding anything to the contrary provided in this Agreement, the provisions of this Section 5.6 shall not be deemed to release Sellers or the Seller Released Parties from any liability, responsibility, penalties, fines, suits, demands, actions, losses, damages, expenses, causes of action, proceedings, judgments, executions, costs of any kind or nature whatsoever by any parties, including Authorities, other than Purchaser.

ARTICLE VI

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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 (a) that certain survey of the Shoppes at Parkland Real Property, dated March 15, 2016, prepared by Bock and Clark Corporation (the “**Updated Shoppes at Parkland Survey**”) and (b) that certain survey of the University Palms Real Property, dated

March 14, 2016, prepared by Bock and Clark Corporation (the “**Updated University Palms Survey**” and together with the Updated Shoppes at Parkland Survey, the “**Updated Surveys**”). Sellers shall have no obligation to obtain any modification, update, or recertification of the Updated Surveys. Any such modification, update or recertification of the Updated Surveys may be obtained by Purchaser at its sole cost and expense.

Section

6.2

Title and Survey Review.

(e)

Prior to the execution and delivery hereof, Seller has caused the Title Company to furnish or otherwise make available to Purchaser (i) a preliminary title commitment for the Shoppes at Parkland Real Property dated with an effective date of February 29, 2016 (the “**Shoppes at Parkland PTR**”) and (ii) a preliminary title commitment for the University Palms Real Property dated with an effective date of February 18, 2016 (the “**University Palms PTR**” and together with Shoppes at Parkland PTR, the “**PTRs**”), and copies of all underlying title documents described in the PTRs. Purchaser shall have until June 14, 2016 (the “**Title Notice Date**”) to provide written notice (the “**Title Notice**”) to Sellers and Title Company of any matters shown on the PTRs and/or the Updated Surveys 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 the specific exceptions to title expressly provided in the PTRs and all matters revealed in the Updated Surveys, subject to Sellers’ obligations set forth in Section 6.2(c) below and as otherwise expressly provided in this Agreement. 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 June 17, 2016, written notice to Purchaser and Title Company identifying which disapproved items, if any, Sellers shall be obligated to cure by Closing (by either having the same removed as an exception in the applicable PTR or by otherwise obtaining affirmative insurance over the same as part of the final Title Policy, such affirmative insurance to be acceptable to Purchaser in its sole and absolute discretion) (“**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 Contingency Date to (i) deliver a written notice terminating this Agreement (“**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 the PTRs and the Updated Surveys (whereupon such objections shall be deemed Permitted Exceptions for all purposes hereof). If Sellers and Title Company have not received a Termination Notice from Purchaser by the Contingency Date, such failure to deliver same shall be deemed Purchaser’s waiver of all objections to the PTRs and the Updated Surveys that Seller did not agree to cure by Closing, subject to Sellers’ obligations set forth in Section 6.2(c) below and as otherwise expressly provided in this Agreement.

(f)

Purchaser may, at or prior to Closing, notify Sellers in writing (the “**Gap**”

Notice”) of any objections to title (i) raised by the Title Company between the Title Notice Date and the Closing, (ii) not disclosed in writing by the Title Company to Purchaser by 3:00 p.m. Eastern Time on the second Business Day preceding the Title Notice Date, and/or (iii) not disclosed in writing by Sellers to Purchaser and the Title Company by 3:00 p.m. Eastern Time on the second Business Day preceding the Title Notice Date (“**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) three (3) Business Days after receipt of an updated PTR revealing the existence of such New Exception and (y) 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 is under no obligation to, remove same as an exception in the applicable PTR or otherwise obtain affirmative insurance over same as part of the final Title Policy, such affirmative insurance to be acceptable to Purchaser in its sole and absolute discretion. If, within the two (2) day period, Sellers do not remove such objectionable New Exceptions in the applicable PTR or otherwise obtain affirmative insurance over same as part of the final Title Policy (such affirmative insurance to be acceptable to Purchaser in its sole and absolute discretion objectionable), then Purchaser may terminate this Agreement upon delivering a Termination Notice to Sellers in accordance with Section 5.4 above no later than the date that is two (2) Business Days following the expiration of the two (2) day cure period (and Closing shall automatically be extended to permit such 2 Business Day Period to run), 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 as an exception in the applicable PTR or otherwise affirmatively insured over on terms acceptable to Purchaser in its sole and absolute discretion) will be included as Permitted Exceptions.

(g)

Notwithstanding any provision of this Agreement to the contrary including, but not limited to Section 6.2 hereof, (A) at or prior to Closing, Sellers shall cause the removal of all exceptions to title to the Real Properties and Improvements from each PTR and each related Title Policy relating to monetary liens, security liens and interests, mechanic’s liens, judgment liens and/or tax liens affecting the Property arising by, through or under Seller, other than liens caused by Tenants or Purchaser or its agents or the lien for ad valorem taxes and assessments for tax years not yet due and payable (collectively, the “**Must-Cure Matters**”), (B) in no event shall any Must-Cure Matter be deemed a Permitted Exception under this Agreement, and (C) if Sellers fail to satisfy its obligations under Section 6.2(c)(A) hereof with respect to any Must-Cure Matter, then (i) Sellers shall be in default under this Agreement, and (ii) in lieu of pursuing specific performance or any other remedy against Sellers pursuant to the terms of Section 13.1 hereof, Purchaser shall have the right on behalf of Sellers to satisfy such obligations at Closing and all of Purchaser’s actual out-of-pocket costs and expenses actually incurred in connection with same shall be credited against the Purchase Price at Closing.

Section

6.3

Title Insurance. At the Closing, and as a condition thereto, the Title Company shall

issue to Purchaser an ALTA extended coverage Owner's Policy of Title Insurance (the "**Title Policy**") with liability in the amount of the Purchase Price, showing title to the Real Properties vested in the Purchaser, with such endorsements as Purchaser shall request and Title Company shall have agreed to issue same, subject only to: (i) the pre-printed standard exceptions in such Title Policy that are not customarily deleted at closings following the Title Company's receipt of all Schedule B-1 or Schedule C (as applicable) requirements contained in the PTRs, (ii) exceptions approved or deemed approved by Purchaser pursuant to Section 6.2 above, (iii) the Tenant Leases, (iv) any taxes and assessments for any year that are not yet due and payable as of the Closing, (v) [intentionally deleted], (vi) a specific, itemized list of adverse matters shown on the Updated Survey, or any updates thereto, that are approved or deemed approved by Purchaser pursuant to Section 6.2 above or shown on the PTRs, (vii) any matters which are affirmatively insured over on terms acceptable to Purchaser in its sole and absolute discretion, and (viii) any exceptions arising from Purchaser's actions (collectively, the "**Permitted Exceptions**"). In the event Purchaser elects not to pay for any additional premium for the ALTA extended coverage policy, then the Title Policy to be issued as of the Closing shall be a standard ALTA Owner's Policy of Title Insurance which shall include, among other things, a general survey exception. It is understood that Purchaser may request a number of endorsements to the Title Policy, but the issuance of any such endorsements shall not be a condition to Closing. If (i) the Title Company (A) is unable or unwilling to consummate Closing or to otherwise delete or revise any title exception, issue any endorsement or commit to any specific coverage or affirmative title insurance requested by Purchaser with respect to the Title Policy or any title policy requested by Purchaser's lender (such requested insurance, the "**Requested Insurance**"), or (B) requires that Purchaser, Seller, Purchaser's lender or any other third party provide any affidavits, indemnities, agreements, due diligence or other documentation in order for the Title Company to consummate Closing or to otherwise provide the Requested Insurance, (ii) Purchaser provides written evidence (which may be via electronic mail) to Sellers of such inability or unwillingness of, or requirements by, the Title Company to provide the Requested Insurance, and (iii) Purchaser provides written evidence to Sellers that Fidelity National Title Insurance Company ("**Fidelity**") has committed to consummate Closing or to otherwise provide the Requested Insurance without requiring the satisfaction of any requirements of Title Company being contested by Purchaser, Purchaser shall have the right (the "**Title Company Option**") to transfer responsibility as the Title Company hereunder to Fidelity by written notice to Seller. If Purchaser properly exercises the Title Company Option, (w) Title Company, Seller and Purchaser shall cause the Earnest Money Deposit to be transferred to Fidelity, (x) Fidelity shall execute a revised Title Company Joinder page to this Agreement upon receipt of the Earnest Money Deposit, (y) the Closing Extension Conditions shall be modified to remove the condition precedent described in Section 10.8(b), and (z) Seller shall not be required to modify the form of Owner Affidavit attached hereto as **Exhibit K** except to change the name of the Title Company to Fidelity.

ARTICLE VII

INTERIM OPERATING COVENANTS AND ESTOPPELS

Section

7.1

Interim Operating Covenants. Each Seller covenants to Purchaser that as to the Property owned by such Seller, such Seller will:

(h)

Operations. From the Effective Date until Closing, continue to operate, manage and maintain the Real Property and Improvements owned by it in the ordinary course of such Seller's business and substantially in accordance with such Seller's present practice, subject to ordinary wear and tear and Article IX of this Agreement.

(i)

Maintain Insurance. From the Effective Date until Closing, maintain fire and extended coverage insurance on the Improvements owned by it which is at least equivalent in all material respects to such Seller's insurance policies covering the Improvements owned by it as of the Effective Date.

(j)

Personal Property. From the Effective Date until Closing, not transfer or remove any Personal Property owned by it from the Improvements owned by it except for the purpose of repair or replacement thereof, and provided that such removed Personal Property shall be repaired or replaced prior to Closing. 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.

(k)

Leases. From the Effective Date until the expiration of the Property Approval Period, 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 Purchaser, which consent will not be unreasonably withheld, delayed or conditioned. From the expiration of the Property Approval Period until the 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 Purchaser, which consent may be withheld in Purchaser's sole discretion. Notwithstanding anything to the contrary provided in this Section 7.1(d): (i) nothing herein shall be deemed to require Purchaser's consent to any expansion or renewal which such Seller, as landlord, is required to honor pursuant to any Tenant Lease in existence as of the Effective Date, and (ii) except as provided in item (i) in this Section 7.1(d), from the Effective Date through Closing, Seller shall not, without first obtaining the prior written consent of Purchaser which may be withheld in Purchaser's sole discretion, enter into any new lease or any amendments, expansions or renewals of Tenant Leases that will require Purchaser, as landlord, following Closing to pay or be subject to any Leasing Costs.

(l)

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, fee or premium or unless Purchaser consents thereto in writing, which consent will not be unreasonably withheld, delayed or conditioned; provided, however, that Purchaser may withhold such consent in Purchaser's sole discretion following the expiration of the Property Approval Period.

(m)

Notices. To the extent received by such Seller, from the Effective Date until

Closing, promptly deliver to Purchaser copies of written default notices, notices of lawsuits and notices of violations affecting such Seller's Property.

(n)

Encumbrances. Without Purchaser's prior written approval in its sole discretion, not voluntarily subject such Seller's Property to any additional liens, encumbrances, covenants or easements unless released prior to Closing.

Whenever in this Section 7.1, a Seller is required to obtain Purchaser's approval with respect to any transaction described therein, Purchaser shall, within five (5) Business Days after receipt of such Seller's request therefor, notify such Seller of its approval or disapproval of same and, if Purchaser fails to notify such Seller of its approval within said five (5) Business Day period, Purchaser shall be deemed to have approved same.

Section

7.2

Tenant Lease Estoppels; SNDAs and Other Estoppels.

(e)

It will be a condition to Purchaser's obligation to consummate Closing that each Seller obtain and deliver to Purchaser executed Acceptable Estoppel Certificates from (i) each of the major tenants leasing space in such Seller's Improvements listed on **Exhibit C-1** ("**Major Tenants**"), which Major Tenants include all Tenants leasing over 20,000 rentable square feet at the Improvements located on such Real Property, and (ii) from Tenants (exclusive of any and all Major Tenants) collectively leasing at least seventy-five percent (75%) in the aggregate of the rentable square feet located on each Real Property, exclusive of the rentable square feet leased by Major Tenants. "**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 default or unfulfilled material obligation on the part of the landlord not previously disclosed in writing to Purchaser in this Agreement; provided that an estoppel certificate executed by a Tenant either: (x) in the form prescribed by its Tenant Lease (y) with respect to a regional or national Tenant, in the standard form generally used by such Tenant, or (z) in the form attached hereto as **Exhibit C-2** but for which Section 12 or Section 13 thereof shall have been deleted, shall each 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 a Seller'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 such Seller 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 Tenants including, but not limited to, the Major Tenants, each Seller will deliver to Purchaser for each Tenant 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. Within three (3) Business Days following Purchaser's receipt

thereof, Purchaser will send to Sellers notice either (A) approving such forms as completed by Sellers or (B) 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. Sellers will make such changes to the extent Sellers agree such changes are appropriate, except that Sellers 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 Lease. Purchaser's failure to respond within such three (3) Business Day period shall be deemed approval of such estoppel certificate.

(f)

[Intentionally Deleted].

(g)

Seller shall deliver to Tenants, Subordination, Non-Disturbance and Attornment Agreements ("SNDAs") as may be required by Purchaser's lender(s); provided however, nothing contained in this Agreement shall obligate Seller to obtain any SNDAs, and delivery of any SNDAs shall not be a condition to Purchaser's obligation to close on the purchase of the Property pursuant to the terms of this Agreement.

(h)

Seller shall request an estoppel certificate from all applicable parties under the Declarations of Covenants and Restrictions (or other similar instruments) affecting the Property which have been requested by Purchaser prior to the Effective Date confirming that the Seller and the Property are in compliance with the terms of such Declarations of Covenants and Restrictions and that all sums, if any, payable with respect to the Property under such Declarations have been paid in full; provided, however, nothing contained in this Agreement shall obligate Seller to obtain any such estoppel certificates, and delivery of any such estoppel certificates shall not be a condition to Purchaser's obligation to close on the purchase of the Property pursuant to the terms of this Agreement.

Section

7.3

OFAC. Pursuant to United States Presidential Executive Order 13224 ("**Executive Order**"), Sellers are required to ensure that it does 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 Sellers 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

Sellers' Representations and Warranties. Except as otherwise expressly provided in any closing document delivered by Seller at Closing and in Section 11.1 of this Agreement, the following constitute the sole representations and warranties of Sellers with respect to the purchase and sale of the Properties 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 as to itself and the Property owned by such Seller:

(i)

Status. Such Seller is a limited liability company duly organized and validly existing under the laws of the State of Delaware, and is qualified to transact business within the State of Florida.

(j)

Authority; Enforceability. The execution and delivery of this Agreement by such Seller and the performance by such Seller of its obligations hereunder has been or will be duly authorized by all necessary action on the part of such Seller, and 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.

(k)

Non-Contravention. The execution and delivery of this Agreement by such Seller and the performance by such Seller of such Seller's 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 the current mortgage lender in order to secure the release of the lien on the Property owned by such Seller 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.

(l)

Suits and Proceedings, No Violation Notices. 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 owned by such Seller, relating to the Property owned by such Seller, or such Seller's ownership or operation of the Property owned by such Seller, including without limitation, condemnation, takings by an Authority or similar proceedings (collectively, "**Suits and Proceedings**"), which Suits and Proceedings individually or in the aggregate would have an adverse effect on the Property owned by such Seller; provided, however, that, to Seller's Knowledge, **Exhibit E** is a true, complete and correct list of all Suits and

Proceedings. Further, Seller has received no written notice from any Authority alleging that the Property is in violation of applicable laws, ordinances or regulations which remain uncured.

(m)

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, and such Seller has received no written notice of and has no knowledge of (i) the filing of any involuntary petition by such Seller's creditors, (ii) the appointment of a receiver to take possession of all, or substantially all, of such Seller's assets, or (iii) the attachment or other judicial seizure of all, or substantially all, of such Seller's assets.

(n)

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.

(o)

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 owned by such Seller that were entered into by such Seller and, to such Seller's Knowledge, all of the Tenants under Tenant Leases affecting the Real Property and Improvements owned by such Seller that were entered into prior to such Seller's acquisition of the Property. As of the Effective Date, there are no written leases or occupancy agreements affecting the Real Property and Improvements owned by such Seller executed by such Seller or, to such Seller's Knowledge, by which such Seller is bound other than the Tenant Leases listed on **Exhibit F**. The copies of the Tenant Leases executed by such Seller and the guaranties accompanying such Tenant Leases that have been provided or made available to Purchaser are true, correct and complete, and to such Seller's Knowledge the copies of the other Tenant Leases and accompanying guaranties that have been provided or made available to Purchaser are true, correct and complete in all material respects. Except as disclosed on **Exhibits F-1** through **F-3**, such Seller has not received written notice of any termination or uncured default by any party under any Tenant Lease, and such Seller has not given written notice of any default to any Tenant under any Tenant Lease that remains outstanding as of the Effective Date.

(p)

Service Contracts; Commission Agreements. 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 owned by such Seller, including all of the commission agreements affecting the Property owned by such Seller listed on **Exhibit D**, except for the property management agreement with such Seller's property manager (the "**Management Agreement**"). As of the Effective Date, **Exhibit B** is a true and correct list of all Service Contracts in effect and such Seller has delivered or made available to Purchaser for review, true and complete copies of all Service Contracts affecting the Property owned by such Seller, as set forth on **Exhibit B**. As of the Effective Date, **Exhibit D**

is a true and correct list of the commission agreements affecting the Property owned by such Seller 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 commission agreements affecting the Property owned by such Seller set forth on Exhibit D, except for the Management Agreement. Except as disclosed on Exhibit B, such Seller has not received written notice of any termination or uncured default by any party under any Service Contract affecting the Property owned by such Seller.

(q)

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 affecting the Property owned by such Seller that are in effect as of the Closing Date.

(r)

Available Environmental Reports; Violations. To such Seller's Knowledge, (i) such Seller has provided or made available to Purchaser all third-party reports in the possession of Seller that pertain to the analysis of Hazardous Substances at the Property owned by such Seller, (ii) such Seller has not received any written notice from any Authority or employee or agent thereof whereby such Authority or employee or agent has determined, or threatens to determine, that there is a presence, release or threat of release or placement on, in or from the Property of any Hazardous Substance, and (iii) the Property is not in violation of any Environmental Laws.

(s)

Employee Matters. Such Seller has no employees at the Property owned by such Seller.

(t)

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 (each, a "**Seller Person**"), 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.

(u)

Guarantor. Upon the consummation of Closing, Guarantor (as defined below), shall have received adequate consideration for Guarantor's execution and delivery of the Guaranty (as defined below).

(v)

No Title Defaults. To Seller's Knowledge, neither Seller nor any party to the following instruments of record is in default under such instruments, and no event has occurred which, with the giving of notice or passage of time, or both, could result in such default: (i) Stormwater Drainage Easement Agreement with respect to the University Palms Real Property dated June 12, 1991, by and between University Palms Associates and LBS, Ltd., recorded in Official

Records Book 2304, Page 1507 of the Public Records of Seminole County, Florida, as affected by First Amendment dated November 4, 1992, and recorded in Official Records Book 2510, Page 1200, aforesaid Records, and as affected by Amendment dated; (ii) Stormwater Drainage Easement Agreement with respect to the University Palms Real Property dated June 12, 1991, by and between University Palms Associates and LBS, Ltd., recorded in Official Records Book 2304, Page 1531 of the Public Records of Seminole County, Florida, as affected by First Amendment dated November 4, 1992, and recorded in Official Records Book 2510, Page 1209, aforesaid Records; (iii) Declaration of Restrictive Covenants and Easements, Permissible Building Area #1, Parkland Plaza with respect to the Shoppes at Parkland Real Property by and between Parcland Associates, Ltd. and SBN Parcland, L.C., recorded in Official Records Book 30351, Page 1404, of the Public Records of Broward County, Florida, as affected by instrument recorded in Official Records Book 38535, Page 1392, aforesaid Records; (iv) Declaration of Restrictive Covenants and Easements, Outparcel #3, Shoppes of Parkland with respect to the Shoppes at Parkland Real Property, by and between Parcland Associates, Ltd. and SunTrust Bank, recorded in Official Records Book 34205, Page 1841, of the Public Records of Broward County, Florida, as affected by instrument recorded in Official Records Book 35018, Page 753, aforesaid Records; and (v) Declaration of Restrictive Covenants and Easements, Outparcel #2, Shoppes of Parkland with respect to the Shoppes at Parkland Real Property, by and between Parcland Associates, Ltd. and Tyler & Brett Properties, L.L.C., recorded in Official Records Book 34519, Page 1794, of the Public Records of Broward County, Florida, as affected by instrument recorded in Official Records Book 35018, Page 751, aforesaid Records.

Section

8.2

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 Maryland.

(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 (that has not already been obtained) in connection with the execution and delivery of this Agreement by Purchaser or the performance by Purchaser of the transactions contemplated hereby.

(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 or on the Closing Date, all or any portion of the Real Properties and the Improvements is destroyed or damaged by fire or other casualty, Sellers will promptly notify Purchaser of such casualty. Purchaser will have the option, in the event that (i) all or any Significant Portion to any of the Real Properties and any of the Improvements is so destroyed or damaged, (ii) any Major Tenant is permitted to terminate its Tenant Lease as a result of such casualty, or (iii) any portion of the Real Property and/or Improvements fails to comply with applicable zoning laws, rules and regulations as a result of such casualty, which non-compliance is not susceptible to being fully cured by the restoration of the affected Real Property and/or Improvements to the condition of same as existed immediately prior to the occurrence of the casualty, to terminate this Agreement upon notice to Sellers given not later than fifteen (15) 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 4.6 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) the applicable Seller(s) 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 the applicable Seller(s) 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 to repair any uninsured portion of the casualty plus the amount of the deductible on such insurance policy less any amounts expended by the applicable Seller(s) 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 mutually agreed upon by Purchaser and Sellers, all parties agreeing to act reasonably.

Section

9.2

Casualty of Less Than a Significant Portion. If less than a Significant Portion of any of the Real Properties and any of the Improvements are damaged as aforesaid or Purchaser does not otherwise have the right to terminate this Agreement pursuant to the terms of Section 9.1 above following a casualty, Purchaser shall not have the right to terminate this Agreement and Sellers will not be obligated to repair such damage or destruction, but (a) the applicable Seller(s) 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 the applicable Seller(s) 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 to repair any uninsured portion of the casualty plus the amount of the deductible on such insurance policy less any amounts expended by the applicable Seller(s) 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 mutually agreed upon by Purchaser and Sellers, all parties agreeing to act reasonably.

Section

9.3

Condemnation of Property. In the event of condemnation or sale in lieu of condemnation (i) of all or any Significant Portion of any of the Real Properties and any of the Improvements, (ii) that materially and adversely affects existing points of vehicular access to and/or from any portion of the Real Property and/or Improvements to a public or private street or other roadway, (iii) that permits any Major Tenant to terminate its Tenant Lease as a result of such casualty, or (iv) other than a temporary taking, that causes any portion of the Real Property and/or Improvements to fail to comply with applicable zoning laws, rules and regulations, or if Sellers shall receive an official notice from any governmental authority having eminent domain power over any of the Real Properties and the Improvements thereon of its intention to take, by eminent domain proceeding, all or any portion of any of the Real Properties and any of the Improvements and such taking would result in any one or more of items (i) through (iv) above, prior to the Closing, Purchaser will have the option, by providing Sellers written notice within fifteen (15) 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, the 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 4.6 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 (in lieu of fee simple title), 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

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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. Each of Sellers and Purchaser shall have the right to extend the Closing Date one time to a date no later than September 7, 2016, only in the event that any of the Closing Extension Conditions remain unsatisfied (and otherwise not waived in writing by Purchaser) as of the initial Closing Date. 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 4.4, 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 the form of Tenant Notice Letters, duly executed by Purchaser;

(d)

Evidence reasonably satisfactory to the Title Company that the person executing any financing documents on behalf of Purchaser has full right, power, and authority to do so; provided, however, that, notwithstanding anything to the contrary provided in this Agreement, no such evidence shall be made available or otherwise provided to Seller;

(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 (provided the same do not increase in any material respect the costs to, or liability or obligations of, Purchaser in a manner not otherwise provided for herein); and

(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 for the Property (i) the following items (a), (b), (c), (d), (e), (f), (j), (k), (l), (m) and (n) in escrow with the Title Company pursuant to Section 4.4 on or before the Deposit Time, and (ii) upon receipt of the Purchase Price, the applicable Seller shall deliver items (g), (h) and (i) to Purchaser at the applicable Property:

(a)

A special warranty deed substantially in the form attached hereto as **Exhibit I**, duly executed and acknowledged by the HR Parkland Seller conveying to Purchaser the Shoppes at Parkland Real Property and the Shoppes at Parkland Improvements (the “**Shoppes at Parkland Deed**”) and a special warranty deed substantially in the form attached hereto as **Exhibit I**, duly executed and acknowledged by the HR Venture Properties I Seller conveying to Purchaser the University Palms Real Property and the University Palms Improvements (the “**University Palms Deed**” and together with the Shoppes at Parkland Deed, the “**Deeds**”), which Deeds shall be delivered to Purchaser by the Title Company agreeing to cause same to be recorded in the Official Records; additionally, if the legal description of any Real Property drawn from the final versions of the Updated Surveys differs from the descriptions set forth in **Exhibit A-1, Exhibit A-2** and/or **Exhibit A-3** attached hereto, Sellers shall, in addition to the Deeds, deliver to Purchaser at Closing a quitclaim deed using the description of the applicable Real Property from the final versions of the Updated Surveys to be recorded immediately following the recordation of the Deeds;

(b)

Four (4) counterparts of the general conveyance substantially in the form attached hereto as **Exhibit H** (the “**General Conveyance**”) duly executed by the applicable Seller;

(c)

Four (4) counterparts of the form of Tenant Notice Letters, duly executed by the applicable Seller;

(d)

Evidence reasonably satisfactory to Title Company (to enable the Title Company to issue the Title Policy without except for matters related to the lack of authority of Seller to convey the Property) that the person executing the Closing Documents on behalf of such Seller has full right, power and authority to do so, and evidence that such Seller is duly organized and authorized to execute this Agreement and all other documents required to be executed by such Seller hereunder;

(e)

A certificate in the form attached hereto as **Exhibit J** (“**Certificate as to Foreign Status**”) from such 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)

The Tenant Deposits, at such Seller’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 such Seller 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 such Seller 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. Each Seller 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;

(g)

The Personal Property;

(h)

All original Licenses and Permits, Service Contracts and Tenant Leases in Sellers’ possession and control;

(i)

All keys to the Improvements which are in such Sellers’ possession;

(j)

An Owner Affidavit in the form attached hereto as **Exhibit K** duly executed by each Seller;

(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);

(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;

(m)

Evidence reasonably acceptable to Purchaser that Sellers have duly terminated all management agreements relating to the Real Property, Improvements and/or Personal Property prior to or at Closing; and

(n)

The executed Guaranty.

Section

10.4

Prorations.

(e)

Sellers and Purchaser agree to adjust, as of 11:59 p.m. on the day immediately preceding 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), expenses under the Permitted Exceptions, and expenses under Service Contracts assumed by Purchaser at Closing 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) two (2) Business 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. Seller shall cooperate in good faith with Purchaser to facilitate the transfer of all utilities to Purchaser at and/or immediately following the Closing. A final reconciliation of Proration Items shall be made by Purchaser and Sellers on or before November 30, 2016 (herein, the “**Final Proration Date**”). The provisions of this Section 10.4 will survive the Closing until the Final Proration Date has occurred, and in the event any items subject to proration hereunder are discovered prior to the Final Proration Date, the same shall be promptly prorated by the parties in accordance with the terms of this Section 10.4. Notwithstanding anything to the contrary provided in this Agreement including, but not limited to, this Section 10.4(a), Sellers and Purchaser hereby agree to use the following, estimated 2016 real estate taxes and assessments for purposes of the proration of same at Closing: (x) \$470,000.00 for the Shoppes at Parkland Real Property and the Shoppes at Parkland Improvements and (y) \$180,000.00 for the University Palms Real Property and the University Palms Improvements.

(f)

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 Sellers and attributable to any period following the Closing Time. After the Closing, Sellers will cause to be paid or turned over to Purchaser all Rentals, if any, received by Sellers 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. Delinquent Rentals will not be prorated. For a period of three (3) months after Closing, 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 incur legal fees or other out of pocket expenses, conduct lock-outs or take any other legal action to enforce collection of any such amounts owed to Sellers by Tenants of the Property. Purchaser shall have the exclusive right to collect Delinquent Rentals from current Tenants of the Property and Seller hereby relinquishes its rights to pursue claims against any Tenant or guarantor under any Tenant Leases for same. Nothing herein shall prohibit Seller from pursuing Delinquent Rentals from former tenants of the Property. With respect to any Delinquent Rentals received by Purchaser within one (1) year after Closing (the “**Delinquent Rental Proration Period**”), Purchaser shall pay to Sellers 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 Tenant (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 Sellers in all events, notwithstanding anything herein to the contrary) will be applied first to amounts currently owed by such Tenant to Purchaser (including Delinquent Rentals attributable to the period after the Closing Time), then any collection costs of Purchaser related to such Tenant, and then to prior delinquencies owed by Tenant to Sellers. Sellers shall not be entitled to institute legal actions to pursue Delinquent Rental after Closing. Any sums collected by Purchaser and due Sellers will be promptly remitted to Sellers, and any sums collected by Sellers and due Purchaser will be promptly remitted to Purchaser.

(g)

Not less than ten (10) days prior to the scheduled Closing Date, Sellers 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 2016. Sellers shall deliver all supporting invoices when it delivers the reconciliation prepared by Sellers described in the preceding sentence. Furthermore, in preparing the reconciliation, all delinquent payments from Tenants shall be disregarded so as to reduce any amount potentially owed from Purchaser to Seller at Closing. If less amounts have been collected from Tenants for Operating Expense Recoveries for calendar year 2016 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 Sellers for calendar year 2016 up to the Closing Time (as prorated pursuant to Section 10.4(a) above), Purchaser will pay such difference to Sellers at Closing as an addition to the Purchase Price. If more amounts have been collected from Tenants for Operating Expense Recoveries for calendar year 2016 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 Sellers for calendar year 2016 up to the Closing Time (as prorated pursuant to Section 10.4(a) above), Sellers will pay to Purchaser at Closing as a credit against the Purchase Price such excess collected amount. Purchaser and Sellers agree that such proration of Operating Expense Recoveries at Closing for calendar year 2016 will fully relieve Sellers from any responsibility to Tenants or Purchaser for such matters subject to Sellers’ 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 Sellers 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 2016 for periods before and after Closing, and (ii) reimbursing Tenants for amounts attributable to Operating Expense Recoveries for calendar year 2016, as may be necessary based on annual reconciliations for Operating Expense Recoveries for such calendar year.

(h)

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 Sellers after the Closing Time but expressly state they are for such specific services rendered by Sellers or their property manager prior to the Closing Time, Purchaser shall cause such collected amounts to be paid to Sellers, or Sellers may retain such payment if such payment is received by Sellers after the Closing Time.

(i)

(i) Sellers shall pay those Leasing Costs incurred in connection with the lease of space in the Property that were executed prior to the Effective Date including, but not limited to, those Leasing Costs identified on **Exhibit G** attached hereto to the extent unpaid as of the Closing Date; (ii) Seller shall pay all Leasing 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 that required the approval of Purchaser pursuant to Section 7.1(d) but for which Seller failed to obtain such approval of Purchaser pursuant thereto; (iii) in the event Closing is consummated, Purchaser will be solely responsible for and shall pay all Leasing 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 that has been approved by Purchaser in accordance with Section 7.1(d) (“**New Tenant Costs**”); and (iv) to the extent Leasing Costs described in clause (i) and/or (ii) 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, provided that Purchaser shall not receive a credit for any leasing commissions payable to any Seller’s property manager pursuant to the applicable Management Agreement, and Sellers shall pay all such amounts due in accordance with the applicable Management Agreement. Purchaser and Seller acknowledge that Purchaser shall receive a credit at Closing against the Purchase Price for the item described on **Exhibit G-1** attached hereto; provided, however, if Seller delivers to Purchaser an Acceptable Estoppel Certificate from Major Tenant Publix with no mention of the parking lot overlay described on such exhibit, Purchaser shall not receive a credit against the Purchase Price for the cost of the parking lot overlay.

(j)

Notwithstanding anything to the contrary provided in this Agreement, Seller shall not have the right to file and pursue any appeals attributable to Seller’s period of ownership of the Property with respect to tax assessments for the Property. If Purchaser elects to file and pursue such an appeal and Purchaser is successful in its pursuit related to the calendar year in which the Closing occurs, Purchaser and Seller shall share in the cost of any such appeal and rebates or refunds in the same proportion as the proration of Proration Items set forth on the settlement statement executed by the parties at Closing.

Section

10.5

Delivery of Real Property. Upon completion of the Closing, Sellers will deliver to Purchaser possession of the Real Properties 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 Policy and all endorsements thereto, (ii) all premiums and other costs for any mortgagee policy of title insurance, including but not limited to any endorsements or deletions, (iii) Purchaser's attorney's fees, (iv) the costs of any update or re-certification of the Updated Surveys, (v) 1/2 of all of the Title Company's escrow and closing fees, if any, and (vi) any intangible recording tax or recording fees for any financing obtained by Purchaser in connection with Closing.

(b)

Sellers will pay (i) the cost of the Updated Surveys, (ii) 1/2 of all of the Title Company's escrow and closing fees, (iii) Sellers' attorneys' fees (iv) all documentary stamp taxes and/or transfer taxes (including without limitation, any city, county and state), and (v) prepayment penalties or premiums incurred by Sellers with respect to prepaying the Property's existing mortgage indebtedness at Closing (if any).

(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 applicable Real Property is located.

(d)

Except as otherwise expressly provided in this Agreement, if the Closing does not occur on or before the Closing Date 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 a written notice executed by Purchaser and the applicable Seller (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 Sellers a copy of each Tenant Notice Letter promptly after delivery of same. 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 in this Agreement, 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 this Agreement as of the Closing Date;

(b)

The Title Company shall be irrevocably committed to issue the 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)

Subject to Section 10.9, Sellers' representations and warranties made in Section 8.1 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.

(e)

No Material Adverse Change shall have occurred with respect to BJ's Wholesale Club ("**BJ's**") as of the Closing. For purposes of this Section 10.8(e), a "**Material Adverse Change**" shall be deemed to have occurred if BJ's (i) is in monetary default and such monetary default is not due to a good faith dispute between Tenant and Seller as to whether a particular amount is owed to Seller as landlord under its Tenant Lease, (ii) is in material non-monetary default under its Tenant Lease or (iii) has become the subject of a bankruptcy proceeding.

The term "**Authorized Qualifications**" shall mean any qualifications to the representations and warranties made by Sellers in Section 8.1 to reflect (i) new Tenant Leases, Tenant Lease amendments, new Service Contracts, and/or Service Contract amendments, executed by Sellers after the Effective Date in accordance with this Agreement, and (ii) any action taken by Sellers in accordance with any Tenant Leases, Service Contracts, or Permitted Exceptions after the Effective Date not prohibited by or otherwise in contravention of the terms of this Agreement, and (iii) except as described in Section 10.8(e) above, a Tenant Lease default or a Tenant insolvency occurring after the Effective Date. The term "**Immaterial Events**" shall mean any fact or event that is not caused by any Seller or any of the Seller Released Parties that does not or is not expected to result in a loss of value, damage (including, but not limited to, indirect, consequential and speculative damages likely to be incurred), claim or expense in excess of \$100,000.00, in the aggregate; provided, however, that any and all breaches of Sellers' representations and warranties made in Section 8.1 that are not true and correct in all material respects as of the Effective Date shall in no event be deemed an Immaterial Event, and Section 10.9(b) shall be applicable with respect to such items. Authorized Qualifications and Immaterial Events shall not constitute a default by Sellers or a failure of a condition precedent to Closing. Purchaser shall receive a credit against the Purchase Price at Closing for the amount of damage anticipated to be caused by any Immaterial Event. If (x) between the Effective Date and the Closing Date, facts or events not known to Sellers prior to the Effective Date are discovered by Sellers, (y) such facts or events are not Authorized Qualifications or Immaterial Events or otherwise caused by any Seller or any of the Seller Released Parties, and (z) such facts or events would result in a failure of the condition set forth in Section 10.8(d) above, such failure shall not constitute a breach of this Agreement, and following Sellers' written notice

to Purchaser (which Seller shall be obligated to deliver to Purchaser within two [2] Business Days of Seller's actual knowledge of same), 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 later of (1) Closing or (2) the date that is three (3) Business Days after Purchaser receives written notice from Seller of such facts or events (and Closing shall be automatically extended to permit the running of such period), 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, subject to compliance with Section 10.9 below, 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

Breaches of Sellers' Representations Prior to Closing.

(a)

If, prior to the Closing, Purchaser shall deliver a written notice to Sellers asserting a breach of any representation or any warranty of Sellers that was initially true and correct in all material respects on the Effective Date but which thereafter failed to remain true and correct in all material respects due to any fact or event that was not caused by Seller or any of the Seller Released Parties (and which is not the result of an Authorized Qualification), for which the damage (including, but not limited to, indirect, consequential and speculative damages) from all its Claims for such breaches are in an amount that exceeds \$100,000.00 (a "**Material Breach**"), then Purchaser may, as its sole and exclusive remedy, upon the delivery of written notice of such breach to Sellers either (i) proceed to close the purchase of the Property with a credit against the Purchase Price in an amount of the damage (including, but not limited to, indirect, consequential and speculative damages) as reasonably determined by Purchaser in such written notice, such amount to be not more than \$500,000 on account of such asserted breach (and with no liability to Sellers beyond such credit) and, upon receipt of such credit at Closing, to waive any claims against Sellers for such Claims with respect to such Material Breach or (ii) terminate this Agreement by the giving of the written notice to Sellers of same. If Purchaser has elected to terminate this Agreement pursuant to Section 10.9(a)(ii) above, Purchaser shall receive a refund of the Earnest Money Deposit, and Sellers shall be obligated to promptly reimburse Purchaser for its actual out of pocket costs incurred in connection with this Agreement or the Property including, but not limited to, the negotiation of this Agreement, Purchaser's due diligence with respect to the Property, Purchaser's financing with respect to the Property (including, but not limited to, good faith deposits, commitment fees, and costs of hedging and other rate lock contracts), and all of Purchaser's legal fees and expenses related thereto, not to exceed, however, \$250,000 with respect to this Agreement and the Other Property Agreements in the aggregate.

(b)

If, prior to the Closing, Purchaser shall deliver a written notice to Sellers asserting a breach of any representation or any warranty of Sellers (which constitutes a Material Breach) that was not true and correct in all material respects on the Effective Date, or that otherwise no longer remains true and correct in all material respects (and which is not the result of an Authorized

Qualification) due to any fact or event caused by any Seller or any of the Seller Released Parties, then Purchaser may, as its sole and exclusive remedy, upon the delivery of written notice of such breach to Sellers either (i) proceed to close the purchase of the Property with a credit against the Purchase Price in an amount of the damage (including, but not limited to, indirect, consequential and speculative damages) as reasonably determined by Purchaser in such written notice, such amount to be not more than \$500,000 on account of such asserted breach (and with no liability to Sellers beyond such credit) and, upon receipt of such credit at Closing, to waive any claims against Sellers for such Claims with respect to such Material Breach or (ii) terminate this Agreement by the giving of the written notice to Sellers of same. If Purchaser has elected to terminate this Agreement pursuant to Section 10.9(b)(ii) above, Purchaser shall receive a refund of the Earnest Money Deposit, and Sellers shall be obligated to promptly reimburse Purchaser for its actual out of pocket costs incurred in connection with this Agreement and the Other Property Agreements (as defined below) or the Property and the Other Properties (as defined below) including, but not limited to, the negotiation of this Agreement and the Other Property Agreements, Purchaser's due diligence with respect to the Property and the Other Properties, Purchaser's financing with respect to the Property and the Other Properties (including, but not limited to, good faith deposits, commitment fees, and costs of hedging and other rate lock contracts), and all of Purchaser's legal fees and expenses related thereto, not to exceed, however, \$700,000 with respect to this Agreement and the Other Property Agreements in the aggregate.

Section

10.10

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 8.2 shall be true and correct in all material respects.

Section

10.11

Condition Precedent to Closing. Notwithstanding anything to the contrary contained herein (but subject to Sections 9.1 and 9.3 hereof), it shall be a condition to each party's obligation to close the sale of the Property, that a closing occur simultaneously with the Closing with respect to (i) Oak Park Village and Champions Village in Texas, (ii) Heritage Station in North Carolina, and (iii) Cherokee Plaza, Sandy Plains Exchange and Thompson Bridge Commons in Georgia (collectively, the "**Other Properties**"), which Other Properties are the subject to Agreements of Purchase and Sale by and between Affiliates of Sellers, as seller, and Purchaser, as purchaser (the "**Other Property Agreements**"), the parties hereto acknowledging that the Property

is being sold as a part of the portfolio containing the Property and the Other Properties and the parties do not intend to sell or purchase the Property or any of the Other Properties as individual assets; provided, however, that (1) if the affiliate of Seller which is the seller under the Other Property Agreement for the Texas assets duly exercises its right to terminate such Other Property Agreement with respect to Champions Village pursuant to Section 10.13 thereof (such termination, the “**Champions 10.13 Termination**”), or (2) the “Closing Date” of the sale of Champions Village is scheduled to occur following the Closing Date hereunder pursuant to the terms of the Other Property Agreement for Champions Village, then the closing of the sale of Champions Village shall not be a condition to the Closing of the sale of the Property. Sellers intend that the sale of the Property, together with the sale of the Other Properties by Affiliates of Sellers constitute the sale of property to one buyer as part of one transaction within the meaning of Section 857(b)(6)(E)(vi) of the Internal Revenue Code of 1986, as amended. Furthermore, if either party exercises any right to terminate this Agreement in accordance herewith, such party (or its applicable Affiliate) shall simultaneously terminate each of the Other Property Agreements (if such Other Property Agreements are not terminated by their terms), and the earnest money deposits held under such Other Property Agreements shall be delivered to the party (or its applicable Affiliate) entitled to receive same hereunder. Seller and Purchaser hereby agree that the exercise of a right to terminate under any of the Other Property Agreements shall automatically terminate this Agreement, and the Earnest Money Deposit shall be delivered to the party hereunder who is entitled to receive (or whose applicable Affiliate is entitled to receive) same under such terminated Other Property Agreement; provided, however, that the exercise of the Champions 10.13 Termination shall not cause the termination of this Agreement. Further, a default under any of the Other Property Agreements shall constitute a default under this Agreement and Seller and Purchaser shall have all rights and remedies provided hereunder as if such default had occurred with respect to this Agreement. Notwithstanding anything to the contrary provided in this Agreement, (x) if Closing is extended pursuant to the express terms of this Agreement, such party (or its applicable Affiliate) shall simultaneously be deemed to agree to extend the closing under each of the Other Property Agreements for the same number of days as the Closing is extended hereunder (if closing under such Other Property Agreements is not automatically extended for the same number of days by their terms), and (y) Seller and Purchaser hereby agree that the extension of closing under any of the Other Property Agreements shall automatically extend the Closing under this Agreement for the same number of days as the closing is extended under any of the Other Property Agreements.

Section

10.12

Failure of Condition. If any condition precedent to Sellers’ obligation to effect the Closing (as set forth in Section 10.10) is not satisfied, then Sellers shall be entitled to terminate this Agreement by notice thereof to Purchaser and Title Company. Subject to Section 10.9, 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 the condition precedent to each party’s obligation to effect the Closing (as set forth in Section 10.11) is not satisfied, then either party shall be entitled to terminate this Agreement by notice thereof to the other party and the Title Company (if this Agreement is not terminated by its terms). If this Agreement is so terminated, then Purchaser shall be entitled to receive the Earnest Money Deposit (and all accrued interest thereon) and no party 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 10.12 shall not apply.

ARTICLE XI

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BROKERAGE

Section

11.1

Brokers. Sellers agree to pay to CBRE (“**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 and Sellers represent and warrant to the other 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 and Sellers will indemnify, defend and hold the other party 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

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CONFIDENTIALITY

Section

12.1

Confidentiality. Sellers and Purchaser each 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 Sellers and Purchaser and will not be disclosed by Sellers or Purchaser except to their respective legal counsel, accountants, consultants, officers, prospective investors, prospective lender, clients, partners, directors, and shareholders, and except and only to the extent that such disclosure may be necessary for their respective performances hereunder or as otherwise required by applicable law; provided, however, that notwithstanding anything to the contrary provided in this Agreement, Purchaser shall have the right to release a press notice containing such information as Purchaser is required to include in its filing of Form 8-K with the SEC reporting the entry of a “Material Definitive Agreement” following the full execution of this Agreement. 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 thereof so that the other party 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, Sellers and Purchaser acknowledge and agree that Sellers and Purchaser, and entities which directly or indirectly own the equity interests in Sellers or Purchaser, 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, acquisition and financing 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 Purchaser 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 both parties or as soon as required by law. Additionally, notwithstanding anything to the contrary provided in this Agreement, Sellers hereby agree to reasonably cooperate with Purchaser (at no third party cost to Sellers) during the term of this Agreement in the preparation by Purchaser and its advisors, at Purchaser’s sole cost and expense, of audited financial statements of the Property for the most recent completed fiscal year of Seller and the current fiscal year-to-date that comply with Form 8-K filing requirements and Rule 3-14 of Regulation S-X, both as promulgated by the SEC, including current and historical operating statements and information regarding the Property. The provisions of this Article XII will survive any termination of this Agreement.

ARTICLE XIII

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REMEDIES

Section

13.1

Default by Sellers.

Notwithstanding any provision in this Agreement to the contrary, 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) Business Days following the scheduled Closing Date, to either (a) terminate this Agreement, in which event Sellers shall be obligated to promptly reimburse Purchaser for its actual out of pocket costs incurred in connection with this Agreement or the Property including, but not limited to, the negotiation of this Agreement, Purchaser’s due diligence with respect to the Property, Purchaser’s financing with respect to the Property (including, but not limited to, good faith deposits, commitment fees, and costs of hedging and other rate lock contracts), and all of Purchaser’s legal fees and expenses related thereto, not to exceed, however, \$700,000.00 with respect to this Agreement and the Other Property Agreements in the aggregate, and Purchaser shall 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 thirty (30) 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 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 (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 and Purchaser each waive any right to sue the other for any consequential or punitive damages for matters arising under this Agreement (it being understood that Sellers and Purchaser each have 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:

NEW MARKET PROPERTIES LLC
3284 Northside Parkway, NW, Suite 515
Atlanta, Georgia 30327
Attn: Mr. Joel Murphy
Email: joel@newmarketprop.com

with copy to:

NEW MARKET PROPERTIES, LLC
3284 Northside Parkway, NW, Suite 515
Atlanta, Georgia 30327
Attn: Mr. Michael C. Aide
Email: michael@newmarketprop.com

with copy to:

ARNALL GOLDEN GREGORY LLP
171 17th Street, Suite 2100
Atlanta, Georgia 30363
Attn: Andrew D. Siegel
Email: Andrew.siegel@agg.com

To Sellers: HR PARKLAND LLC

HR VENTURE PROPERTIES I LLC
c/o Hines Interests Limited Partnership
2800 Post Oak Boulevard, Suite 4800
Houston, Texas 77056
Attn: Kevin McMeans
Email: kevin.mcmeans@hines.com

with copy to: HR PARKLAND LLC

HR VENTURE PROPERTIES I LLC

c/o Hines Advisors Limited Partnership

2800 Post Oak Boulevard, Suite 4800

Houston, Texas 77056

Attn: Jason P. Maxwell – General Counsel
Email: jason.maxwell@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

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ASSIGNMENT AND BINDING EFFECT

Section

15.1

Assignment; Binding Effect. Purchaser will not have the right to assign this Agreement without Sellers' prior written consent, to be given or withheld in Sellers' sole and absolute discretion. Notwithstanding the foregoing, Purchaser may assign its rights under this Agreement to wholly-owned (directly or indirectly) and controlled Affiliates 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, and provided that the wholly-owned (directly or indirectly) and controlled Affiliates are disregarded as an entity separate from Purchaser for federal

income tax purposes within the meaning of Section 301.7701-3 of the Treasury Regulations under the Internal Revenue Code of 1986, as amended, at all times from such assignment through and including the Closing. 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, and under any Closing Document (as defined below), will survive the Closing for a period ending on November 30, 2016; provided however, that if Purchaser delivers written notice(s) to Seller(s) of a breach of a representation, warranty or covenant of Seller(s) prior to the expiration of such period (such notice[s] being collectively referred to herein as a "**Breach Notice**"), those representations, warranties and/or covenants referenced in such Breach Notice(s) shall survive beyond such period until conclusively and finally resolved by Purchaser and Seller including, if applicable, the resolution of any litigation beyond any applicable appeals periods (such period ending on November 30, 2016, as same may be extended by the terms hereof, the "**Seller Survival Period**"). Purchaser shall not have any right to bring any action for monetary damages against such Seller as a result of (i) any untruth, inaccuracy or breach of such representations and warranties under this Agreement, or any Closing Document, or (ii) the failure of Sellers to perform their obligations under any other provision of this Agreement, 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 (including Seller's liability for attorneys' fees and costs due to Purchaser) exceeds \$100,000. In addition, in no event will Sellers' liability for all such untruths, inaccuracies, breaches, and/or failures under Sections 8.1, any other provision of this Agreement, 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 percent (1%) of the Purchase Price. In order to secure Sellers' obligations set forth in this Section 16.1(a), Sellers shall cause Hines Real Estate Investment Trust, Inc., a Maryland corporation, ("**Guarantor**"), to execute and deliver a guaranty in favor of Purchasers guaranteeing Sellers' obligations under this Section 16.1(a) for the duration of the Survival Period (the "**Guaranty**").

(b)

Sellers shall have no liability to Purchaser following Closing with respect to any specific representation, warranty or covenant of Sellers herein if, prior to the Closing, Purchaser has actual knowledge of such specific breach of a representation, warranty or covenant of Sellers herein (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 or Purchaser 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

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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. 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

17.3

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 and Seller acknowledge that, except as expressly provided in this Agreement, neither party has any, right to extend the Closing Date.

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 Purchaser or Sellers are 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 any 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 ANY 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 **K**, 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 17.14

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 17.15

Exculpation. In no event whatsoever shall recourse be had or liability asserted

against any of Sellers' or Purchaser's partners, members, shareholders, employees, agents, directors, officers or other owners of Sellers or Purchaser or their respective constituent members, partners, shareholders, employees, agents directors, officers or other owners. Sellers' and 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 Sellers or Purchaser under this Agreement and the Closing Documents.

Section

17.16

Radon Gas. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county health department. The foregoing notice is provided in order to comply with state law and is for informational purposes only. Sellers do not conduct radon testing with respect to the Property as a whole, and specifically disclaims any and all representations or warranties as to the absence of radon gas or radon producing conditions in connection with Property.

Section

17.17

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.

[End of Page]

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

PURCHASER:

NEW MARKET PROPERTIES, LLC,
a Maryland limited liability company

By: /s/ Joel T. Murphy

Name: Joel T. Murphy

Title: CEO

SELLERS:

HR PARKLAND LLC,
a Delaware limited liability company

By: HR Retail Venture I LLC,
a Delaware limited liability company,
its sole member

By: Hines REIT Retail Holdings LLC,
a Delaware limited liability company,
its sole member

By: /s/ Kevin L. McMeans
Name: Kevin L. McMeans
Title: Manager

HR VENTURE PROPERTIES I LLC,
a Delaware limited liability company

By: HR Retail Venture I LLC,
a Delaware limited liability company,
its sole member

By: Hines REIT Retail Holdings LLC,
a Delaware limited liability company,
its sole member

By: /s/ Kevin L. McMeans
Name: Kevin L. McMeans
Title: Manager

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 24th day of June, 2016, 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: /s/ Elvira Fuentes
Printed Name: Elvira Fuentes
Title: VP/ Escrow Manager

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.

CBRE

Date: June 28, 2016

By: /s/ Dennis Carson

Printed Name: Dennis Carson

Title: Executive Vice President

Address: 777 Brickell Avenue, Suite 900
Miami, FL 33131

License No.: 598446

Tax ID. No.: _____

AGREEMENT OF SALE AND PURCHASE

BETWEEN

**HR VENTURE PROPERTIES I LLC,
and HR THOMPSON BRIDGE LLC,**

each a Delaware limited liability company

as Sellers

AND

**NEW MARKET PROPERTIES, LLC,
a Maryland limited liability company**

as Purchaser

pertaining to

**Cherokee Plaza, Atlanta GA, Sandy Plains Exchange, Marietta, GA and Thompson Bridge
Commons, Gainesville, GA**

EXECUTED EFFECTIVE AS OF

June 24, 2016

AGREEMENT OF SALE AND PURCHASE

THIS AGREEMENT OF SALE AND PURCHASE (this “**Agreement**”) is entered into and effective for all purposes as of June 24, 2016 (the “**Effective Date**”), by and between HR Venture Properties I LLC (the “**HR Venture Properties I Seller**”) and HR Thompson Bridge LLC (the “**HR Thompson Bridge Seller**”), each a Delaware limited liability company (the HR Venture Properties I Seller and the HR Thompson Bridge Seller are together referred to herein as “**Sellers**” and individually as a “**Seller**”), and New Market Properties, LLC, a Maryland 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.

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

“**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.

“**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 Atlanta, Georgia. 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 4.6.

“**Cherokee Plaza Real Property**” means those certain parcels of real property located at 3851-2895 Peachtree Road, Atlanta, Georgia 30319 and commonly known as Cherokee Plaza Shopping Center, as more particularly described on **Exhibit A-1** attached hereto, together with all of HR Venture Properties I Seller’s right, title and interest, if any, in and to the appurtenances pertaining thereto, including but not limited to HR Venture Properties I Seller’s right, title and interest in and to the streets, alleys and right-of-ways which abut such real property, and any easement rights, air rights, subsurface rights, development rights and water rights appurtenant to such real property.

“**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 August 8, 2016, which date may be extended in accordance with Section 10.1 hereof to September 7, 2016 by either Sellers or Purchaser, in their sole discretion, only in the event that any of the Closing Extension Conditions remain unsatisfied (and otherwise not waived in writing by Purchaser) as of the initial Closing Date. The Closing Date may also be an earlier or later date to which Purchaser and Sellers may hereafter agree in writing.

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

“**Closing Extension Conditions**” means those conditions precedent to Purchaser’s obligation to consummate Closing as expressly provided in Sections 10.8(b) and 10.8(c) hereof.

“**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 4.8, 4.10, 5.2(d), 5.3, 5.5, 5.6, 8.1 (subject to Section 16.1), 8.2, 10.4 (subject to the limitations therein), 10.6, 10.7, 10.9, 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 4.10.

“**Contingency Date**” means July 8, 2016.

“**Deeds**” 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 Time**” means 3:30 p.m. Eastern 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 4.3.

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

“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).

“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, as to each Seller, all buildings, structures, fixtures, parking areas and improvements owned by such Seller and located on the Real Properties, with such Improvements located on the Cherokee Plaza Real Property sometimes referred to herein as the **“Cherokee Plaza Improvements,”** such Improvements located on the Sandy Plains Exchange Real Property sometimes referred to herein as the **“Sandy Plains Exchange Improvements”** and such Improvements located on the Thompson Bridge Commons Real Property sometimes referred to herein as the **“Thompson Bridge Commons Improvements”**.

“Independent Consideration” has the meaning ascribed to such term in Section 4.2.

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

“Intangible Personal Property” means, as to each Seller, 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 (in each case, if any) utilized solely by such Seller or which such Seller has a right to utilize in connection with the operation of the Real Property owned by such Seller and Improvements thereon (other than the names or variations thereof of Hines Interests Limited Partnership (or Hines), each Seller, its Affiliates, the property manager and Tenants), provided however, that the foregoing definition shall specifically exclude all Reserved Company Assets.

“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 (but not legal and professional fees related to Tenant Leases entered into, renewed, amended, modified or expanded between the Effective Date and the Closing Date), 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.

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

“Licenses and Permits” means, collectively, as to each Seller, all of such Seller’s 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 owned by such Seller and the Improvements thereon, together with all renewals and modifications thereof.

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

“Material Breach” has the meaning ascribed to such term in Section 10.9(a).

“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 (i) DeKalb County, Georgia with respect to the Cherokee Plaza Real Property and Cherokee Plaza Improvements, (ii) Cobb County, Georgia with respect to the Sandy Plains Exchange Real Property and Sandy Plains Exchange Improvements and (iii) Hall County, Georgia with respect to the Thompson Bridge Commons Real Property and Thompson Bridge Commons Improvements.

“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 4.6.

“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, as to each Seller, all of such Seller’s 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 exclusively in connection with the ownership or operation of the Improvements owned by such Seller, 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 such Seller, and (iii) any items of personal property owned or leased by such Seller’s property manager, and (iv) all other Reserved Company Assets.

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

“Property Approval Period” shall have the meaning ascribed to such term in Section 4.6.

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

“PTRs” has the meaning ascribed to such term in Section 6.2(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 8.2(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.

“Real Property” means the Cherokee Plaza Real Property, the Sandy Plains Exchange Real Property and the Thompson Bridge Commons Real Property individually, and **“Real Properties”** means the Cherokee Plaza Real Property, the Sandy Plains Exchange Real Property and the Thompson Bridge Commons Real Property, collectively.

“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 4.10(a).

“Reserved Company Assets” means, as to each Seller, the following assets of such Seller as of the Closing Date: all cash (subject to the prorations and obligations hereinafter set forth), cash equivalents (including certificates of deposit; subject to the prorations and obligations hereinafter set forth), deposits held by third parties (e.g., utility companies, but expressly excluding Tenant Deposits), 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 such Seller or its direct or indirect partners, members, shareholders or affiliates, any refund in connection with termination of such Seller's existing insurance policies, all contracts between such 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 such Seller), the internal books and records of such 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 of such Seller or any other real property owned by such Seller, and any other intangible property that is not used exclusively in connection with the Property owned by such Seller.

"Sandy Plains Exchange Real Property" means those certain parcels of real property located at 1860 Sandy Plains Road, Marietta, Georgia 30066 and commonly known as the Sandy Plains Exchange Shopping Center, as more particularly described on **Exhibit A-2** attached hereto, together with all of HR Venture Properties I Seller's right, title and interest, if any, in and to the appurtenances pertaining thereto, including but not limited to HR Venture Properties I Seller's right, title and interest in and to the streets, alleys and right-of-ways which abut such real property, and any easement rights, air rights, subsurface rights, development rights and water rights appurtenant to such real property.

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

"Seller Person" has the meaning ascribed to such term in Section 8.1(l).

"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, as to each Seller, all of such Seller's 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 such Seller and under which such Seller is 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). Notwithstanding anything to the contrary provided in this Agreement, in no event shall any management agreement relating to the Real Property, Improvements or Personal Property be deemed a "Service Contract" under this Agreement.

“Significant Portion” means damage by fire or other casualty (or loss of value due to condemnation or eminent domain proceedings) (a) requiring repair costs (or resulting in a loss of value) in excess of an amount equal to Five Hundred Thousand and No/100 Dollars (\$500,000.00) as such repair costs or loss of value calculation is reasonably agreed upon by Purchaser and Sellers in accordance with the terms of Section 9.2, or (b) whereby more than Ten Thousand (10,000) square feet of leasable space is substantially damaged, in either case, to any of the following: (i) the Cherokee Plaza Real Property and the Cherokee Plaza Improvements or any portion thereof, (ii) the Sandy Plains Exchange Real Property and the Sandy Plains Exchange Improvements or any portion thereof, or (iii) the Thompson Bridge Commons Real Property and the Thompson Bridge Commons Improvements or any portion thereof.

“Tenant Deposits” means, as to each Property, all security deposits, paid or deposited by the Tenants to the Seller of such Property, as landlord, or any other person on such Seller’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, together with any and all guaranties thereof or relating thereto (and any and all written renewals, amendments, modifications, supplements or agreements related 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, together with any and all guaranties thereof or relating thereto, entered into after the Effective Date, and (iii) any and all new written renewals, amendments, modifications and supplements, together with any and all guaranties thereof or relating thereto, to any of the foregoing entered into after the Effective Date; provided, however, that the documentation referenced in items (ii) and (iii) shall only be deemed “Tenant Leases” to the extent that such documentation is approved by Purchaser in each instance 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 4.6, 4.7, 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.

“**Thompson Bridge Commons Real Property**” means those certain parcels of real property located at 3630 Thompson Bridge Road, Gainesville, Georgia 30506 and commonly known as the Thompson Bridge Commons Shopping Center, as more particularly described on **Exhibit A-3** attached hereto, together with all of HR Thompson Bridge Seller’s right, title and interest, if any, in and to the appurtenances pertaining thereto, including but not limited to HR Thompson Bridge Seller’s right, title and interest in and to the streets, alleys and right-of-ways which abut such real property, and any easement rights, air rights, subsurface rights, development rights and water rights appurtenant to such real property.

“**Title Company**” means First American Title Company, at its offices located at 601 Travis, Suite 1875, Houston, Texas 77002, Attn: Read Hammond, Telephone No.: 713-346-1652, Facsimile No.: 866-899-6403, Email: jthammond@firstam.com; provided, however, if the Title Company Option (as defined in Section 6.3) is exercised, “Title Company” shall be deemed revised to mean Fidelity National Title Insurance Company, at its offices located at 5565 Glenridge Connector, Suite 300, Atlanta, Georgia 30342, Attn: Laura W. Kaltz, Telephone No.: 404-419-3216, Facsimile 404-968-2182, Email: Laura.Kaltz@FNTG.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 Policy**” has the meaning ascribed to such term in Section 6.3.

“**To Sellers’ Knowledge**” and similar terms means the present actual (as opposed to constructive or imputed) knowledge solely of Kenton McKeegan and Chris Buchtien without any independent investigation or inquiry whatsoever, which individuals are familiar with the operations of each Real Property. Such individuals are named in this Agreement solely for the purpose of establishing the scope of Sellers’ knowledge. Such individuals shall not be deemed to be a party to this Agreement nor to have made any representations or warranties hereunder, and no recourse shall be had to such individuals for any of Sellers’ representations and warranties hereunder (and Purchaser hereby waives any liability of or recourse against such individuals, who are not employees of any Seller, but are employees of the advisor to the Seller).

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

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, the Real Properties and the Improvements, together with all of Sellers' right, title, and interest in and to each of the following attributable to the Real Properties and the Improvements: (a) the Personal Property; (b) the Tenant Leases in effect on the Closing Date and, subject to the terms of the respective applicable Tenant Leases, the Tenant Deposits (if any); (c) the Service Contracts in effect on the Closing Date, except for those Service Contracts that Purchaser duly requires to be terminated at or prior to Closing pursuant to the express terms of this Agreement, (d) the Licenses and Permits; and (e) the Intangible Personal Property, in each of the cases of (d) and (e) 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 (collectively with the Real Properties, 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 \$77,920,000.00 (\$43,000,000.00 for the Cherokee Plaza Real Property and the Cherokee Plaza Improvements, \$ 15,600,000.00 for the Sandy Plains Exchange Real Property and the Sandy Plains Exchange Improvements and \$ 19,320,000.00 for the Thompson Bridge Commons Real Property and the Thompson Bridge Commons Improvements) 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, at Closing and effective as of Closing, Purchaser shall (i) execute and deliver to Seller the General Conveyance, and (ii) be responsible for certain Leasing Costs pursuant to the express provisions of 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 4:00 p.m. Eastern time on the Closing Date, the parties shall consummate Closing subject to the terms and provisions of this Agreement.

ARTICLE IV

EARNEST MONEY DEPOSIT AND ESCROW INSTRUCTIONS

Section 4.1

Earnest Money Deposit. Within two (2) Business Days after the Effective Date, Purchaser shall deposit with the Title Company, in immediately available federal funds, the sum of \$3,750,000 (\$1,250,000 for each Real Property) (the “**Initial Earnest Money Deposit**”), which will be held in escrow by the Title Company pursuant to the terms of this Agreement. Provided that this Agreement remains in full force and effect, within two (2) Business Days after the Contingency Date, Purchaser shall deposit an additional amount of \$3,750,000 (\$1,250,000 for each Real Property) (the “**Additional Earnest Money Deposit**” and together with the Initial Earnest Money Deposit, the “**Earnest Money Deposit**”) with the Title Company. If Purchaser fails to deposit the Initial Earnest Money Deposit or the Additional Earnest Money Deposit within the time periods described above, this Agreement shall automatically terminate.

Section 4.2

Independent Consideration. Upon the execution hereof, Purchaser shall pay to Sellers One Hundred Dollars (\$100) as independent consideration (the “**Independent Consideration**”) for Purchaser’s right to purchase the Property and Sellers’ execution, delivery, and performance of this Agreement. Notwithstanding anything to the contrary contained herein (including any reference to the return of the Earnest Money Deposit to Purchaser), Sellers shall, in all events, retain the Independent Consideration, but the Independent Consideration shall be applied as a credit against the Purchase Price at the Closing. Purchaser and Sellers hereby acknowledge and agree that the Independent Consideration constitutes adequate and sufficient consideration for Purchaser’s right to purchase the Property and Sellers’ execution, delivery, and performance of this Agreement, and that the loss of Purchaser’s ability to use the funds constituting the Earnest Money Deposit as provided in this Agreement constitutes further consideration therefor.

Section 4.3

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 4.4

Documents Deposited into Escrow. On or before the Deposit Time, (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

4.5

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 4.6 (or if such a notice has been previously received, the Title Company has received a withdrawal of such notice), and subject in all events to the terms and conditions of this Agreement and the terms and conditions of any closing instruction letters delivered by Purchaser and/or Seller to Title Company prior to Closing, when Purchaser and Sellers have delivered the documents required by Section 4.4, 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 4.10;

(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)

Contemporaneously (i) deliver the Deeds (and quitclaim deeds, if applicable) to Purchaser by causing the same to immediately be recorded in the Official Records and agreeing to obtain conformed copies of the recorded Deeds for delivery to Purchaser and to Sellers following recording, (ii) issue to Purchaser the Title Policy required by Section 6.3 of this Agreement, and (iii) disburse to all applicable parties on the Closing Statement by wire transfer of immediately available federal funds, in accordance with wiring instructions to be obtained by the Title Company from such parties, all sums to be received by such parties pursuant to the Closing Statement; and

(d)

Contemporaneously deliver to Sellers and Purchaser, all remaining documents deposited with the Title Company for delivery to such parties at the Closing.

Section

4.6

Termination Notices. If at any time prior to 5:00 p.m. (Eastern time) on June 29, 2016 (the "**Property Approval Period**"), the Title Company receives a notice from Purchaser that Purchaser has exercised its termination right under Section 5.4, the Title Company, within three (3) Business Days after the receipt of such notice, will deliver the Earnest Money Deposit to Purchaser. If at any time, except as provided in the preceding sentence, the Title Company receives a certificate of either Sellers or of Purchaser (for purposes of this Section 4.6, 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 4.6, 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 five (5) 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 five (5) 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 five (5) 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 4.7.

Section

4.7

Joint Indemnification of Title Company; Conflicting Demands on Title Company. If this Agreement or any matter relating hereto (other than the PTR or the Title Policy) 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

4.8

Maintenance of Confidentiality by Title Company. Except as may otherwise be required by law or by 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

4.9

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

4.10

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 4.10, 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 4.10, 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)

Through the earlier of Closing or the termination of this Agreement, Purchaser and its agents, representatives, contractors and consultants shall inspect and investigate the Property and shall 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 interview Tenants unless interviews are coordinated through the applicable Seller and the applicable Seller shall have the right to participate in any such interviews. 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 forty-eight (48) hours prior to such intended entry and specify the intended purpose therefor and the inspections and examinations contemplated to be made. At the applicable Seller's option, such Seller may be present for any such entry, inspection and interview with any Tenants and service providers with respect to the Property owned by such Seller. 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 invasive testing or sampling shall be conducted during any such entry by Purchaser or any Licensee Party upon the Real Property without the applicable Seller's specific prior written consent, which consent may be withheld, delayed or conditioned in such Seller's sole and absolute discretion; and provided, further, that prior to giving any such approval, such Seller shall be provided with a written sampling plan in reasonable detail in order to allow such Seller 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 forty-eight (48) hours prior written notice of Purchaser's intention to communicate with any Authorities and the applicable Seller shall have the right to participate in any such communications.

Document Review.

(a)

Beginning no later than two (2) Business Days following the Effective Date, and through the earlier of Closing or the termination of this Agreement, and to the extent not already available on the Effective Date, Sellers shall 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 any Seller; (ii) assessments (special or otherwise), ad valorem and personal property tax bills, covering the three (3) years preceding the Effective Date; (iii) Sellers' most currently available rent roll; (iv) operating statements and rent rolls for the stub period of the current calendar year plus the prior two (2) 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; (viii) copies of Sellers' title insurance policies and surveys for the Property; (ix) a schedule of capital expenditures at the Property for the past 3 years; (x) copies of floor plans and marketing materials currently utilized in marketing the Property to tenants; (xi) a current certificate of insurance regarding property casualty insurance at the Property; (xii) intentionally deleted; (xiii) reconciliations with respect to common area maintenance and taxes for the last 2 calendar years; (xiv) intentionally deleted; (xv) a leasing activity report including active lease proposals, other prospects and the status of near-term expirations/termination options; (xvi) utility bills for the Property for the 12 months preceding the Effective Date; (xvii) an insurance claims history for the earlier of the last 5 years or Seller's period of ownership of the Property; (xviii) an accounts receivable report for the Property; (xix) tenant and other Property files including correspondence contained therein; and (xx) any other due diligence materials reasonably requested by Purchaser from time to time (collectively, the "**Documents**"). Purchaser acknowledges that, prior to the Effective Date, Purchaser has received from Seller copies of Tenant Leases and Service Contracts, including commission agreements; provided, however, that Purchaser does not acknowledge or agree, as of the Effective Date, that same are true, correct and complete 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**, and Purchaser shall continue to review such documentation following the Effective Date. "**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 any Seller is 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 reasonably 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 Sellers' property managers);

(7) organizational, financial and other documents relating to Sellers or Sellers' 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. Except for the representations expressly made in Section 8.1 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 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, prospective lenders or prospective investors (collectively, for purposes of this Section 5.2 (b), the "**Permitted Outside Parties**"); provided, however, that notwithstanding anything to the contrary provided in this Agreement, Purchaser shall have the right to release a press notice containing such information as Purchaser is required to include in its filing of Form 8-K with the SEC (as defined below) reporting the entry of a "Material Definitive Agreement" following the full execution of this Agreement. 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 need to know such information in order to advise Purchaser 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 Sellers and the Tenants or prospective tenants are 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 promptly destroy all copies Purchaser has made (and computer files of same) of any Documents containing confidential information before or after the execution of this Agreement, not later than ten (10) Business Days following the time this Agreement is terminated for any reason.

(d)

Purchaser acknowledges that some of the Documents may have been prepared by third parties and may have been prepared prior to each Seller's ownership of its Property. Purchaser hereby acknowledges that, except as expressly provided in Section 8.1, (i) 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), and (ii) 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: unreasonably disturb the Tenants or unreasonably interfere with their use of the Property pursuant to their respective Tenant Leases; unreasonably 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; interview 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 to maintain commercial general liability (occurrence) insurance in an amount not less than Two Million and No/100 Dollars (\$2,000,000.00) 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 (Weingarten Realty Investors) being named as an additional insured 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.

(b)

Purchaser hereby indemnifies, defends and holds each Seller and all of 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) (collectively, "**Indemnified Liabilities**") arising out of any personal injury or death or physical

damage to property caused by 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, for purposes of clarification, the foregoing obligation to indemnify, defend and hold harmless shall not apply to any Indemnified Liabilities arising by virtue of (x) the negligence or willful misconduct of Seller or any other indemnified party, or (y) 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, except and solely to the extent of any exacerbation by Purchaser or any Licensee Party of any 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

Property Approval Period. Through the earlier of Closing or the termination of this Agreement, 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**"). Notwithstanding anything to the contrary provided in this Agreement, (i) Purchaser and the Licensee Parties shall have the right to conduct a Phase II environmental site assessment (each, a "**Phase II**") with respect to (x) the Sandy Plains Exchange Real Property and the Sandy Plains Exchange Improvements and (y) the Thompson Bridge Commons Real Property and the Thompson Bridge Commons Improvements and (ii) unless required by federal, state or local law or ordinance, or unless requested in writing by Seller, Purchaser shall not disclose the results of the Phase II to Seller. Purchaser acknowledges and agrees that Purchaser shall have no right to terminate this Agreement pursuant to this Section 5.4 unless Purchaser is not satisfied with the results of either or both of the final Phase IIs for any reason or no reason in its sole discretion during the Property Approval Period. Accordingly, Purchaser may terminate this Agreement pursuant to the previous sentence by delivering written notice thereof to Seller and the Title Company no later than the expiration of the Property Approval Period, and Title Company shall return to Purchaser the Earnest Money Deposit pursuant to the terms of Section 4.6 hereof. Following such termination, Purchaser shall pay any cancellation fees or charges of Title Company, and except for the Termination Surviving Obligations, the parties shall have no further rights or obligations to one another under this Agreement. If Purchaser fails to terminate this Agreement pursuant to this Section 5.4, Purchaser shall be deemed to have waived its right to terminate this Agreement as provided in this Section 5.4. If Purchaser elects to terminate this Agreement pursuant to this Section 5.4, the Other Property Agreements shall also terminate in accordance with Section 10.11 hereof.

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 PROPERTY APPROVAL PERIOD) ITS OWN INDEPENDENT EXAMINATION OF THE PROPERTY. OTHER THAN ANY SPECIFIC MATTERS REPRESENTED IN SECTION 8.1 HEREOF OR IN ANY CLOSING DOCUMENT EXECUTED BY SELLER AT CLOSING (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 SECTION 8.1 HEREOF OR IN ANY CLOSING DOCUMENT EXECUTED BY SELLER AT CLOSING, 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 SECTION 8.1 HEREOF OR IN ANY CLOSING DOCUMENT EXECUTED BY SELLER AT CLOSING (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. 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 the consummation of Closing, 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 or in any closing document executed by Seller at Closing 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, subject to any rights granted to Purchaser hereunder which survive Closing with respect to Seller's representations, warranties, covenants, agreements and obligations contained in this Agreement and/or in any closing document executed by Seller at Closing, as limited by Section 16.1 of this Agreement. 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. Except with respect to, and in connection with, any rights granted to Purchaser hereunder which survive Closing with respect to Seller's representations, warranties, covenants, agreements and obligations contained in this Agreement and/or in any closing document executed by Seller at Closing, as limited by Section 16.1 of this Agreement, Purchaser, on behalf of itself and its partners, officers, directors, agents, controlling persons and Affiliates, hereby releases each Seller 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 that Purchaser may have against Sellers and/or the other Seller Released Parties (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, except with respect to, and in connection with, any rights granted to Purchaser hereunder which survive Closing with respect to Seller's representations, warranties, covenants, agreements and obligations contained in this Agreement and/or in any closing document executed by Seller at Closing, as limited by Section 16.1 of this Agreement, Purchaser specifically releases each Seller 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 either (i) the Closing and shall not be deemed merged into the provisions of any closing documents, or (ii) any termination of this Agreement.

(b)

Purchaser's Waiver of Objections. Purchaser acknowledges that it has (or shall have prior to Closing) 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 except with respect to, and in connection with, any rights granted to Purchaser hereunder which survive Closing with respect to Seller's representations, warranties, covenants, agreements and obligations contained in this Agreement and/or in any closing document executed by Seller at Closing, as limited by Section 16.1 of this Agreement, 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) which Purchaser may have against each Seller, its 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 State 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 either (i) the Closing and shall not be deemed merged into the provisions of any Closing Documents, or (ii) any termination of this Agreement.

(f)

No Third Party Releases. Notwithstanding anything to the contrary provided in this Agreement, the provisions of this Section 5.6 shall not be deemed to release Sellers or the Seller Released Parties from any liability, responsibility, penalties, fines, suits, demands, actions, losses, damages, expenses, causes of action, proceedings, judgments, executions, costs of any kind or nature whatsoever by any parties, including Authorities, other than Purchaser.

ARTICLE VI

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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 (a) that certain survey of the Cherokee Plaza Real Property, dated March 25, 2016, prepared by Bock and Clark Corporation (the “**Updated Cherokee Plaza Survey**”), (b) that certain survey of the Sandy Plains Exchange Real Property, dated March 31, 2016, prepared by Bock and Clark Corporation (the “**Updated Sandy Plains Exchange Survey**”) and (c) that certain survey of the Thompson Bridge Commons Real Property, dated April 7, 2016, prepared by Bock and Clark Corporation (the “**Updated Thompson Bridge Commons Survey**” and collectively with the Updated Cherokee Plaza Survey and the Updated Sandy Plains Exchange Survey, the “**Updated Surveys**”). Sellers shall have no obligation to obtain any modification, update, or recertification of the Updated Surveys. Any such modification, update or recertification of the Updated Surveys may be obtained by Purchaser at its sole cost and expense.

Title and Survey Review.

(e)

Prior to the execution and delivery hereof, Seller has caused the Title Company to furnish or otherwise make available to Purchaser (i) a preliminary title commitment for the Cherokee Plaza Real Property dated with an effective date of February 25, 2016 (the “**Cherokee Plaza PTR**”), (ii) a preliminary title commitment for the Sandy Plains Exchange Real Property dated with an effective date of February 19, 2016 (the “**Sandy Plains Exchange PTR**”) and (iii) a preliminary title commitment for the Thompson Bridge Commons Real Property dated with an effective date of February 21, 2016 (the “**Thompson Bridge Commons PTR**” and collectively with Cherokee Plaza PTR and the Sandy Plains Exchange PTR, the “**PTRs**”), and copies of all underlying title documents described in the PTRs. Purchaser shall have until June 14, 2016 (the “**Title Notice Date**”) to provide written notice (the “**Title Notice**”) to Sellers and Title Company of any matters shown on the PTRs and/or the Updated Surveys 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 the specific exceptions to title expressly provided in the PTRs and all matters revealed in the Updated Surveys, subject to Sellers’ obligations set forth in Section 6.2(c) below and as otherwise expressly provided in this Agreement. 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 June 17, 2016, written notice to Purchaser and Title Company identifying which disapproved items, if any, Sellers shall be obligated to cure by Closing (by either having the same removed as an exception in the applicable PTR or by otherwise obtaining affirmative insurance over the same as part of the final Title Policy, such affirmative insurance to be acceptable to Purchaser in its sole and absolute discretion) (“**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 Contingency Date to (i) deliver a written notice terminating this Agreement (“**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 the PTRs and the Updated Surveys (whereupon such objections shall be deemed Permitted Exceptions for all purposes hereof). If Sellers and Title Company have not received a Termination Notice from Purchaser by the Contingency Date, such failure to deliver same shall be deemed Purchaser’s waiver of all objections to the PTRs and the Updated Surveys that Seller did not agree to cure by Closing, subject to Sellers’ obligations set forth in Section 6.2 (c) below and as otherwise expressly provided in this Agreement.

(f)

Purchaser may, at or prior to Closing, notify Sellers in writing (the “**Gap Notice**”) of any objections to title (i) raised by the Title Company between the Title Notice Date and the Closing, (ii) not disclosed in writing by the Title Company to Purchaser by 3:00 p.m. Eastern Time on the second Business Day preceding the Title Notice Date, and/or (iii) not disclosed in writing by Sellers to Purchaser and the Title Company by 3:00 p.m. Eastern Time on the second

Business Day preceding the Title Notice Date (“**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) three (3) Business Days after receipt of an updated PTR revealing the existence of such New Exception and (y) 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 is under no obligation to, remove same as an exception in the applicable PTR or otherwise obtain affirmative insurance over same as part of the final Title Policy, such affirmative insurance to be acceptable to Purchaser in its sole and absolute discretion. If, within the two (2) day period, Sellers do not remove such objectionable New Exceptions in the applicable PTR or otherwise obtain affirmative insurance over same as part of the final Title Policy (such affirmative insurance to be acceptable to Purchaser in its sole and absolute discretion objectionable), then Purchaser may terminate this Agreement upon delivering a Termination Notice to Sellers in accordance with Section 5.4 above no later than the date that is two (2) Business Days following the expiration of the two (2) day cure period (and Closing shall automatically be extended to permit such 2 Business Day Period to run), 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 as an exception in the applicable PTR or otherwise affirmatively insured over on terms acceptable to Purchaser in its sole and absolute discretion) will be included as Permitted Exceptions.

(g)

Notwithstanding any provision of this Agreement to the contrary including, but not limited to Section 6.2 hereof, (A) at or prior to Closing, Sellers shall cause the removal of all exceptions to title to the Real Properties and Improvements from each PTR and each related Title Policy relating to monetary liens, security liens and interests, mechanic’s liens, judgment liens and/or tax liens affecting the Property arising by, through or under Seller, other than liens caused by Tenants or Purchaser or its agents or the lien for ad valorem taxes and assessments for tax years not yet due and payable (collectively, the “**Must-Cure Matters**”), (B) in no event shall any Must-Cure Matter be deemed a Permitted Exception under this Agreement, and (C) if Sellers fail to satisfy its obligations under Section 6.2(c)(A) hereof with respect to any Must-Cure Matter, then (i) Sellers shall be in default under this Agreement, and (ii) in lieu of pursuing specific performance or any other remedy against Sellers pursuant to the terms of Section 13.1 hereof, Purchaser shall have the right on behalf of Sellers to satisfy such obligations at Closing and all of Purchaser’s actual out-of-pocket costs and expenses actually incurred in connection with same shall be credited against the Purchase Price at Closing.

Section

6.3

Title Insurance. At the Closing, and as a condition thereto, the Title Company shall issue to Purchaser an ALTA extended coverage Owner’s Policy of Title Insurance (the “**Title Policy**”) with liability in the amount of the Purchase Price, showing title to the Real Properties vested in the Purchaser, with such endorsements as Purchaser shall request and Title Company shall have agreed to issue same, subject only to: (i) the pre-printed standard exceptions in such Title Policy that are

not customarily deleted at closings following the Title Company's receipt of all Schedule B-1 or Schedule C (as applicable) requirements contained in the PTRs, (ii) exceptions approved or deemed approved by Purchaser pursuant to Section 6.2 above, (iii) the Tenant Leases, (iv) any taxes and assessments for any year that are not yet due and payable as of the Closing, (v) [intentionally deleted], (vi) a specific, itemized list of adverse matters shown on the Updated Survey, or any updates thereto, that are approved or deemed approved by Purchaser pursuant to Section 6.2 above or shown on the PTRs, (vii) any matters which are affirmatively insured over on terms acceptable to Purchaser in its sole and absolute discretion, and (viii) any exceptions arising from Purchaser's actions (collectively, the "**Permitted Exceptions**"). In the event Purchaser elects not to pay for any additional premium for the ALTA extended coverage policy, then the Title Policy to be issued as of the Closing shall be a standard ALTA Owner's Policy of Title Insurance which shall include, among other things, a general survey exception. It is understood that Purchaser may request a number of endorsements to the Title Policy, but the issuance of any such endorsements shall not be a condition to Closing. If (i) the Title Company (A) is unable or unwilling to consummate Closing or to otherwise delete or revise any title exception, issue any endorsement or commit to any specific coverage or affirmative title insurance requested by Purchaser with respect to the Title Policy or any title policy requested by Purchaser's lender (such requested insurance, the "**Requested Insurance**"), or (B) requires that Purchaser, Seller, Purchaser's lender or any other third party provide any affidavits, indemnities, agreements, due diligence or other documentation in order for the Title Company to consummate Closing or to otherwise provide the Requested Insurance, (ii) Purchaser provides written evidence (which may be via electronic mail) to Sellers of such inability or unwillingness of, or requirements by, the Title Company to provide the Requested Insurance, and (iii) Purchaser provides written evidence to Sellers that Fidelity National Title Insurance Company ("**Fidelity**") has committed to consummate Closing or to otherwise provide the Requested Insurance without requiring the satisfaction of any requirements of Title Company being contested by Purchaser, Purchaser shall have the right (the "**Title Company Option**") to transfer responsibility as the Title Company hereunder to Fidelity by written notice to Seller. If Purchaser properly exercises the Title Company Option, (w) Title Company, Seller and Purchaser shall cause the Earnest Money Deposit to be transferred to Fidelity, (x) Fidelity shall execute a revised Title Company Joinder page to this Agreement upon receipt of the Earnest Money Deposit, (y) the Closing Extension Conditions shall be modified to remove the condition precedent described in Section 10.8(b), and (z) Seller shall not be required to modify the form of Owner Affidavit attached hereto as **Exhibit K** except to change the name of the Title Company to Fidelity.

ARTICLE VII

INTERIM OPERATING COVENANTS AND ESTOPPELS

Section

7.1

Interim Operating Covenants. Each Seller covenants to Purchaser that as to the Property owned by such Seller, such Seller will:

(h)

Operations. From the Effective Date until Closing, continue to operate, manage and maintain the Real Property and Improvements owned by it in the ordinary course of

such Seller's business and substantially in accordance with such Seller's present practice, subject to ordinary wear and tear and Article IX of this Agreement.

(i)

Maintain Insurance. From the Effective Date until Closing, maintain fire and extended coverage insurance on the Improvements owned by it which is at least equivalent in all material respects to such Seller's insurance policies covering the Improvements owned by it as of the Effective Date.

(j)

Personal Property. From the Effective Date until Closing, not transfer or remove any Personal Property owned by it from the Improvements owned by it except for the purpose of repair or replacement thereof, and provided that such removed Personal Property shall be repaired or replaced prior to Closing. 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.

(k)

Leases. From the Effective Date until the expiration of the Property Approval Period, 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 Purchaser, which consent will not be unreasonably withheld, delayed or conditioned. From the expiration of the Property Approval Period until the 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 Purchaser, which consent may be withheld in Purchaser's sole discretion. Notwithstanding anything to the contrary provided in this Section 7.1(d), (i) nothing herein shall be deemed to require Purchaser's consent to any expansion or renewal which such Seller, as landlord, is required to honor pursuant to any Tenant Lease in existence as of the Effective Date, and (ii) except as provided in item (i) in this Section 7.1(d), from the Effective Date through Closing, Seller shall not, without first obtaining the prior written consent of Purchaser which may be withheld in Purchaser's sole discretion, enter into any new lease or any amendments, expansions or renewals of Tenant Leases that will require Purchaser, as landlord, following Closing to pay or be subject to any Leasing Costs.

(l)

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, fee or premium or unless Purchaser consents thereto in writing, which consent will not be unreasonably withheld, delayed or conditioned; provided, however, that Purchaser may withhold such consent in Purchaser's sole discretion following the expiration of the Property Approval Period.

(m)

Notices. To the extent received by such Seller, from the Effective Date until Closing, promptly deliver to Purchaser copies of written default notices, notices of lawsuits and notices of violations affecting such Seller's Property.

(n)

Encumbrances. Without Purchaser's prior written approval in its sole discretion, not voluntarily subject such Seller's Property to any additional liens, encumbrances, covenants or easements unless released prior to Closing.

(o)

Cherokee Plaza Detention Pond. Prior to August 15, 2016, HR Venture Properties I Seller hereby covenants to fully satisfy all of the best management practices for structural components, sediment capacity and maintenance of the detention pond serving the Cherokee Plaza Real Property in order to restore and/or enhance the effectiveness of the detention pond as required by the City of Brookhaven pursuant to (i) that certain letter from the City of Brookhaven dated June 15, 2016, and (ii) that certain inspection report for such detention pond prepared by Aquascape Environmental, dated April 11, 2016.

Whenever in this Section 7.1, a Seller is required to obtain Purchaser's approval with respect to any transaction described therein, Purchaser shall, within five (5) Business Days after receipt of such Seller's request therefor, notify such Seller of its approval or disapproval of same and, if Purchaser fails to notify such Seller of its approval within said five (5) Business Day period, Purchaser shall be deemed to have approved same.

Section

7.2

Tenant Lease Estoppels; SNDAs and Other Estoppels.

(e)

It will be a condition to Purchaser's obligation to consummate Closing that each Seller obtain and deliver to Purchaser executed Acceptable Estoppel Certificates from (i) each of the major tenants leasing space in such Seller's Improvements listed on **Exhibit C-1** ("**Major Tenants**"), which Major Tenants include all Tenants leasing over 20,000 rentable square feet at the Improvements located on such Real Property, and (ii) from Tenants (exclusive of any and all Major Tenants) collectively leasing at least seventy five percent (75%) in the aggregate of the rentable square feet located on each Real Property, exclusive of the rentable square feet leased by Major Tenants. "**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 default or unfulfilled material obligation on the part of the landlord not previously disclosed in writing to Purchaser in this Agreement; provided that an estoppel certificate executed by a Tenant either: (x) in the form prescribed by its Tenant Lease (y) with respect to a regional or national Tenant, in the standard form generally used by such Tenant, or (z) in the form attached hereto as **Exhibit C-2** but for which Section 12 or Section 13 thereof shall have been deleted, shall each 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 a Seller'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 such Seller 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 Tenants including, but not limited to, the Major Tenants, each Seller will deliver to Purchaser for each Tenant 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. Within three (3) Business Days following Purchaser's receipt thereof, Purchaser will send to Sellers notice either (A) approving such forms as completed by Sellers or (B) 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. Sellers will make such changes to the extent Sellers agree such changes are appropriate, except that Sellers 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 three (3) Business Day period shall be deemed approval of such estoppel certificate.

(f)

[Intentionally Deleted].

(g)

Seller shall deliver to Tenants, Subordination, Non-Disturbance and Attornment Agreements (“**SNDAs**”) as may be required by Purchaser's lender(s); provided however, nothing contained in this Agreement shall obligate Seller to obtain any SNDAs, and delivery of any SNDAs shall not be a condition to Purchaser's obligation to close on the purchase of the Property pursuant to the terms of this Agreement.

(h)

Seller shall request an estoppel certificate from all applicable parties under the Declarations of Covenants and Restrictions (or other similar instruments) affecting the Property which have been requested by Purchaser prior to the Effective Date confirming that the Seller and the Property are in compliance with the terms of such Declarations of Covenants and Restrictions and that all sums, if any, payable with respect to the Property under such Declarations have been paid in full; provided however, nothing contained in this Agreement shall obligate Seller to obtain any such estoppel certificates, and delivery of any such estoppel certificates shall not be a condition to Purchaser's obligation to close on the purchase of the Property pursuant to the terms of this Agreement.

Section

7.3

OFAC. Pursuant to United States Presidential Executive Order 13224 (“**Executive Order**”), Sellers are required to ensure that it does 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 Sellers 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

Sellers' Representations and Warranties. Except as otherwise expressly provided in any closing document delivered by Seller at Closing and in Section 11.1 of this Agreement, the following constitute the sole representations and warranties of Sellers with respect to the purchase and sale of the Properties 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 as to itself and the Property owned by such Seller:

(i)

Status. Such Seller is a limited liability company duly organized and validly existing under the laws of the State of Delaware, and is qualified to transact business within the State of Georgia.

(j)

Authority; Enforceability. The execution and delivery of this Agreement by such Seller and the performance by such Seller of its obligations hereunder has been or will be duly authorized by all necessary action on the part of such Seller, and 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.

(k)

Non-Contravention. The execution and delivery of this Agreement by such Seller and the performance by such Seller of such Seller's 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 the current mortgage lender in order to secure the release of the lien on the Property owned by such Seller 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.

(l)

Suits and Proceedings, No Violation Notices. 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 owned by such Seller, relating to the

Property owned by such Seller, or such Seller's ownership or operation of the Property owned by such Seller, including without limitation, condemnation, takings by an Authority or similar proceedings (collectively, "**Suits and Proceedings**"), which Suits and Proceedings individually or in the aggregate would have an adverse effect on the Property owned by such Seller; provided, however, that, to Seller's Knowledge, **Exhibit E** is a true, complete and correct list of all Suits and Proceedings. Further, Seller has received no written notice from any Authority alleging that the Property is in violation of applicable laws, ordinances or regulations which remain uncured.

(m)

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, and such Seller has received no written notice of and has no knowledge of (i) the filing of any involuntary petition by such Seller's creditors, (ii) the appointment of a receiver to take possession of all, or substantially all, of such Seller's assets, or (iii) the attachment or other judicial seizure of all, or substantially all, of such Seller's assets.

(n)

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.

(o)

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 owned by such Seller that were entered into by such Seller and, to such Seller's Knowledge, all of the Tenants under Tenant Leases affecting the Real Property and Improvements owned by such Seller that were entered into prior to such Seller's acquisition of the Property. As of the Effective Date, there are no written leases or occupancy agreements affecting the Real Property and Improvements owned by such Seller executed by such Seller or, to such Seller's Knowledge, by which such Seller is bound other than the Tenant Leases listed on **Exhibit F**. The copies of the Tenant Leases executed by such Seller and the guaranties accompanying such Tenant Leases that have been provided or made available to Purchaser are true, correct and complete, and to such Seller's Knowledge the copies of the other Tenant Leases and accompanying guaranties that have been provided or made available to Purchaser are true, correct and complete in all material respects. Except as disclosed on **Exhibits F-1 through F-3**, such Seller has not received written notice of any termination or uncured default by any party under any Tenant Lease, and such Seller has not given written notice of any default to any Tenant under any Tenant Lease that remains outstanding as of the Effective Date.

(p)

Service Contracts; Commission Agreements. 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 owned by such Seller, including all of the commission agreements affecting the

Property owned by such Seller listed on Exhibit D, except for the property management agreement with such Seller's property manager (the "**Management Agreement**"). As of the Effective Date, Exhibit B is a true and correct list of all Service Contracts in effect and such Seller has delivered or made available to Purchaser for review, true and complete copies of all Service Contracts affecting the Property owned by such Seller, as set forth on Exhibit B. As of the Effective Date, Exhibit D is a true and correct list of the commission agreements affecting the Property owned by such Seller 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 commission agreements affecting the Property owned by such Seller set forth on Exhibit D, except for the Management Agreement. Except as disclosed on Exhibit B, such Seller has not received written notice of any termination or uncured default by any party under any Service Contract affecting the Property owned by such Seller.

(q)

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 affecting the Property owned by such Seller that are in effect as of the Closing Date.

(r)

Available Environmental Reports; Violations. To such Seller's Knowledge, (i) such Seller has provided or made available to Purchaser all third-party reports in the possession of Seller that pertain to the analysis of Hazardous Substances at the Property owned by such Seller, (ii) such Seller has not received any written notice from any Authority or employee or agent thereof whereby such Authority or employee or agent has determined, or threatens to determine, that there is a presence, release or threat of release or placement on, in or from the Property of any Hazardous Substance, and (iii) the Property is not in violation of any Environmental Laws.

(s)

Employee Matters. Such Seller has no employees at the Property owned by such Seller.

(t)

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 (each, a "**Seller Person**"), 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.

(u)

Guarantor. Upon the consummation of Closing, Guarantor (as defined below), shall have received adequate consideration for Guarantor's execution and delivery of the Guaranty (as defined below).

(v)

No Title Defaults. To Seller's Knowledge, neither Seller nor any party to the following instruments of record is in default under such instruments, and no event has occurred which, with the giving of notice or passage of time, or both, could result in such default: Cherokee Plaza Shopping Center Restrictive Covenants Agreement with respect to the Cherokee Plaza Real Property by Cherokee Plaza Associates, L.L.C. and The Great Atlantic & Pacific Tea Company, dated July 1, 1996, and recorded in Deed Book 9067, Page 277, DeKalb County, Georgia Records, as amended by that certain First Amendment to Cherokee Plaza Shopping Center Restrictive Covenants Agreement dated October 1, 1996, and recorded in Deed Book 9255, Page 796, aforesaid records.

Section

8.2

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 Maryland.

(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 (that has not already been obtained) in connection with the execution and delivery of this Agreement by Purchaser or the performance by Purchaser of the transactions contemplated hereby.

(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

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CONDEMNATION AND CASUALTY

Section

9.1

Significant Casualty. If, prior to or on the Closing Date, all or any portion of the Real Properties and the Improvements is destroyed or damaged by fire or other casualty, Sellers will promptly notify Purchaser of such casualty. Purchaser will have the option, in the event that (i) all or any Significant Portion to any of the Real Properties and any of the Improvements is so destroyed or damaged, (ii) any Major Tenant is permitted to terminate its Tenant Lease as a result of such casualty, or (iii) any portion of the Real Property and/or Improvements fails to comply with applicable zoning laws, rules and regulations as a result of such casualty, which non-compliance is not susceptible to being fully cured by the restoration of the affected Real Property and/or Improvements to the condition of same as existed immediately prior to the occurrence of the casualty, to terminate this Agreement upon notice to Sellers given not later than fifteen (15) 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 4.6 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) the applicable Seller(s) 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 the applicable Seller(s) 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 to repair any uninsured portion of the casualty plus the amount of the deductible on such insurance policy less any amounts expended by the applicable Seller(s) 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 mutually agreed upon by Purchaser and Sellers, all parties agreeing to act reasonably.

Section

9.2

Casualty of Less Than a Significant Portion. If less than a Significant Portion of any of the Real Properties and any of the Improvements are damaged as aforesaid or Purchaser does not otherwise have the right to terminate this Agreement pursuant to the terms of Section 9.1 above following a casualty, Purchaser shall not have the right to terminate this Agreement and Sellers will not be obligated to repair such damage or destruction, but (a) the applicable Seller(s) 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 the applicable Seller(s) 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 to repair any uninsured portion of the casualty plus the amount of the deductible on such insurance policy less any amounts expended by the applicable Seller(s) 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 mutually agreed upon by Purchaser and Sellers, all parties agreeing to act reasonably.

Section

9.3

Condemnation of Property. In the event of condemnation or sale in lieu of condemnation (i) of all or any Significant Portion of any of the Real Properties and any of the Improvements, (ii) that materially and adversely affects existing points of vehicular access to and/or from any portion of the Real Property and/or Improvements to a public or private street or other roadway, (iii) that permits any Major Tenant to terminate its Tenant Lease as a result of such casualty, or (iv) other than a temporary taking, that causes any portion of the Real Property and/or Improvements to fail to comply with applicable zoning laws, rules and regulations, or if Sellers shall receive an official notice from any governmental authority having eminent domain power over any of the Real Properties and the Improvements thereon of its intention to take, by eminent domain proceeding, all or any portion of any of the Real Properties and any of the Improvements and such taking would result in any one or more of items (i) through (iv) above, prior to the Closing, Purchaser will have the option, by providing Sellers written notice within fifteen (15) 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, the 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 4.6 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 (in lieu of fee simple title), 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

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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. Each of Sellers and Purchaser shall have the right to extend the Closing Date one time to a date no later than September 7, 2016, only in the event that any of the Closing Extension Conditions remain unsatisfied (and otherwise not waived in writing by Purchaser) as of the initial Closing Date. 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 4.4, 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 the form of Tenant Notice Letters, duly executed by Purchaser;

(d)

Evidence reasonably satisfactory to the Title Company that the person executing any financing documents on behalf of Purchaser has full right, power, and authority to do so; provided, however, that, notwithstanding anything to the contrary provided in this Agreement, no such evidence shall be made available or otherwise provided to Seller;

(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 (provided the same do not increase in any material respect the costs to, or liability or obligations of, Purchaser in a manner not otherwise provided for herein); and

(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 for the Property (i) the following items (a), (b), (c), (d), (e), (f), (j), (k), (l), (m), (n), (o) and (p) in escrow with the Title Company pursuant to Section 4.4 on or before the Deposit Time, and (ii) upon receipt of the Purchase Price, the applicable Seller shall deliver items (g), (h) and (i) to Purchaser at the applicable Property:

(a)

A limited warranty deed substantially in the form attached hereto as **Exhibit I**, duly executed and acknowledged by the HR Venture Properties I Seller conveying to Purchaser (i) the Cherokee Plaza Real Property and the Cherokee Plaza Improvements and (ii) the Sandy Plains Exchange Real Property and the Sandy Plains Exchange Improvements (the “**Cherokee Plaza and Sandy Plains Exchange Deed**”) and a limited warranty deed substantially in the form attached hereto as **Exhibit I**, duly executed and acknowledged by the HR Thompson Bridge Seller conveying to Purchaser the Thompson Bridge Commons Real Property and the Thompson Bridge Commons Improvements (the “**Thompson Bridge Commons Deed**” and together with the Cherokee Plaza and Sandy Plains Exchange Deed, the “**Deeds**”), which Deeds shall be delivered to Purchaser by the Title Company agreeing to cause same to be recorded in the Official Records; additionally, if the legal description of any Real Property drawn from the final versions of the Updated Surveys differs from the descriptions set forth in **Exhibit A-1**, **Exhibit A-2** and/or **Exhibit A-3** attached hereto, Sellers shall, in addition to the Deeds, deliver to Purchaser at Closing a quitclaim deed using the description of the applicable Real Property from the final versions of the Updated Surveys to be recorded immediately following the recordation of the Deeds;

(b)

Four (4) counterparts of the general conveyance substantially in the form attached hereto as **Exhibit H** (the “**General Conveyance**”) duly executed by the applicable Seller;

(c)

Four (4) counterparts of the form of Tenant Notice Letters, duly executed by the applicable Seller;

(d)

Evidence reasonably satisfactory to Title Company (to enable the Title Company to issue the Title Policy without except for matters related to the lack of authority of Seller

to convey the Property) that the person executing the Closing Documents on behalf of such Seller has full right, power and authority to do so, and evidence that such Seller is duly organized and authorized to execute this Agreement and all other documents required to be executed by such Seller hereunder;

(e)

A certificate in the form attached hereto as **Exhibit J** (“**Certificate as to Foreign Status**”) from such 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)

The Tenant Deposits, at such Seller’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 such Seller 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 such Seller 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. Each Seller 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;

(g)

The Personal Property;

(h)

All original Licenses and Permits, Service Contracts and Tenant Leases in Sellers’ possession and control;

(i)

All keys to the Improvements which are in such Sellers’ possession;

(j)

An affidavit of Georgia residency legally sufficient to enable Purchaser not to withhold and submit to the Georgia Department of Revenue (the “**DOR**”) the applicable percentage of the Purchase Price under O.C.G.A. Section 48-7-128, or if Sellers are unable to provide such affidavit, an affidavit of gain in accordance with applicable DOR requirements (in such instance, the applicable percentage of gain under O.C.G.A. Section 48-7-128 and corresponding DOR regulations shall be submitted by the Title Company from Sellers’ proceeds to DOR as required under applicable law);

(k)

A broker’s lien waiver from Broker in such form as the Title Company may reasonably require;

(l)

An Owner Affidavit in the form attached hereto as Exhibit K duly executed by each Seller;

(m)

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);

(n)

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;

(o)

Evidence reasonably acceptable to Purchaser that Sellers have duly terminated all management agreements relating to the Real Property, Improvements and/or Personal Property prior to or at Closing; and

(p)

The executed Guaranty.

Section

10.4

Prorations.

(e)

Sellers and Purchaser agree to adjust, as of 11:59 p.m. on the day immediately preceding 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), expenses under Permitted Exceptions, and expenses under Service Contracts assumed by Purchaser at Closing 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) two (2) Business 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. Seller shall cooperate in good faith with Purchaser to facilitate the transfer of all utilities to Purchaser at and/or immediately following the Closing. A final reconciliation of Proration Items shall be made by Purchaser and Sellers on or before November 30, 2016 (herein, the "**Final Proration Date**"). The provisions of this Section 10.4 will survive the Closing until the Final Proration Date has occurred, and in the event any items subject to proration hereunder are discovered prior to the Final Proration Date, the same shall be promptly prorated by the parties in accordance with the terms of this Section 10.4. Notwithstanding anything to the contrary provided in this Agreement including, but not limited to, this Section 10.4(a), Sellers and Purchaser hereby agree to use the following, estimated 2016 real estate taxes and assessments for purposes of the proration of same at Closing: (x) \$172,450.00 for the Cherokee Plaza Real Property and the Cherokee Plaza Improvements, (y) \$154,000.00 for the Sandy Plains Exchange Real Property and the Sandy Plains Exchange Improvements, and (z) \$105,000.00 for the Thompson Bridge Commons Real Property and the Thompson Bridge Commons Improvements.

(f)

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 Sellers and attributable to any period following the Closing Time. After the Closing, Sellers will cause to be paid or turned over to Purchaser all Rentals, if any, received by Sellers 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. Delinquent Rentals will not be prorated. For a period of three (3) months after Closing, 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 incur legal fees or other out of pocket expenses, conduct lock-outs or take any other legal action to enforce collection of any such amounts owed to Sellers by Tenants of the Property. Purchaser shall have the exclusive right to collect Delinquent Rentals from current Tenants of the Property and Seller hereby relinquishes its rights to pursue claims against any Tenant or guarantor

under any Tenant Leases for same. Nothing herein shall prohibit Seller from pursuing Delinquent Rentals from former tenants of the Property. With respect to any Delinquent Rentals received by Purchaser within one (1) year after Closing (the “**Delinquent Rental Proration Period**”), Purchaser shall pay to Sellers 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 Tenant (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 Sellers in all events, notwithstanding anything herein to the contrary) will be applied first to amounts currently owed by such Tenant to Purchaser (including Delinquent Rentals attributable to the period after the Closing Time), then any collection costs of Purchaser related to such Tenant, and then to prior delinquencies owed by Tenant to Sellers. Sellers shall not be entitled to institute legal actions to pursue Delinquent Rental after Closing. Any sums collected by Purchaser and due Sellers will be promptly remitted to Sellers, and any sums collected by Sellers and due Purchaser will be promptly remitted to Purchaser.

(g)

Not less than ten (10) days prior to the scheduled Closing Date, Sellers 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 2016. Sellers shall deliver all supporting invoices when it delivers the reconciliation prepared by Sellers described in the preceding sentence. Furthermore, in preparing the reconciliation, all delinquent payments from Tenants shall be disregarded so as to reduce any amount potentially owed from Purchaser to Seller at Closing. If less amounts have been collected from Tenants for Operating Expense Recoveries for calendar year 2016 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 Sellers for calendar year 2016 up to the Closing Time (as prorated pursuant to Section 10.4(a) above), Purchaser will pay such difference to Sellers at Closing as an addition to the Purchase Price. If more amounts have been collected from Tenants for Operating Expense Recoveries for calendar year 2016 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 Sellers for calendar year 2016 up to the Closing Time (as prorated pursuant to Section 10.4(a) above), Sellers will pay to Purchaser at Closing as a credit against the Purchase Price such excess collected amount. Purchaser and Sellers agree that such proration of Operating Expense Recoveries at Closing for calendar year 2016 will fully relieve Sellers from any responsibility to Tenants or Purchaser for such matters subject to Sellers’ 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 Sellers 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 2016 for periods before and after Closing, and (ii) reimbursing

Tenants for amounts attributable to Operating Expense Recoveries for calendar year 2016, as may be necessary based on annual reconciliations for Operating Expense Recoveries for such calendar year.

(h)

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 Sellers after the Closing Time but expressly state they are for such specific services rendered by Sellers or their property manager prior to the Closing Time, Purchaser shall cause such collected amounts to be paid to Sellers, or Sellers may retain such payment if such payment is received by Sellers after the Closing Time.

(i)

(i) Sellers shall pay those Leasing Costs incurred in connection with the lease of space in the Property that were executed prior to the Effective Date including, but not limited to, those Leasing Costs identified on **Exhibit G** attached hereto to the extent unpaid as of the Closing Date; (ii) Seller shall pay all Leasing 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 that required the approval of Purchaser pursuant to Section 7.1(d) but for which Seller failed to obtain such approval of Purchaser pursuant thereto; (iii) in the event Closing is consummated, Purchaser will be solely responsible for and shall pay all Leasing 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 that has been approved by Purchaser in accordance with Section 7.1(d) (“**New Tenant Costs**”); and (iv) to the extent Leasing Costs described in clause (i) and/or (ii) 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, provided that Purchaser shall not receive a credit for any leasing commissions payable to any Seller’s property manager pursuant to the applicable Management Agreement, and Sellers shall pay all such amounts due in accordance with the applicable Management Agreement. Purchaser and Seller acknowledge that Purchaser shall also receive a credit at Closing against the Purchase Price for the items described on **Exhibit G-1** attached hereto.

(j)

Notwithstanding anything to the contrary provided in this Agreement, Seller shall not have the right to file and pursue any appeals attributable to Seller’s period of ownership of the Property with respect to tax assessments for the Property. If Purchaser elects to file and pursue such an appeal and Purchaser is successful in its pursuit related to the calendar year in which the Closing occurs, Purchaser and Seller shall share in the cost of any such appeal and rebates or refunds in the same proportion as the proration of Proration Items set forth on the settlement statement executed by the parties at Closing.

(k)

Furthermore, with respect to the Tenant Lease for Anytime Fitness for a portion of the Sandy Plains Exchange Improvements (the “**Anytime Fitness Tenant Lease**”),

Purchaser and Seller acknowledge that the Anytime Fitness Tenant Lease is subject to three (3) lease contingencies that have not been satisfied or otherwise waived in writing by each party to the Anytime Fitness Tenant Lease as of the Effective Date. If all of the lease contingencies have not been satisfied or otherwise waived in writing by both parties to the Anytime Fitness Tenant Lease as of the Closing Date, Seller shall place an amount in escrow with the Title Company at Closing equal to \$397,713.45 (the “**Anytime Fitness Escrow Amount**”). If the lease contingencies are all satisfied or otherwise waived in writing by both parties to the Anytime Fitness Tenant Lease following the Closing Date but not later than November 30, 2016 (as confirmed in writing by both Seller and Purchaser), the Title Company shall deliver the Anytime Fitness Escrow Amount to Seller. If (A) the lease is terminated due to the failure of one or more of the lease contingencies (as confirmed in writing by both Seller and Purchaser), or (B) the lease contingencies are not all satisfied or otherwise waived in writing by both parties to the Anytime Fitness Tenant Lease by November 30, 2016, the Title Company shall deliver the Anytime Fitness Escrow Amount to Purchaser, but such delivery shall occur no earlier than the Closing Date. At Closing, Seller, Purchaser and Title Company shall enter into a commercially reasonable escrow agreement setting forth the terms of this Section 10.4(g) upon the request of any of them. The provisions of this Section 10.4(g) shall survive Closing.

Section

10.5

Delivery of Real Property. Upon completion of the Closing, Sellers will deliver to Purchaser possession of the Real Properties 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 Policy and all endorsements thereto, (ii) all premiums and other costs for any mortgagee policy of title insurance, including but not limited to any endorsements or deletions, (iii) Purchaser’s attorney’s fees, (iv) the costs of any update or re-certification of the Updated Surveys, (v) 1/2 of all of the Title Company’s escrow and closing fees, if any, and (vi) any intangible recording tax or recording fees for any financing obtained by Purchaser in connection with Closing.

(b)

Sellers will pay (i) the cost of the Updated Surveys, (ii) 1/2 of all of the Title Company’s escrow and closing fees, (iii) Sellers’ attorneys’ fees (iv) transfer tax and recording fees payable upon recordation of the Deeds, and (v) prepayment penalties or premiums incurred by Sellers with respect to prepaying the Property’s existing mortgage indebtedness at Closing (if any).

(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 applicable Real Property is located.

(d)

Except as otherwise expressly provided in this Agreement, if the Closing does not occur on or before the Closing Date 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 a written notice executed by Purchaser and the applicable Seller (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 Sellers a copy of each Tenant Notice Letter promptly after delivery of same. 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 in this Agreement, 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 this Agreement as of the Closing Date;

(b)

The Title Company shall be irrevocably committed to issue the 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)

Subject to Section 10.9, Sellers’ representations and warranties made in Section 8.1 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 to reflect (i) new Tenant Leases, Tenant Lease amendments, new Service Contracts, and/or Service Contract amendments, executed by Sellers after the Effective Date in accordance with this Agreement, and (ii) any action taken by Sellers in accordance with any Tenant Leases, Service Contracts, or Permitted Exceptions after the Effective Date not prohibited by or otherwise in contravention of the terms of this Agreement, and (iii) a

Tenant Lease default or a Tenant insolvency occurring after the Effective Date. The term “**Immaterial Events**” shall mean any fact or event that is not caused by any Seller or any of the Seller Released Parties that does not or is not expected to result in a loss of value, damage (including, but not limited to, indirect, consequential and speculative damages likely to be incurred), claim or expense in excess of \$100,000.00, in the aggregate; provided, however, that any and all breaches of Sellers’ representations and warranties made in Section 8.1 that are not true and correct in all material respects as of the Effective Date shall in no event be deemed an Immaterial Event, and Section 10.9(b) shall be applicable with respect to such items. Authorized Qualifications and Immaterial Events shall not constitute a default by Sellers or a failure of a condition precedent to Closing. Purchaser shall receive a credit against the Purchase Price at Closing for the amount of damage anticipated to be caused by any Immaterial Event. If (x) between the Effective Date and the Closing Date, facts or events not known to Sellers prior to the Effective Date are discovered by Sellers, (y) such facts or events are not Authorized Qualifications or Immaterial Events or otherwise caused by any Seller or any of the Seller Released Parties, and (z) such facts or events would result in a failure of the condition set forth in Section 10.8(d) above, such failure shall not constitute a breach of this Agreement, and following Sellers’ written notice to Purchaser (which Seller shall be obligated to deliver to Purchaser within two [2] Business Days of Seller’s actual knowledge of same), 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 later of (1) Closing or (2) the date that is three (3) Business Days after Purchaser receives written notice from Seller of such facts or events (and Closing shall be automatically extended to permit the running of such period), 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, subject to compliance with Section 10.9 below, 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

Breaches of Sellers’ Representations Prior to Closing.

(a)

If, prior to the Closing, Purchaser shall deliver a written notice to Sellers asserting a breach of any representation or any warranty of Sellers that was initially true and correct in all material respects on the Effective Date but which thereafter failed to remain true and correct in all material respects due to any fact or event that was not caused by Seller or any of the Seller Released Parties (and which is not the result of an Authorized Qualification), for which the damage (including, but not limited to, indirect, consequential and speculative damages) from all its Claims for such breaches are in an amount that exceeds \$100,000.00 (a “**Material Breach**”), then Purchaser may, as its sole and exclusive remedy, upon the delivery of written notice of such breach to Sellers either (i) proceed to close the purchase of the Property with a credit against the Purchase Price in an amount of the damage (including, but not limited to, indirect, consequential and speculative damages) as reasonably determined by Purchaser in such written notice, such amount to be not more than \$500,000 on account of such asserted breach (and with no liability to Sellers beyond such credit) and, upon receipt of such credit at Closing, to waive any claims against Sellers for such

Claims with respect to such Material Breach or (ii) terminate this Agreement by the giving of the written notice to Sellers of same. If Purchaser has elected to terminate this Agreement pursuant to Section 10.9(a)(ii) above, Purchaser shall receive a refund of the Earnest Money Deposit, and Sellers shall be obligated to promptly reimburse Purchaser for its actual out of pocket costs incurred in connection with this Agreement or the Property including, but not limited to, the negotiation of this Agreement, Purchaser's due diligence with respect to the Property, Purchaser's financing with respect to the Property (including, but not limited to, good faith deposits, commitment fees, and costs of hedging and other rate lock contracts), and all of Purchaser's legal fees and expenses related thereto, not to exceed, however, \$250,000 with respect to this Agreement and the Other Property Agreements in the aggregate.

(b)

If, prior to the Closing, Purchaser shall deliver a written notice to Sellers asserting a breach of any representation or any warranty of Sellers (which constitutes a Material Breach) that was not true and correct in all material respects on the Effective Date, or that otherwise no longer remains true and correct in all material respects (and which is not the result of an Authorized Qualification) due to any fact or event caused by any Seller or any of the Seller Released Parties, then Purchaser may, as its sole and exclusive remedy, upon the delivery of written notice of such breach to Sellers either (i) proceed to close the purchase of the Property with a credit against the Purchase Price in an amount of the damage (including, but not limited to, indirect, consequential and speculative damages) as reasonably determined by Purchaser in such written notice, such amount to be not more than \$500,000 on account of such asserted breach (and with no liability to Sellers beyond such credit) and, upon receipt of such credit at Closing, to waive any claims against Sellers for such Claims with respect to such Material Breach or (ii) terminate this Agreement by the giving of the written notice to Sellers of same. If Purchaser has elected to terminate this Agreement pursuant to Section 10.9(b)(ii) above, Purchaser shall receive a refund of the Earnest Money Deposit, and Sellers shall be obligated to promptly reimburse Purchaser for its actual out of pocket costs incurred in connection with this Agreement and the Other Property Agreements (as defined below) or the Property and the Other Properties (as defined below) including, but not limited to, the negotiation of this Agreement and the Other Property Agreements, Purchaser's due diligence with respect to the Property and the Other Properties, Purchaser's financing with respect to the Property and the Other Properties (including, but not limited to, good faith deposits, commitment fees, and costs of hedging and other rate lock contracts), and all of Purchaser's legal fees and expenses related thereto, not to exceed, however, \$700,000 with respect to this Agreement and the Other Property Agreements in the aggregate.

Section

10.10

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 8.2 shall be true and correct in all material respects.

Section

10.11

Condition Precedent to Closing. Notwithstanding anything to the contrary contained herein (but subject to Sections 9.1 and 9.3 hereof), it shall be a condition to each party's obligation to close the sale of the Property, that a closing occur simultaneously with the Closing with respect to (i) Oak Park Village and Champions Village in Texas, (ii) Heritage Station in North Carolina, and (iii) Shoppes at Parkland and University Palms in Florida (collectively, the "**Other Properties**"), which Other Properties are the subject to Agreements of Purchase and Sale by and between Affiliates of Sellers, as seller, and Purchaser, as purchaser (the "**Other Property Agreements**"), the parties hereto acknowledging that the Property is being sold as a part of the portfolio containing the Property and the Other Properties and the parties do not intend to sell or purchase the Property or any of the Other Properties as individual assets; provided, however, that (1) if the affiliate of Seller which is the seller under the Other Property Agreement for the Texas assets duly exercises its right to terminate such Other Property Agreement with respect to Champions Village pursuant to Section 10.13 thereof (such termination, the "**Champions 10.13 Termination**"), or (2) the "Closing Date" of the sale of Champions Village is scheduled to occur following the Closing Date hereunder pursuant to the terms of the Other Property Agreement for Champions Village, then the closing of the sale of Champions Village shall not be a condition to the Closing of the sale of the Property. Sellers intend that the sale of the Property, together with the sale of the Other Properties by Affiliates of Sellers constitute the sale of property to one buyer as part of one transaction within the meaning of Section 857(b)(6)(E)(vi) of the Internal Revenue Code of 1986, as amended. Furthermore, if either party exercises any right to terminate this Agreement in accordance herewith, such party (or its applicable Affiliate) shall simultaneously terminate each of the Other Property Agreements (if such Other Property Agreements are not terminated by their terms), and the earnest money deposits held under such Other Property Agreements shall be delivered to the party (or its applicable Affiliate) entitled to receive same hereunder. Seller and Purchaser hereby agree that the exercise of a right to terminate under any of the Other Property Agreements shall automatically terminate this Agreement, and the Earnest Money Deposit shall be delivered to the party hereunder who is entitled to receive (or whose applicable Affiliate is entitled to receive) same under such terminated Other Property Agreement; provided, however, that the exercise of the Champions 10.13 Termination shall not cause the termination of this Agreement. Further, a default under any of the Other Property Agreements shall constitute a default under this Agreement and Seller and Purchaser shall have all rights and remedies provided hereunder as if such default had occurred with respect to this Agreement. Notwithstanding anything to the contrary provided in this Agreement, (x) if Closing is extended pursuant to the express terms of this Agreement, such party (or its applicable Affiliate) shall simultaneously be deemed to agree to extend the closing under each of the Other Property Agreements for the same number of days as the Closing is extended hereunder (if closing under such Other Property Agreements is not automatically extended for the same number of days by their terms), and (y) Seller and Purchaser hereby agree that the extension

of closing under any of the Other Property Agreements shall automatically extend the Closing under this Agreement for the same number of days as the closing is extended under any of the Other Property Agreements.

Section

10.12

Failure of Condition. If any condition precedent to Sellers' obligation to effect the Closing (as set forth in Section 10.10) is not satisfied, then Sellers shall be entitled to terminate this Agreement by notice thereof to Purchaser and Title Company. Subject to Section 10.9, 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 the condition precedent to each party's obligation to effect the Closing (as set forth in Section 10.11) is not satisfied, then either party shall be entitled to terminate this Agreement by notice thereof to the other party and the Title Company (if this Agreement is not terminated by its terms). If this Agreement is so terminated, then Purchaser shall be entitled to receive the Earnest Money Deposit (and all accrued interest thereon) and no party 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 10.12 shall not apply.

ARTICLE XI

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BROKERAGE

Section

11.1

Brokers. Sellers agree to pay to CBRE ("**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 and Sellers represent and warrant to the other 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 and Sellers will indemnify, defend and hold the other party 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

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CONFIDENTIALITY

Section

12.1

Confidentiality. Sellers and Purchaser each 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 Sellers and Purchaser and will not be disclosed by Sellers or Purchaser except to their respective legal counsel, accountants, consultants, officers, prospective investors, prospective lender, clients, partners, directors, and shareholders, and except and only to the extent that such disclosure may be necessary for their respective performances hereunder or as otherwise required by applicable law; provided, however, that notwithstanding anything to the contrary provided in this Agreement, Purchaser shall have the right to release a press notice containing such information as Purchaser is required to include in its filing of Form 8-K with the SEC reporting the entry of a “Material Definitive Agreement” following the full execution of this Agreement. 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 thereof so that the other party 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, Sellers and Purchaser acknowledge and agree that Sellers and Purchaser, and entities which directly or indirectly own the equity interests in Sellers or Purchaser, 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, acquisition and financing 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 Purchaser 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 both parties or as sooner required by law. Additionally, notwithstanding anything to the contrary provided in this Agreement, Sellers hereby agree to reasonably cooperate with Purchaser (at no third party cost to Sellers) during the term of this Agreement in the preparation by Purchaser and its advisors, at Purchaser’s sole cost and expense, of audited financial statements of the Property for the most recent completed fiscal year of Seller and the current fiscal year-to-date that comply with Form 8-K filing requirements and Rule 3-14 of Regulation S-X, both as promulgated by the SEC, including current and historical operating statements and information regarding the Property. The provisions of this Article XII will survive any termination of this Agreement.

ARTICLE XIII

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REMEDIES

Default by Sellers.

Notwithstanding any provision in this Agreement to the contrary, 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) Business Days following the scheduled Closing Date, to either (a) terminate this Agreement, in which event Sellers shall be obligated to promptly reimburse Purchaser for its actual out of pocket costs incurred in connection with this Agreement or the Property including, but not limited to, the negotiation of this Agreement, Purchaser's due diligence with respect to the Property, Purchaser's financing with respect to the Property (including, but not limited to, good faith deposits, commitment fees, and costs of hedging and other rate lock contracts), and all of Purchaser's legal fees and expenses related thereto, not to exceed, however, \$700,000.00 with respect to this Agreement and the Other Property Agreements in the aggregate, and Purchaser shall 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 thirty (30) 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 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.

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 PURSUANT TO O.C.G.A. SECTION 13-6-7, AND WILL BE SELLERS' SOLE AND EXCLUSIVE REMEDY (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. PURCHASER HEREBY WAIVES AND RELEASES ANY RIGHT TO (AND HEREBY COVENANTS THAT IS SHALL NOT) SUE SELLERS OR SEEK OR CLAIM A REFUND OF THE EARNEST MONEY DEPOSIT, OR ANY INTEREST ACCRUED THEREON, ON THE GROUNDS IT IS UNREASONABLE IN AMOUNT AND EXCEEDS SELLERS' ACTUAL DAMAGES OR THAT ITS RETENTION BY SELLERS CONSTITUTES A PENALTY AND NOT AGREED UPON AND REASONABLE LIQUIDATED DAMAGES AS PERMITTED UNDER O.C.G.A. SECTION 13-6-7. 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 and Purchaser each waive any right to sue the other for any consequential or punitive damages for matters arising under this Agreement (it being understood that Sellers and Purchaser each have 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

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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:

NEW MARKET PROPERTIES, LLC

3284 Northside Parkway, NW, Suite 515

Atlanta, Georgia 30327

Attn: Mr. Joel Murphy

Email: joel@newmarketprop.com

with copy to:

NEW MARKET PROPERTIES, LLC

3284 Northside Parkway, NW, Suite 515

Atlanta, Georgia 30327

Attn: Mr. Michael C. Aide

Email: michael@newmarketprop.com

with copy to:

ARNALL GOLDEN GREGORY LLP

171 17th Street, Suite 2100

Atlanta, Georgia 30363

Attn: Andrew D. Siegel

Email: Andrew.siegel@agg.com

To Sellers: HR THOMPSON BRIDGE LLC

HR VENTURE PROPERTIES I LLC

c/o Hines Interests Limited Partnership

2800 Post Oak Boulevard, Suite 4800

Houston, Texas 77056

Attn: Kevin McMeans

Email: kevin.mcmeans@hines.com

with copy to: HR THOMPSON BRIDGE LLC

HR VENTURE PROPERTIES I LLC

c/o Hines Advisors Limited Partnership

2800 Post Oak Boulevard, Suite 4800

Houston, Texas 77056

Attn: Jason P. Maxwell – General Counsel

Email: jason.maxwell@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

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ASSIGNMENT AND BINDING EFFECT

Section

15.1

Assignment; Binding Effect. Purchaser will not have the right to assign this Agreement without Sellers' prior written consent, to be given or withheld in Sellers' sole and absolute discretion. Notwithstanding the foregoing, Purchaser may assign its rights under this Agreement to wholly-owned (directly or indirectly) and controlled Affiliates 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, and provided that the wholly-owned (directly or indirectly) and controlled Affiliates are disregarded as an entity separate from Purchaser for federal income tax purposes within the meaning of Section 301.7701-3 of the Treasury Regulations under the Internal Revenue Code of 1986, as amended, at all times from such assignment through and including the Closing. 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, and under any Closing Document (as defined below), will survive the Closing for a period ending on November 30, 2016; provided however, that if Purchaser delivers written notice(s) to Seller(s) of a breach of a representation, warranty or covenant of Seller(s) prior to the expiration of such period (such notice[s] being collectively referred to herein as a "**Breach Notice**"), those representations, warranties and/or covenants referenced in such Breach Notice(s) shall survive beyond such period until conclusively and finally resolved by Purchaser and Seller including, if applicable, the resolution of any litigation beyond any applicable appeals periods (such period ending on November 30, 2016, as same may be extended by the terms hereof, the "**Seller Survival Period**"). Purchaser shall not have any right to bring any action for monetary damages against such Seller as a result of (i) any untruth, inaccuracy or breach of such representations and warranties under this Agreement, or any Closing Document, or (ii) the failure of Sellers to perform their obligations under any other provision of this Agreement, 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 (including Seller's liability for attorneys' fees and costs due to Purchaser) exceeds \$100,000. In addition, in no event will Sellers' liability for all such untruths, inaccuracies, breaches, and/or failures under Sections 8.1, any other provision of this Agreement, or under any Closing Documents (including Seller's liability for attorneys' fees and costs in connection with such untruths, inaccuracies, breaches and/or failures) exceed, in the aggregate, one percent (1%) of the Purchase Price. In order to secure Sellers' obligations set forth in this Section 16.1(a), Sellers shall cause Hines Real Estate Investment Trust, Inc., a Maryland corporation, ("**Guarantor**"), to execute and deliver a guaranty in favor of Purchasers guaranteeing Sellers' obligations under this Section 16.1(a) for the duration of the Survival Period (the "**Guaranty**").

(b)

Sellers shall have no liability to Purchaser following Closing with respect to any specific representation, warranty or covenant of Sellers herein if, prior to the Closing, Purchaser has actual knowledge of such specific breach of a representation, warranty or covenant of Sellers herein (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 or Purchaser 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

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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. 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 17.3

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 and Seller acknowledge that, except as expressly provided in this Agreement, neither party has any, right to extend the Closing Date.

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 Purchaser or Sellers are 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 any 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 ANY 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 **K**, 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 17.14

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 17.15

Exculpation. In no event whatsoever shall recourse be had or liability asserted against any of Sellers' or Purchaser's partners, members, shareholders, employees, agents, directors, officers or other owners of Sellers or Purchaser or their respective constituent members, partners, shareholders, employees, agents directors, officers or other owners. Sellers' and 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 Sellers or Purchaser under this Agreement and the Closing Documents.

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.

[End of Page]

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

PURCHASER:

NEW MARKET PROPERTIES, LLC,
a Maryland limited liability company,

By: /s/ Joel T. Murphy

Name: Joel T. Murphy

Title: CEO

SELLERS:

HR THOMPSON BRIDGE LLC,
a Delaware limited liability company

By: HR Retail Venture I LLC,
a Delaware limited liability company,
its sole member

By: Hines REIT Retail Holdings LLC,
a Delaware limited liability company,
its sole member

By: /s/ Kevin L. McMeans
Name: Kevin L. McMeans
Title: Manager

HR VENTURE PROPERTIES I LLC,
a Delaware limited liability company

By: HR Retail Venture I LLC,
a Delaware limited liability company,
its sole member

By: Hines REIT Retail Holdings LLC,
a Delaware limited liability company,
its sole member

By: /s/ Kevin L. McMeans
Name: Kevin L. McMeans
Title: Manager

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 24th day of June, 2016, 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: /s/ Elvira Fuentes

Printed Name: Elvira Fuentes

Title: VP/ Escrow Manager

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.

CBRE

Date: June 28, 2016

By: /s/ Kevin Hurley

Printed Name: Kevin Hurley

Title: Vice President

Address: 3280 Peachtree Road NE
Atlanta, GA 30305

License No.: 315157

Tax ID. No.: _____

AGREEMENT OF SALE AND PURCHASE

BETWEEN

HR HERITAGE STATION LLC,

a Delaware limited liability company

as Seller

AND

NEW MARKET PROPERTIES, LLC,

a Maryland limited liability company

as Purchaser

pertaining to

Heritage Station, Wake Forest, NC

EXECUTED EFFECTIVE AS OF

June 24, 2016

AGREEMENT OF SALE AND PURCHASE

THIS AGREEMENT OF SALE AND PURCHASE (this “**Agreement**”) is entered into and effective for all purposes as of June 24, 2016 (the “**Effective Date**”), by and between HR Heritage Station LLC, a Delaware limited liability company (“**Seller**”), and New Market Properties, LLC, a Maryland 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, Seller 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.

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

“**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 Seller, 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.

“**Authorities**” means the various governmental and quasi-governmental bodies or agencies having jurisdiction over Seller, 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 Raleigh-Durham, North Carolina. 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 4.6.

“**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 August 8, 2016, which date may be extended in accordance with Section 10.1 hereof to September 7, 2016 by either Seller or Purchaser, in their sole discretion, only in the event that any of the Closing Extension Conditions remain unsatisfied (and otherwise not waived in writing by Purchaser) as of the initial Closing Date. The Closing Date may also be an earlier or later date to which Purchaser and Seller may hereafter agree in writing.

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

“**Closing Extension Conditions**” means those conditions precedent to Purchaser’s obligation to consummate Closing as expressly provided in Sections 10.8(b) and 10.8(c) hereof.

“**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 4.8, 4.10, 5.2(d), 5.3, 5.5, 5.6, 8.1 (subject to Section 16.1), 8.2, 10.4 (subject to the limitations therein), 10.6, 10.7, 10.9, 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 4.10.

“**Contingency Date**” means July 8, 2016.

“**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 Time**” means 3:30 p.m. Eastern 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 4.3.

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

“**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).

“**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 Seller or Seller’s 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 Seller and located on the Real Property.

“Independent Consideration” has the meaning ascribed to such term in Section 4.2.

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

“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 (in each case, if any) utilized solely by Seller or which Seller has 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), Seller, its Affiliates, the property manager and Tenants), provided however, that the foregoing definition shall specifically exclude all Reserved Company Assets.

“Inspection Agreement” means that certain Inspection Agreement and Confidentiality Agreement, executed prior to the date hereof by Seller 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 (but not legal and professional fees related to Tenant Leases entered into, renewed, amended, modified or expanded between the Effective Date and the Closing Date), 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.

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

“Licenses and Permits” means, collectively, all of Seller’s 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.

“**Material Breach**” has the meaning ascribed to such term in Section 10.9(a).

“**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 Wake County, North Carolina.

“**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 4.6.

“**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 Seller’s 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 exclusively in connection with the ownership or operation of the Improvements owned by Seller, 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 Seller, and (iii) any items of personal property owned or leased by Seller’s property manager, and (iv) all other Reserved Company Assets.

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

“**Property Approval Period**” shall have the meaning ascribed to such term in Section 4.6.

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

“**PTR**” has the meaning ascribed to such term in Section 6.2(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 8.2(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.

“Real Property” means those certain parcels of real property located at 3638 Rogers Road, Wake Forest, North Carolina 27587 and commonly known as the Heritage Station Shopping Center, as more particularly described on **Exhibit A** attached hereto, together with all of Seller’s right, title and interest, if any, in and to the appurtenances pertaining thereto, including but not limited to Seller’s right, title and interest in and to the streets, alleys and right-of-ways 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 4.10(a).

“Reserved Company Assets” shall mean the following assets of Seller as of the Closing Date: all cash (subject to the prorations and obligations hereinafter set forth), cash equivalents (including certificates of deposit, subject to the prorations and obligations hereinafter set forth), deposits held by third parties (e.g., utility companies, but expressly excluding Tenant Deposits), 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 Seller or its direct or indirect partners, members, shareholders or affiliates, any refund in connection with termination of Seller’s existing insurance policies, all contracts between 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 Seller), the internal books and records of 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.

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

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

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

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

“Service Contracts” means all of Seller’s 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 Seller and under which Seller is 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). Notwithstanding anything to the contrary provided in this Agreement, in no event shall any management agreement relating to the Real Property, Improvements or Personal Property be deemed a “Service Contract” under this Agreement.

“Significant Portion” means damage by fire or other casualty (or loss of value due to condemnation or eminent domain proceedings) (a) requiring repair costs (or resulting in a loss of value) in excess of an amount equal to Five Hundred Thousand and No/100 Dollars (\$500,000.00) as such repair costs or loss of value calculation is reasonably agreed upon by Purchaser and Seller in accordance with the terms of Section 9.2, or (b) whereby more than ten thousand (10,000) square feet of leasable space is substantially damaged in the Improvements or any portion thereof.

“Tenant Deposits” means all security deposits, paid or deposited by the Tenants to Seller, as landlord, or any other person on Seller’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, together with any and all guaranties thereof or relating thereto (and any and all written renewals, amendments, modifications, supplements or agreements related 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, together with any and all guaranties thereof or relating thereto, entered into after the Effective Date, and (iii) any and all new written renewals, amendments, modifications and supplements, together with any and all guaranties thereof or relating thereto, to any of the foregoing entered into after the Effective Date; provided, however, that the documentation referenced in items (ii) and (iii) shall only be deemed “Tenant Leases” to the extent that such documentation is approved by Purchaser in each instance 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 4.6, 4.7, 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 601 Travis, Suite 1875, Houston, Texas 77002, Attn: Read Hammond, Telephone No.: 713-346-1652, Facsimile No.: 866-899-6403, Email: jthammond@firstam.com; provided, however, if the Title Company Option (as defined in Section 6.3) is exercised, “Title Company” shall be deemed revised to mean Fidelity National Title Insurance Company, at its offices located at 5565 Glenridge Connector, Suite 300, Atlanta, Georgia 30342, Attn: Laura W. Kaltz, Telephone No.: 404-419-3216, Facsimile 404-968-2182, Email: Laura.Kaltz@FNTG.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 Policy**” has the meaning ascribed to such term in Section 6.3.

“**To Seller’s Knowledge**” and similar terms means the present actual (as opposed to constructive or imputed) knowledge solely of Kenton McKeehan and Chris Buchtien, without any independent investigation or inquiry whatsoever, which individuals are familiar with the operations of each Real Property. Such individuals are named in this Agreement solely for the purpose of establishing the scope of Seller’s knowledge. Such individuals shall not be deemed to be a party to this Agreement nor to have made any representations or warranties hereunder, and no recourse shall be had to such individuals for any of Seller’s representations and warranties hereunder (and Purchaser hereby waives any liability of or recourse against such individuals, who are not employees of Seller, but are employees of the advisor to the Seller).

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

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. Seller hereby agrees to sell, convey and assign to Purchaser, and Purchaser hereby agrees to purchase and accept from Seller, on the Closing Date and subject to the terms and conditions of this Agreement, the Real Property and the Improvements together with all of Seller's right, title, and interest in and to each of the following attributable to the Real Property and the Improvements: (a) the Personal Property; (b) the Tenant Leases in effect on the Closing Date and, subject to the terms of the respective applicable Tenant Leases, the Tenant Deposits (if any); (c) the Service Contracts in effect on the Closing Date, except for those Service Contracts that Purchaser duly requires to be terminated at or prior to Closing pursuant to the express terms of this Agreement, (d) the Licenses and Permits; and (e) the Intangible Personal Property, in each of the cases of (d) and (e) 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 (collectively with the Real Property, the "**Property**").

Section

2.2

Indivisible Economic Package. Purchaser has no right to purchase, and Seller has no obligation to sell, less than all of the Property, it being the express agreement and understanding of Purchaser and Seller that, as a material inducement to Seller and Purchaser to enter into this Agreement, Purchaser has agreed to purchase, and Seller has 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 \$14,270,000.00 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, at Closing and effective as of Closing, Purchaser shall (i) execute and deliver to Seller the General Conveyance, and (ii) be responsible for certain Leasing Costs pursuant to the express provisions of 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 4:00 p.m. Eastern time on the Closing Date, the parties shall consummate Closing subject to the terms and provisions of this Agreement.

ARTICLE IV

EARNEST MONEY DEPOSIT AND ESCROW INSTRUCTIONS

Section 4.1

Earnest Money Deposit. Within two (2) Business Days after the Effective Date, Purchaser shall deposit with the Title Company, in immediately available federal funds, the sum of \$1,250,000 (the “**Initial Earnest Money Deposit**”), which will be held in escrow by the Title Company pursuant to the terms of this Agreement. Provided that this Agreement remains in full force and effect, within two (2) Business Days after the Contingency Date, Purchaser shall deposit an additional amount of \$1,250,000 (the “**Additional Earnest Money Deposit**” and together with the Initial Earnest Money Deposit, the “**Earnest Money Deposit**”) with the Title Company. If Purchaser fails to deposit the Initial Earnest Money Deposit or the Additional Earnest Money Deposit within the time periods described above, this Agreement shall automatically terminate.

Section 4.2

Independent Consideration. Upon the execution hereof, Purchaser shall pay to Seller One Hundred Dollars (\$100) as independent consideration (the “**Independent Consideration**”) for Purchaser’s right to purchase the Property and Seller’s execution, delivery, and performance of this Agreement. Notwithstanding anything to the contrary contained herein (including any reference to the return of the Earnest Money Deposit to Purchaser), Seller shall, in all events, retain the Independent Consideration, but the Independent Consideration shall be applied as a credit against the Purchase Price at the Closing. Purchaser and Seller hereby acknowledge and agree that the Independent Consideration constitutes adequate and sufficient consideration for Purchaser’s right to purchase the Property and Seller’s execution, delivery, and performance of this Agreement, and that the loss of Purchaser’s ability to use the funds constituting the Earnest Money Deposit as provided in this Agreement constitutes further consideration therefor.

Section 4.3

Escrow Instructions. Article IV of this Agreement constitutes the escrow instructions of Seller 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 Seller 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 4.4

Documents Deposited into Escrow. On or before the Deposit Time, (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) Seller will deliver in escrow to the Title Company the documents described and provided for in Section 10.3.

Section

4.5

Close of Escrow. Provided that the Title Company has not received from Seller or Purchaser any written termination notice as described and provided for in Section 4.6 (or if such a notice has been previously received, the Title Company has received a withdrawal of such notice), and subject in all events to the terms and conditions of this Agreement and the terms and conditions of any closing instruction letters delivered by Purchaser and/or Seller to Title Company prior to Closing, when Purchaser and Seller have delivered the documents required by Section 4.4, the Title Company will:

(a)

If applicable and when required, file with the Internal Revenue Service (with copies to Purchaser and Seller) the reporting statement required under Section 6045(e) of the Internal Revenue Code and Section 4.10;

(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)

Contemporaneously (i) deliver the Deed (and non-warranty deed, if applicable) to Purchaser by causing the same to immediately be recorded in the Official Records and agreeing to obtain conformed copies of the recorded Deed for delivery to Purchaser and to Seller following recording, (ii) issue to Purchaser the Title Policy required by Section 6.3 of this Agreement, and (iii) disburse to all applicable parties on the Closing Statement by wire transfer of immediately available federal funds, in accordance with wiring instructions to be obtained by the Title Company from such parties, all sums to be received by such parties pursuant to the Closing Statement; and

(d)

Contemporaneously deliver to Seller and Purchaser, all remaining documents deposited with the Title Company for delivery to such parties at the Closing.

Section

4.6

Termination Notices. If at any time prior to 5:00 p.m. (Eastern time) on June 21, 2016 (the “**Property Approval Period**”), the Title Company receives a notice from Purchaser that Purchaser has exercised its termination right under Section 5.4, the Title Company, within three (3) Business Days after the receipt of such notice, will deliver the Earnest Money Deposit to Purchaser. If at any time, except as provided in the preceding sentence, the Title Company receives a certificate of either Seller or of Purchaser (for purposes of this Section 4.6, 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 4.6, 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 five (5) 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 five (5) 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 five (5) 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 4.7.

Section

4.7

Joint Indemnification of Title Company; Conflicting Demands on Title Company. If this Agreement or any matter relating hereto (other than the PTR or the Title Policy) becomes the subject of any litigation or controversy, Purchaser and Seller 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 Seller 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 Seller 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

4.8

Maintenance of Confidentiality by Title Company. Except as may otherwise be required by law or by 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 Seller in each instance.

Section

4.9

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 Seller, 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 Seller 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 Seller is 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

4.10

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 4.10, 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 4.10, the “**Reporting Person**”), by its execution hereof, hereby assumes all responsibilities for information reporting required under Section 6045(e) of the Code.

(b)

Seller 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 Seller 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

Entry and Inspection.

(a)

Through the earlier of Closing or the termination of this Agreement, Purchaser and its agents, representatives, contractors and consultants shall inspect and investigate the Property and shall 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, Seller 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 interview Tenants unless interviews are coordinated through Seller and Seller shall have the right to participate in any such interviews. Purchaser will provide to Seller written notice of the intention of Purchaser or the other Licensee Parties to enter the Real Property or Improvements at least forty-eight (48) hours prior to such intended entry and specify the intended purpose therefor and the inspections and examinations contemplated to be made. At Seller's option, Seller may be present for any such entry, inspection and interviews 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 invasive testing or sampling shall be conducted during any such entry by Purchaser or any Licensee Party upon the Real Property without Seller's specific prior written consent, which consent may be withheld, delayed or conditioned in Seller's sole and absolute discretion; and provided, further, that prior to giving any such approval, Seller shall be provided with a written sampling plan in reasonable detail in order to allow Seller 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 Seller at least forty-eight (48) hours prior written notice of Purchaser's intention to communicate with any Authorities and Seller shall have the right to participate in any such communications.

Document Review.

(a)

Beginning no later than two (2) Business Days following the Effective Date,

and through the earlier of Closing or the termination of this Agreement, and to the extent not already available on the Effective Date, Seller shall 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 Seller's 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 Seller; (ii) assessments (special or otherwise), ad valorem and personal property tax bills, covering the three (3) years preceding the Effective Date; (iii) Seller's most currently available rent roll; (iv) operating statements and rent rolls for the stub period of the current calendar year plus the prior two (2) 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; (viii) copies of Seller's title insurance policies and surveys for the Property; (ix) a schedule of capital expenditures at the Property for the past 3 years; (x) copies of floor plans and marketing materials currently utilized in marketing the Property to tenants; (xi) a current certificate of insurance regarding property casualty insurance at the Property; (xii) intentionally deleted; (xiii) reconciliations with respect to common area maintenance and taxes for the last 2 calendar years; (xiv) intentionally deleted; (xv) a leasing activity report including active lease proposals, other prospects and the status of near-term expirations/termination options; (xvi) utility bills for the Property for the 12 months preceding the Effective Date; (xvii) an insurance claims history for the earlier of the last 5 years or Seller's period of ownership of the Property; (xviii) an accounts receivable report for the Property; (xix) tenant and other Property files including correspondence contained therein; and (xx) any other due diligence materials reasonably requested by Purchaser from time to time (collectively, the "**Documents**"). Purchaser acknowledges that, prior to the Effective Date, Purchaser has received from Seller copies of Tenant Leases and Service Contracts, including commission agreements; provided, however, that Purchaser does not acknowledge or agree, as of the Effective Date, that same are true, correct and complete 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**, and Purchaser shall continue to review such documentation following the Effective Date. "**Documents**" shall not include (and Seller 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 Seller is 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 Seller or Seller's Affiliates to the extent relating to Seller's valuation of the Property; (5) any appraisals of the Property, whether prepared internally by Seller or Seller's Affiliates or externally; (6) any documents or items which Seller reasonably considers proprietary (such as Seller's or its property managers' operation manuals, software programs or other electronic media or services that are subject to licenses or other agreements that are personal to Seller or Seller's property manager); (7) organizational, financial and other documents relating to Seller or its 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. Except for the representations expressly made in Section 8.1 hereof, Seller makes 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 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, prospective lenders or prospective investors (collectively, for purposes of this Section 5.2 (b), the "**Permitted Outside Parties**"); provided, however, that notwithstanding anything to the contrary provided in this Agreement, Purchaser shall have the right to release a press notice containing such information as Purchaser is required to include in its filing of Form 8-K with the SEC (as defined below) reporting the entry of a "Material Definitive Agreement" following the full execution of this Agreement. 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 need to know such information in order to advise Purchaser 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 Seller and the Tenants or prospective tenants are 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, Seller has 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 Seller and any such claims are expressly rejected by Seller 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 promptly destroy all copies Purchaser has made (and computer files of same) of any Documents containing confidential information before or after the execution of this Agreement, not later than ten (10) Business Days following the time this Agreement is terminated for any reason.

(d)

Purchaser acknowledges that some of the Documents may have been prepared by third parties and may have been prepared prior to Seller's ownership of the Property. Purchaser hereby acknowledges that, except as expressly provided in Section 8.1, (i) Seller has not made and does not make any representation or warranty regarding the truth, accuracy or completeness of the Documents or the sources thereof (whether prepared by Seller, Seller's Affiliates or any other person or entity) and (ii) Seller has not undertaken any independent investigation as to the truth, accuracy or completeness of the Documents and is 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: unreasonably disturb the Tenants or unreasonably interfere with their use of the Property pursuant to their respective Tenant Leases; unreasonably 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 Seller 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; interview 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 to maintain commercial general liability (occurrence) insurance in an amount not less than Two Million and No/100 Dollars (\$2,000,000.00) and on terms (including coverage for an "insured contract" with respect to the indemnity in Section 5.3(b)) satisfactory to Seller covering any accident arising in connection with the presence or activities of Purchaser or the other Licensee Parties on the Property, and deliver to Seller a certificate of insurance verifying such coverage and Seller and its property manager (Weingarten Realty Investors) being named as an additional insured 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.

(b)

Purchaser hereby indemnifies, defends and holds Seller and all of its 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) (collectively, "**Indemnified Liabilities**") arising out of any personal injury or death or physical damage to property caused by 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, for purposes of clarification, the foregoing obligation to indemnify, defend and hold harmless shall not apply to any Indemnified Liabilities arising by virtue of (x) the negligence or willful misconduct of Seller

or any other indemnified party, or (y) 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, except and solely to the extent of any exacerbation by Purchaser or any Licensee Party of any 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

Property Approval Period. Through the earlier of Closing or the termination of this Agreement, 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 Property Approval Period. Notwithstanding anything to the contrary provided in this Agreement, Purchaser acknowledges that the Property Approval Period has expired.

Section

5.5

Sale "As Is". THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT HAS BEEN NEGOTIATED BETWEEN SELLER AND PURCHASER, THIS AGREEMENT REFLECTS THE MUTUAL AGREEMENT OF SELLER AND PURCHASER, AND PURCHASER HAS CONDUCTED (OR WILL CONDUCT PRIOR TO THE EXPIRATION OF THE PROPERTY APPROVAL PERIOD) ITS OWN INDEPENDENT EXAMINATION OF THE PROPERTY. OTHER THAN ANY SPECIFIC MATTERS REPRESENTED IN SECTION 8.1 HEREOF OR IN ANY CLOSING DOCUMENT EXECUTED BY SELLER AT CLOSING (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 SELLER OR ANY OF SELLER'S AFFILIATES, AGENTS OR REPRESENTATIVES, AND PURCHASER HEREBY ACKNOWLEDGES THAT NO SUCH REPRESENTATIONS OR WARRANTIES HAVE BEEN MADE. SELLER SPECIFICALLY DISCLAIMS, AND NEITHER SELLER NOR ANY OF SELLER'S AFFILIATES NOR ANY OTHER PERSON IS MAKING, ANY REPRESENTATION, WARRANTY OR ASSURANCE WHATSOEVER TO PURCHASER AND, EXCEPT AS SET FORTH IN SECTION 8.1 HEREOF OR IN ANY CLOSING DOCUMENT EXECUTED BY SELLER AT CLOSING, NO WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EITHER EXPRESS OR IMPLIED, ARE MADE BY SELLER 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 SELLER AND PURCHASER THAT, EXCEPT AS EXPRESSLY SET FORTH TO THE CONTRARY IN SECTION 8.1 HEREOF OR IN ANY CLOSING DOCUMENT EXECUTED BY SELLER AT CLOSING (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.

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 the consummation of Closing, 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 Seller (excluding the limited specific matters represented by Seller herein or in any closing document executed by Seller at Closing as limited by Section 16.1 of this Agreement) or of any Affiliate, officer, director, employee, agent or attorney of Seller. Purchaser acknowledges that all information obtained by Purchaser was obtained from a variety of sources and, except as set forth in this Agreement, Seller 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, Seller will sell and convey to Purchaser, and Purchaser will accept the Property, "**AS IS, WHERE IS,**" with all faults, subject to any rights granted to Purchaser hereunder which survive Closing with respect to Seller's representations, warranties, covenants, agreements and obligations contained in this Agreement and/or in any closing document executed by Seller at Closing, as limited by Section 16.1 of this Agreement. Purchaser further acknowledges and agrees that there are no oral agreements, warranties or representations, collateral to or affecting the Property, by Seller, an Affiliate of Seller, any agent of Seller or any third party. Seller is 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 Seller 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 Seller.

(a)

Seller Released From Liability. Except with respect to, and in connection with, any rights granted to Purchaser hereunder which survive Closing with respect to Seller’s representations, warranties, covenants, agreements and obligations contained in this Agreement and/or in any closing document executed by Seller at Closing, as limited by Section 16.1 of this Agreement, Purchaser, on behalf of itself and its partners, officers, directors, agents, controlling persons and Affiliates, hereby releases Seller and Seller’s 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 that Purchaser may have against Seller and/or the other Seller Released Parties (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 Seller, 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, except with respect to, and in connection with, any rights granted to Purchaser hereunder which survive Closing with respect to Seller’s representations, warranties, covenants, agreements and obligations contained in this Agreement and/or in any closing document executed by Seller at Closing, as limited by Section 16.1 of this Agreement, Purchaser specifically releases Seller and the Seller Released Parties from any claims Purchaser may have against Seller 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 either (i) the Closing and shall not be deemed merged into the provisions of any closing documents, or (ii) any termination of this Agreement.

(b)

Purchaser's Waiver of Objections. Purchaser acknowledges that it has (or shall have prior to Closing) 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 except with respect to, and in connection with, any rights granted to Purchaser hereunder which survive Closing with respect to Seller's representations, warranties, covenants, agreements and obligations contained in this Agreement and/or in any closing document executed by Seller at Closing, as limited by Section 16.1 of this Agreement, 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) which Purchaser may have against Seller, its 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 State government. Seller 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 either (i) the Closing and shall not be deemed merged into the provisions of any Closing Documents, or (ii) any termination of this Agreement.

(f)

No Third Party Releases. Notwithstanding anything to the contrary provided in this Agreement, the provisions of this Section 5.6 shall not be deemed to release Seller or the Seller Released Parties from any liability, responsibility, penalties, fines, suits, demands, actions, losses, damages, expenses, causes of action, proceedings, judgments, executions, costs of any kind or nature whatsoever by any parties, including Authorities, other than Purchaser.

ARTICLE VI

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TITLE AND SURVEY MATTERS

Section

6.1

Survey. Prior to the execution and delivery of this Agreement, Seller has, at its own cost, delivered to Purchaser a copy of that certain survey of the Real Property, dated April 4, 2016, prepared by Bock and Clark Corporation (the “**Updated Survey**”). Seller shall have no obligation to obtain any modification, update, or recertification of the Updated Survey. Any such modification, update or recertification of the Updated Survey may be obtained by Purchaser at its sole cost and expense.

Section

6.2

Title and Survey Review.

(e)

Prior to the execution and delivery hereof, Seller has caused the Title Company to furnish or otherwise make available to Purchaser a preliminary title commitment for the Real Property dated with an effective date of June 7, 2016 (the “**PTR**”) and copies of all underlying title documents described in the PTR. Purchaser shall have until June 14, 2016 (the “**Title Notice Date**”) to provide written notice (the “**Title Notice**”) to Seller and Title Company of any matters shown on the PTR and/or the Updated Survey which are not satisfactory to Purchaser. If Seller has not received such written notice from Purchaser by the Title Notice Date, Purchaser shall be deemed to have unconditionally approved the specific exceptions to title expressly provided in the PTR and all matters revealed in the Updated Survey, subject to Seller’s obligations set forth in Section 6.2(c) below and as otherwise expressly provided in this Agreement. Except as expressly provided herein, Seller 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 Seller shall deliver, no later than June 17, 2016, written notice to Purchaser and Title Company identifying which disapproved items, if any, Seller shall be obligated to cure by Closing (by either having the same removed as an exception in the applicable PTR or by otherwise obtaining affirmative insurance over the same as part of the final Title Policy, such affirmative insurance to be acceptable to Purchaser in its sole and absolute discretion) (“**Seller’s Response**”). If Seller does not deliver Seller’s Response prior to such date, Seller shall be deemed to have elected to not remove or otherwise cure any exceptions disapproved by Purchaser. If Seller elects, or is deemed to have elected, not to remove or otherwise cure an exception disapproved in Purchaser’s Title Notice, Purchaser shall have until the Contingency Date to (i) deliver a written notice terminating this Agreement (“**Termination Notice**”)

to Seller and Title Company terminating this Agreement as set forth in Section 5.4 above, or (ii) waive any such objection to the PTR and the Updated Survey (whereupon such objections shall be deemed Permitted Exceptions for all purposes hereof). If Seller and Title Company have not received Termination Notice from Purchaser by the Contingency Date, such failure to deliver same shall be deemed Purchaser's waiver of all objections to the PTR and the Updated Surveys that Seller did not agree to cure by Closing, subject to Seller's obligations set forth in Section 6.2(c) below and as otherwise expressly provided in this Agreement.

(f)

Purchaser may, at or prior to Closing, notify Seller in writing (the "**Gap Notice**") of any objections to title (i) raised by the Title Company between the Title Notice Date and the Closing, (ii) not disclosed in writing by the Title Company to Purchaser by 3:00 p.m. Eastern Time on the second Business Day preceding the Title Notice Date, and/or (iii) not disclosed in writing by Seller to Purchaser and the Title Company by 3:00 p.m. Eastern Time on the second Business Day preceding the Title Notice Date ("**New Exceptions**"); provided that Purchaser must notify Seller of any objection to any such New Exception prior to the date which is the earlier to occur of (x) three (3) Business Days after receipt of an updated PTR revealing the existence of such New Exception and (y) the Closing Date. If Purchaser fails to deliver to Seller 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. Seller will have two (2) days from the receipt of Purchaser's notice (and, if necessary, Seller 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 Seller may, but is under no obligation to, remove same as an exception in the applicable PTR or otherwise obtain affirmative insurance over same as part of the final Title Policy, such affirmative insurance to be acceptable to Purchaser in its sole and absolute discretion. If, within the two (2) day period, Seller does not remove such objectionable New Exceptions in the applicable PTR or otherwise obtain affirmative insurance over same as part of the final Title Policy (such affirmative insurance to be acceptable to Purchaser in its sole and absolute discretion objectionable), then Purchaser may terminate this Agreement upon delivering a Termination Notice to Seller in accordance with Section 5.4 above no later than the date that is two (2) Business Days following the expiration of the two (2) day cure period (and Closing shall automatically be extended to permit such 2 Business Day Period to run), 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 Seller has removed as an exception in the applicable PTR or otherwise affirmatively insured over on terms acceptable to Purchaser in its sole and absolute discretion) will be included as Permitted Exceptions.

(g)

Notwithstanding any provision of this Agreement to the contrary including, but not limited to Section 6.2 hereof, (A) at or prior to Closing, Seller shall cause the removal of all exceptions to title to the Real Properties and Improvements from each PTR and each related Title Policy relating to monetary liens, security liens and interests, mechanic's liens, judgment liens and/or tax liens affecting the Property arising by, through or under Seller, other than liens caused by Tenants or Purchaser or its agents or the lien for ad valorem taxes and assessments for tax years not yet due and payable (collectively, the "**Must-Cure Matters**"), (B) in no event shall any Must-

Cure Matter be deemed a Permitted Exception under this Agreement, and (C) if Seller fails to satisfy its obligations under Section 6.2(c)(A) hereof with respect to any Must-Cure Matter, then (i) Seller shall be in default under this Agreement, and (ii) in lieu of pursuing specific performance or any other remedy against Seller pursuant to the terms of Section 13.1 hereof, Purchaser shall have the right on behalf of Seller to satisfy such obligations at Closing and all of Purchaser's actual out-of-pocket costs and expenses actually incurred in connection with same shall be credited against the Purchase Price at Closing.

Section

6.3

Title Insurance. At the Closing, and as a condition thereto, the Title Company shall issue to Purchaser an ALTA extended coverage Owner's Policy of Title Insurance (the "**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 same, subject only to: (i) the pre-printed standard exceptions in such Title Policy that are not customarily deleted at closings following the Title Company's receipt of all Schedule B-1 or Schedule C (as applicable) requirements contained in the PTR, (ii) exceptions approved or deemed approved by Purchaser pursuant to Section 6.2 above, (iii) the Tenant Leases, (iv) any taxes and assessments for any year that are not yet due and payable as of the Closing, (v) [intentionally deleted], (vi) a specific, itemized list of adverse matters shown on the Updated Survey, or any updates thereto, that are approved or deemed approved by Purchaser pursuant to Section 6.2 above or shown on the PTR, (vii) any matters which are affirmatively insured over on terms acceptable to Purchaser in its sole and absolute discretion, and (viii) any exceptions arising from Purchaser's actions (collectively, the "**Permitted Exceptions**"). In the event Purchaser elects not to pay for any additional premium for the ALTA extended coverage policy, then the Title Policy to be issued as of the Closing shall be a standard ALTA Owner's Policy of Title Insurance which shall include, among other things, a general survey exception. It is understood that Purchaser may request a number of endorsements to the Title Policy, but the issuance of any such endorsements shall not be a condition to Closing. If (i) the Title Company (A) is unable or unwilling to consummate Closing or to otherwise delete or revise any title exception, issue any endorsement or commit to any specific coverage or affirmative title insurance requested by Purchaser with respect to the Title Policy or any title policy requested by Purchaser's lender (such requested insurance, the "**Requested Insurance**"), or (B) requires that Purchaser, Seller, Purchaser's lender or any other third party provide any affidavits, indemnities, agreements, due diligence or other documentation in order for the Title Company to consummate Closing or to otherwise provide the Requested Insurance, (ii) Purchaser provides written evidence (which may be via electronic mail) to Sellers of such inability or unwillingness of, or requirements by, the Title Company to provide the Requested Insurance, and (iii) Purchaser provides written evidence to Sellers that Fidelity National Title Insurance Company ("**Fidelity**") has committed to consummate Closing or to otherwise provide the Requested Insurance without requiring the satisfaction of any requirements of Title Company being contested by Purchaser, Purchaser shall have the right (the "**Title Company Option**") to transfer responsibility as the Title Company hereunder to Fidelity by written notice to Seller. If Purchaser properly exercises the Title Company Option, (w) Title Company, Seller and Purchaser shall cause the Earnest Money Deposit to be transferred to Fidelity, (x) Fidelity shall execute a revised Title Company Joinder page to this Agreement upon receipt of the Earnest Money Deposit, (y) the Closing Extension Conditions shall be modified to remove the condition precedent described in Section 10.8(b), and (z) Seller shall

not be required to modify the form of Owner Affidavit attached hereto as **Exhibit K** except to change the name of the Title Company to Fidelity.

ARTICLE VII

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INTERIM OPERATING COVENANTS AND ESTOPPELS

Section

7.1

Interim Operating Covenants. Seller covenants to Purchaser that Seller will:

(h)

Operations. From the Effective Date until Closing, continue to operate, manage and maintain the Real Property and Improvements in the ordinary course of Seller's business and substantially in accordance with Seller's present practice, subject to ordinary wear and tear and Article IX of this Agreement.

(i)

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 Seller's insurance policies covering the Improvements as of the Effective Date.

(j)

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, and provided that such removed Personal Property shall be repaired or replaced prior to Closing. 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.

(k)

Leases. From the Effective Date until the expiration of the Property Approval Period, 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 Purchaser, which consent will not be unreasonably withheld, delayed or conditioned. From the expiration of the Property Approval Period until the 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 Purchaser, which consent may be withheld in Purchaser's sole discretion. Notwithstanding anything to the contrary provided in this Section 7.1(d), (i) nothing herein shall be deemed to require Purchaser's consent to any expansion or renewal which Seller, as landlord, is required to honor pursuant to any Tenant Lease in existence as of the Effective Date, and (ii) except as provided in item (i) in this Section 7.1(d), from the Effective Date through Closing, Seller shall not, without first obtaining the prior written consent of Purchaser which may be withheld in Purchaser's sole discretion, enter into any new lease or any amendments, expansions or renewals of Tenant Leases that will require Purchaser, as landlord, following Closing to pay or be subject to any Leasing Costs.

(l)

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, fee or premium or unless Purchaser consents thereto in writing, which consent will not be unreasonably withheld, delayed or conditioned; provided, however, that Purchaser may withhold such consent in Purchaser's sole discretion following the expiration of the Property Approval Period.

(m)

Notices. To the extent received by Seller, 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.

(n)

Encumbrances. Without Purchaser's prior written approval in its sole discretion, not voluntarily subject the Property to any additional liens, encumbrances, covenants or easements, unless released prior to Closing. Notwithstanding the foregoing, Purchaser acknowledges that Seller intends to sell an outparcel adjacent to the Property ("**Outparcel 3**") to HT NC Fuel, LLC ("**Outparcel Purchaser**") prior to Closing. In connection with such sale, Seller will enter into (A) the development agreement in the form attached hereto as **Exhibit L** (the "**Development Agreement**") with Outparcel Purchaser which will affect the Property which includes a site plan as an exhibit thereto and (B) the use restriction in the form attached hereto as **Exhibit M** (the "**Use Restriction**") which will encumber Outparcel 3 (which Use Restriction shall be effected by inclusion in the deed to Outparcel Purchaser) and which includes language confirming of record the rights of the owners, occupants and licensees of the Property to continue to utilize the seven (7) parking spaces crosshatched on the site plan attached thereto following the conveyance of Outparcel 3. If Seller or the Outparcel Purchaser desires to change the Development Agreement or the Use Restriction, Seller shall notify Purchaser with respect to such proposed change, and Purchaser shall have the right to approve such change in Purchaser's sole discretion. Subject to the preceding sentence, Purchaser hereby acknowledges that execution of the Development Agreement and placement of the Use Restriction are expressly authorized hereunder, and neither the Development Agreement nor the Use Restriction shall be considered a New Exception under Section 6.2(b). Furthermore, in the event Seller is asked to provide any approvals required under the Development Agreement or the Use Restriction prior to Closing, Seller shall notify Purchaser and provide any applicable plans or documents to Purchaser for Purchaser's review promptly upon receipt of same and Purchaser shall have the right to direct Seller's response to such request(s). Purchaser hereby agrees to timely respond to any such request such that Seller is not deemed to grant such requested approval under the Development Agreement or the Use Restriction.

Whenever in this Section 7.1, Seller is required to obtain Purchaser's approval with respect to any transaction described therein, Purchaser shall, within five (5) Business Days after receipt of Seller's request therefor, notify Seller of its approval or disapproval of same and, if Purchaser fails to notify Seller of its approval within said five (5) Business Day period, Purchaser shall be deemed to have approved same.

Tenant Lease Estoppels; SNDAs and Other Estoppels.

(e)

It will be a condition to Purchaser's obligation to consummate Closing that Seller obtains and delivers to Purchaser executed Acceptable Estoppel Certificates from (i) each of the major tenants leasing space in the Improvements listed on **Exhibit C-1** ("**Major Tenants**"), which Major Tenants include all Tenants leasing over 20,000 rentable square feet at the Improvements located on such Real Property, and (ii) from Tenants (exclusive of any and all Major Tenants) collectively leasing at least seventy five percent (75%) in the aggregate of the rentable square feet located on each Real Property, exclusive of the rentable square feet leased by Major Tenants. "**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 default or unfulfilled material obligation on the part of the landlord not previously disclosed in writing to Purchaser in this Agreement; provided that an estoppel certificate executed by a Tenant either: (x) in the form prescribed by its Tenant Lease (y) with respect to a regional or national Tenant, in the standard form generally used by such Tenant, or (z) in the form attached hereto as **Exhibit C-2** but for which Section 12 or Section 13 thereof shall have been deleted, shall each 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 Seller'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 Seller 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 Tenants, including but not limited to, the Major Tenants, Seller will deliver to Purchaser for each Tenant 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. Within three (3) Business Days following Purchaser's receipt thereof, Purchaser will send to Seller notice either (A) approving such forms as completed by Seller or (B) 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. Seller will make such changes to the extent Seller agrees such changes are appropriate, except that Seller 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 three (3) Business Day period shall be deemed approval of such estoppel certificate.

(f)

[Intentionally Deleted].

(g)

Seller shall deliver to Tenants, Subordination, Non-Disturbance and

Attornment Agreements (“**SNDAs**”) as may be required by Purchaser’s lender(s); provided however, nothing contained in this Agreement shall obligate Seller to obtain any SNDAs, and delivery of any SNDAs shall not be a condition to Purchaser’s obligation to close on the purchase of the Property pursuant to the terms of this Agreement.

(h)

Seller shall request an estoppel certificate from all applicable parties under the Declarations of Covenants and Restrictions (or other similar instruments) affecting the Property which have been requested by Purchaser prior to the Effective Date confirming that the Seller and the Property are in compliance with the terms of such Declarations of Covenants and Restrictions and that all sums, if any, payable with respect to the Property under such Declarations have been paid in full; provided however, nothing contained in this Agreement shall obligate Seller to obtain any such estoppel certificates, and delivery of any such estoppel certificates shall not be a condition to Purchaser’s obligation to close on the purchase of the Property pursuant to the terms of this Agreement.

Section

7.3

OFAC. Pursuant to United States Presidential Executive Order 13224 (“**Executive Order**”), Seller is required to ensure that it does 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 Seller learns that Purchaser is, becomes, or appears to be a Blocked Person, Seller 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 Seller determines that Purchaser is or becomes a Blocked Person, Seller shall have the right to immediately terminate this Agreement and take all other actions necessary, or in the opinion of Seller, 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

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REPRESENTATIONS AND WARRANTIES

Section

8.1

Seller’s Representations and Warranties. Except as otherwise expressly provided in any closing document delivered by Seller at Closing and in Section 11.1 of this Agreement, the following constitute the sole representations and warranties of Seller with respect to the purchase and sale of the Property contemplated hereby. Subject to the limitations set forth in Article XVI of this Agreement, Seller represents and warrants to Purchaser the following as of the Effective Date:

(i)

Status. Seller is a limited liability company duly organized and validly

existing under the laws of the State of Delaware, and is qualified to transact business within the State of North Carolina.

(j)

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

(k)

Non-Contravention. The execution and delivery of this Agreement by Seller and the performance by Seller of Seller's 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 Seller, any note or other evidence of indebtedness, any mortgage, deed of trust or indenture (except for such approvals needed from the current mortgage lender in order to secure the release of the lien on the Property as part of Closing), or any lease or other material agreement or instrument to which Seller is a party or by which it is bound.

(l)

Suits and Proceedings, No Violation Notices. Except as listed in **Exhibit E**, there are no legal actions, suits or similar proceedings pending and served, or to Seller's Knowledge, threatened (in writing) against the Property, relating to the Property, or Seller's ownership or operation of the Property, including without limitation, condemnation, takings by an Authority or similar proceedings (collectively, "**Suits and Proceedings**"), which Suits and Proceedings individually or in the aggregate would have an adverse effect on the Property; provided, however, that, to Seller's Knowledge, **Exhibit E** is a true, complete and correct list of all Suits and Proceedings. Further, Seller has received no written notice from any Authority alleging that the Property is in violation of applicable laws, ordinances or regulations which remain uncured.

(m)

No Bankruptcy. 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 and Seller has received no written notice of and has no knowledge of (i) the filing of any involuntary petition by Seller's creditors, (ii) the appointment of a receiver to take possession of all, or substantially all, of Seller's assets, or (iii) the attachment or other judicial seizure of all, or substantially all, of Seller's assets.

(n)

Non-Foreign Entity. 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.

(o)

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 Seller and, to Seller's Knowledge, all of the Tenants under Tenant Leases affecting the Real Property and Improvements that were entered into prior to Seller'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 Seller or, to Seller's Knowledge, by which Seller is bound other than the Tenant Leases listed on **Exhibit F**. The copies of the Tenant Leases executed by Seller and the guaranties accompanying such Tenant Leases that have been provided or made available to Purchaser are true, correct and complete, and to Seller's Knowledge the copies of the other Tenant Leases and accompanying guaranties that have been provided or made available to Purchaser are true, correct and complete in all material respects. Except as disclosed on **Exhibits F-1 through F-3**, Seller has not received written notice of any termination or uncured default by any party under any Tenant Lease, and Seller has not given written notice of any default to any Tenant under any Tenant Lease that remains outstanding as of the Effective Date.

(p)

Service Contracts; Commission Agreements. 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 Seller is currently paying for services rendered in connection with the Property, including all of the commission agreements listed on **Exhibit D**, except for the property management agreement with Seller's property manager (the "**Management Agreement**"). As of the Effective Date, **Exhibit B** is a true and correct list of all Service Contracts in effect and Seller has delivered or made available to Purchaser for review, true and complete copies of all Service Contracts, as set forth on **Exhibit B**. 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 Seller has delivered or made available to Purchaser for review, true and complete copies of all commission agreements set forth on **Exhibit D**, except for the Management Agreement. Except as disclosed on **Exhibit B**, Seller has not received written notice of any termination or uncured default by any party under any Service Contract.

(q)

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 that are in effect as of the Closing Date.

(r)

Available Environmental Reports; Violations. To Seller's Knowledge, (i) Seller has provided or made available to Purchaser all third-party reports in the possession of Seller that pertain to the analysis of Hazardous Substances at the Property owned by Seller, (ii) Seller has not received any written notice from any Authority or employee or agent thereof whereby such Authority or employee or agent has determined, or threatens to determine, that there is a presence, release or threat of release or placement on, in or from the Property of any Hazardous Substance, and (iii) the Property is not in violation of any Environmental Laws.

(s)

Employee Matters. Seller has no employees at the Property.

(t)

Prohibited Persons. Neither Seller, nor any Affiliate of Seller nor any Person that directly or indirectly owns 10% or more of the outstanding equity in Seller (each, a “**Seller Person**”), 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.

(u)

Guarantor. Upon the consummation of Closing, Guarantor (as defined below), shall have received adequate consideration for Guarantor’s execution and delivery of the Guaranty (as defined below).

(v)

No Title Defaults. To Seller’s Knowledge, neither Seller nor any party to the following instruments of record is in default under such instruments, and no event has occurred which, with the giving of notice or passage of time, or both, could result in such default: (i) Declaration of Easements, Covenants, Conditions and Restrictions for Heritage Lakes Shopping Center as recorded in Book 11552, Page(s) 579, Wake County Register of Deeds, as affected by Amendment to Declaration of Easements, Covenants, Conditions and Restrictions for Heritage Lakes Shopping Center recorded in Book 14702, Page 122, aforesaid Records, as affected by Corrective Affidavit recorded in Book 14894, Page 1349, aforesaid Records, and as affected by Assignment and Assumption of Developer’s Rights recorded in Book 14702, Page 132, aforesaid Records; and (ii) Easement and Restrictions Agreement by and between WRI HR Heritage Station LLC and McDonald’s Real Estate Company as recorded in Book 14702, Page(s) 142 of the Wake County Registry.

Section

8.2

Purchaser’s Representations and Warranties. Purchaser represents and warrants to Seller the following:

(a)

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

(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 (that has not already been obtained) in connection with the execution and delivery of this Agreement by Purchaser or the performance by Purchaser of the transactions contemplated hereby.

(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

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CONDEMNATION AND CASUALTY

Section

9.1

Significant Casualty. If, prior to or on the Closing Date, all or any portion of the Real Property and the Improvements is destroyed or damaged by fire or other casualty, Seller will promptly notify Purchaser of such casualty. Purchaser will have the option, in the event that (i) all or any Significant Portion of the Real Property and the Improvements is so destroyed or damaged, (ii) any Major Tenant is permitted to terminate its Tenant Lease as a result of such casualty, or (iii)

any portion of the Real Property and/or Improvements fails to comply with applicable zoning laws, rules and regulations as a result of such casualty, which non-compliance is not susceptible to being fully cured by the restoration of the affected Real Property and/or Improvements to the condition of same as existed immediately prior to the occurrence of the casualty, to terminate this Agreement upon notice to Seller given not later than fifteen (15) days after receipt of Seller's notice. If this Agreement is terminated, the Earnest Money Deposit will be returned to Purchaser upon Purchaser's compliance with Section 4.6 and thereafter neither Seller 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, Seller will not be obligated to repair such damage or destruction, but (a) Seller 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 Seller 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 to repair any uninsured portion of the casualty plus the amount of the deductible on such insurance policy less any amounts expended by Seller 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 mutually agreed upon by Purchaser and Seller, all parties agreeing to act reasonably.

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 or Purchaser does not otherwise have the right to terminate this Agreement pursuant to the terms of Section 9.1 above following casualty, Purchaser shall not have the right to terminate this Agreement and Seller will not be obligated to repair such damage or destruction, but (a) Seller 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 Seller 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 to repair any uninsured portion of the casualty plus the amount of the deductible on such insurance policy less any amounts expended by Seller 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 mutually agreed upon by Purchaser and Seller, both parties agreeing to act reasonably.

Section

9.3

Condemnation of Property. In the event of condemnation or sale in lieu of condemnation (i) of all or any Significant Portion of any of the Real Properties and any of the Improvements, (ii) that materially and adversely affects existing points of vehicular access to and/or from any portion of the Real Property and/or Improvements to a public or private street or other

roadway, (iii) that permits any Major Tenant to terminate its Tenant Lease as a result of such casualty, or (iv) other than a temporary taking, that causes any portion of the Real Property and/or Improvements to fail to comply with applicable zoning laws, rules and regulations, or if Seller shall receive an official notice from any governmental authority having eminent domain power over any of the Real Properties and the Improvements thereon of its intention to take, by eminent domain proceeding, all or any portion of any of the Real Properties and any of the Improvements and such taking would result in any one or more of items (i) through (iv) above, prior to the Closing, Purchaser will have the option, by providing Seller written notice within fifteen (15) days after receipt of Seller's 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, the Seller 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 4.6 and neither Seller 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 (in lieu of fee simple title), 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

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CLOSING

Section 10.1

Closing. The Closing of the sale of the Property by Seller to Purchaser will occur on the Closing Date, TIME BEING OF THE ESSENCE, through the escrow established with the Title Company. Each of Seller and Purchaser shall have the right to extend the Closing Date one time to a date no later than September 7, 2016, only in the event that any of the Closing Extension Conditions remain unsatisfied (and otherwise not waived in writing by Purchaser) as of the initial Closing Date. 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 4.4, for delivery to Seller 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 the form of Tenant Notice Letters, duly executed by Purchaser;

(d)

Evidence reasonably satisfactory to the Title Company that the person executing any financing documents on behalf of Purchaser has full right, power, and authority to do so; provided, however, that, notwithstanding anything to the contrary provided in this Agreement, no such evidence shall be made available or otherwise provided to Seller;

(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 (provided the same do not increase in any material respect the costs to, or liability or obligations of, Purchaser in a manner not otherwise provided for herein); and

(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

Seller’s Closing Obligations. Seller, at its sole cost and expense, will deliver for the Property (i) the following items (a), (b), (c), (d), (e), (f), (j), (k), (l), (m), (n) and (o) in escrow with the Title Company pursuant to Section 4.4 on or before the Deposit Time, and (ii) upon receipt of the Purchase Price, Seller shall deliver items (g), (h) and (i) to Purchaser at the Property:

(a)

A special warranty deed substantially in the form attached hereto as **Exhibit I**, duly executed and acknowledged by Seller 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; additionally, if the legal description of any Real Property drawn from the final versions of the Updated Survey differs from the description set forth in **Exhibit A** attached hereto, Seller shall, in addition to the Deed, deliver to Purchaser at Closing a non-warranty deed using the description of the Real Property from the final version of the Updated Survey to be recorded immediately following the recordation of the Deed;

(b)

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

(c)

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

(d)

Evidence reasonably satisfactory to Title Company (to enable the Title Company to issue the Title Policy without except for matters related to the lack of authority of Seller to convey the Property) that the person executing the Closing Documents on behalf of Seller has full right, power and authority to do so, and evidence that Seller is duly organized and authorized to execute this Agreement and all other documents required to be executed by Seller hereunder;

(e)

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

(f)

The Tenant Deposits, at Seller’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 Seller 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 Seller 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. Seller 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;

(g)

The Personal Property;

(h)

All original Licenses and Permits, Service Contracts and Tenant Leases in Seller’s possession and control;

(i)

All keys to the Improvements which are in Seller’s possession;

(j)

An Owner Affidavit in the form attached hereto as **Exhibit K** duly executed by Seller;

(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, Seller in a manner not otherwise provided for herein);

(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.

(m)

Evidence reasonably acceptable to Purchaser that Seller has duly terminated all management agreements relating to the Real Property, Improvements and/or Personal Property prior to or at Closing;

(n)

The executed Guaranty; and

(o)

An Assignment and Assumption of Developer's Rights with respect to item 14 of Schedule B, Section II of the PTR.

Section

10.4

Prorations.

(e)

Seller and Purchaser agree to adjust, as of 11:59 p.m. on the day immediately preceding 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), expenses under the Permitted Exceptions, and expenses under Service Contracts assumed by Purchaser at Closing payable by the owner of the Property (on the basis of a 365 day year, actual days elapsed). Seller 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 Seller and submitted to Purchaser for Purchaser's approval (which approval shall not be unreasonably withheld) two (2) Business Days prior to the Closing Date (the "**Closing Statement**"). The Closing Statement, once agreed upon, shall be signed by Purchaser and Seller 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 Seller (if the preliminary prorations result in a net credit to Seller) or by Seller 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 Seller 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 Seller's 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). Seller 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. Seller shall cooperate in good faith with Purchaser to facilitate the transfer of all utilities to Purchaser at and/or immediately following the Closing. A final reconciliation of Proration Items shall be made by Purchaser and Seller on or before November 30, 2016 (herein, the "**Final Proration Date**"). The provisions of this Section 10.4 will survive the Closing until the Final Proration Date has occurred, and in the event any items subject to proration hereunder are discovered prior to the Final Proration Date, the same shall be promptly prorated by the parties in accordance with the terms of this Section 10.4. Notwithstanding anything to the contrary provided in this Agreement including, but not limited to, this Section 10.4(a), Seller and Purchaser hereby agree to use the following, estimated 2016 real estate taxes and assessments for purposes of the proration of same at Closing: \$110,000.00.

(f)

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 Seller and attributable to any period following the Closing Time. After the Closing, Seller will cause to be paid or turned over to Purchaser all Rentals, if any, received by Seller 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. Delinquent Rentals will not be prorated. For a period of three (3) months after Closing, 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 incur legal fees or other out of pocket expenses, conduct lock-outs or take any other legal action to enforce collection of any such amounts owed to Seller by Tenants of the Property. Purchaser shall have the exclusive right to collect Delinquent Rentals from current Tenants of the Property and Seller hereby relinquishes its rights to pursue claims against any Tenant or guarantor under any Tenant Leases for same. Nothing herein shall prohibit Seller from pursuing Delinquent Rentals from former tenants of the Property. With respect to any Delinquent Rentals received by Purchaser within one (1) year after Closing (the "**Delinquent Rental Proration Period**"), Purchaser

shall pay to Seller 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 Tenant (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 Seller in all events, notwithstanding anything herein to the contrary) will be applied first to amounts currently owed by such Tenant to Purchaser (including Delinquent Rentals attributable to the period after the Closing Time), then any collection costs of Purchaser related to such Tenant, and then to prior delinquencies owed by Tenant to Seller. Seller shall not be entitled to institute legal actions to pursue Delinquent Rental after Closing. Any sums collected by Purchaser and due Seller will be promptly remitted to Seller, and any sums collected by Seller and due Purchaser will be promptly remitted to Purchaser.

(g)

Not less than ten (10) days prior to the scheduled Closing Date, Seller 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 2016. Seller shall deliver all supporting invoices when it delivers the reconciliation prepared by Seller described in the preceding sentence. Furthermore, in preparing the reconciliation, all delinquent payments from Tenants shall be disregarded so as to reduce any amount potentially owed from Purchaser to Seller at Closing. If less amounts have been collected from Tenants for Operating Expense Recoveries for calendar year 2016 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 Seller for calendar year 2016 up to the Closing Time (as prorated pursuant to Section 10.4(a) above), Purchaser will pay such difference to Seller at Closing as an addition to the Purchase Price. If more amounts have been collected from Tenants for Operating Expense Recoveries for calendar year 2016 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 Seller for calendar year 2016 up to the Closing Time (as prorated pursuant to Section 10.4(a) above), Seller will pay to Purchaser at Closing as a credit against the Purchase Price such excess collected amount. Purchaser and Seller agree that such proration of Operating Expense Recoveries at Closing for calendar year 2016 will fully relieve Seller from any responsibility to Tenants or Purchaser for such matters subject to Seller’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 Seller 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 2016 for periods before and after Closing, and (ii) reimbursing Tenants for amounts attributable to Operating Expense Recoveries for calendar year 2016, as may be necessary based on annual reconciliations for Operating Expense Recoveries for such calendar year.

(h)

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 Seller after the Closing Time but expressly state they are for such specific services rendered by Seller or its property manager prior to the Closing Time, Purchaser shall cause such collected amounts to be paid to Seller, or Seller may retain such payment if such payment is received by Seller after the Closing Time.

(i)

(i) Seller shall pay those Leasing Costs incurred in connection with the lease of space in the Property that were executed prior to the Effective Date including, but not limited to, those Leasing Costs identified on **Exhibit G** attached hereto to the extent unpaid as of the Closing Date; (ii) Seller shall pay all Leasing 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 that required the approval of Purchaser pursuant to Section 7.1(d) but for which Seller failed to obtain such approval of Purchaser pursuant thereto; (iii) in the event Closing is consummated, Purchaser will be solely responsible for and shall pay all Leasing 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 that has been approved by Purchaser in accordance with Section 7.1(d) (“**New Tenant Costs**”); and (iv) to the extent Leasing Costs described in clause (i) and/or (ii) above remain unpaid as of Closing, Purchaser shall receive a credit from Seller therefor at Closing and Purchaser shall be responsible after Closing for paying any Leasing Costs for which Purchaser received such a credit, provided that Purchaser shall not receive a credit for any leasing commissions payable to Seller’s property manager pursuant to the Management Agreement, and Seller shall pay all such amounts due in accordance with the Management Agreement.

(j)

Notwithstanding anything to the contrary provided in this Agreement, Seller shall not have the right to file and pursue any appeals attributable to Seller’s period of ownership of the Property with respect to tax assessments for the Property. If Purchaser elects to file and pursue such an appeal and Purchaser is successful in its pursuit related to the calendar year in which the Closing occurs, Purchaser and Seller shall share in the cost of any such appeal and rebates or refunds in the same proportion as the proration of Proration Items set forth on the settlement statement executed by the parties at Closing.

Section

10.5

Delivery of Real Property. Upon completion of the Closing, Seller 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 Policy and all endorsements thereto, (ii) all premiums and other costs for any mortgagee policy of title insurance, including but not limited to any endorsements or deletions, (iii) Purchaser's attorney's fees, (iv) the costs of any update or re-certification of the Updated Survey, (v) 1/2 of all of the Title Company's escrow and closing fees, if any, and (vi) any mortgage recording tax or recording fees for any financing obtained by Purchaser in connection with Closing.

(b)

Seller will pay (i) the cost of the Updated Survey, (ii) 1/2 of all of the Title Company's escrow and closing fees, (iii) Seller's attorneys' fees, (iv) all transfer and excise taxes (including, without limitation, for any city, county and state) and (v) prepayment penalties or premiums incurred by Seller with respect to prepaying the Property's existing mortgage indebtedness at Closing (if any).

(c)

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

(d)

Except as otherwise expressly provided in this Agreement, if the Closing does not occur on or before the Closing Date 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 a written notice executed by Purchaser and Seller (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 Seller a copy of each Tenant Notice Letter promptly after delivery of same. 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 in this Agreement, 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 Seller, and all of which shall be deemed waived upon Closing:

(a)

Seller shall have performed in all material respects each of the obligations of Seller set forth in this Agreement as of the Closing Date;

(b)

The Title Company shall be irrevocably committed to issue the 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)

Subject to Section 10.9, Seller's representations and warranties made in Section 8.1 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 Seller in Section 8.1 to reflect (i) new Tenant Leases, Tenant Lease amendments, new Service Contracts, and/or Service Contract amendments, executed by Seller after the Effective Date in accordance with this Agreement, and (ii) any action taken by Seller in accordance with any Tenant Leases, Service Contracts, or Permitted Exceptions after the Effective Date not prohibited by or otherwise in contravention of the terms of this Agreement, and (iii) a Tenant Lease default or a Tenant insolvency occurring after the Effective Date. The term "**Immaterial Events**" shall mean any fact or event that is not caused by any Seller or any of the Seller Released Parties that does not or is not expected to result in a loss of value, damage (including, but not limited to, indirect, consequential and speculative damages likely to be incurred), claim or expense in excess of \$100,000.00, in the aggregate; provided, however, that any and all breaches of Seller's representations and warranties made in Section 8.1 that are not true and correct in all material respects as of the Effective Date shall in no event be deemed an Immaterial Event, and Section 10.9 (b) shall be applicable with respect to such items. Authorized Qualifications and Immaterial Events shall not constitute a default by Seller or a failure of a condition precedent to Closing. Purchaser shall receive a credit against the Purchase Price at Closing for the amount of damage anticipated to be caused by any Immaterial Event. If (x) between the Effective Date and the Closing Date, facts or events not known to Seller prior to the Effective Date are discovered by Seller, (y) such facts or events are not Authorized Qualifications or Immaterial Events or otherwise caused by any Seller or any of the Seller Released Parties, and (z) such facts or events would result in a failure of the condition set forth in Section 10.8(d) above, such failure shall not constitute a breach of this Agreement, and following Seller's written notice to Purchaser (which Seller shall be obligated to deliver to Purchaser within two [2] Business Days of Seller's actual knowledge of same), 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 Seller); provided, however, if Purchaser does not exercise its right to terminate this Agreement on or before the later of (1) Closing or (2) the date that is three (3) Business Days after Purchaser receives written notice from Seller of such facts or events (and Closing shall be automatically extended to permit the running of such period), 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, subject to

compliance with Section 10.9 below, 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

Breaches of Seller's Representations Prior to Closing.

(a)

If, prior to the Closing, Purchaser shall deliver a written notice to Seller asserting a breach of any representation or any warranty of Seller that was initially true and correct in all material respects on the Effective Date but which thereafter failed to remain true and correct in all material respects due to any fact or event that was not caused by Seller or any of the Seller Released Parties (and which is not the result of an Authorized Qualification), for which the damage (including, but not limited to, indirect, consequential and speculative damages) from all its Claims for such breaches are in an amount that exceeds \$100,000.00 (a "**Material Breach**"), then Purchaser may, as its sole and exclusive remedy, upon the delivery of written notice of such breach to Seller either (i) proceed to close the purchase of the Property with a credit against the Purchase Price in an amount of the damage (including, but not limited to, indirect, consequential and speculative damages) as reasonably determined by Purchaser in such written notice, such amount to be not more than \$500,000 on account of such asserted breach (and with no liability to Seller beyond such credit) and, upon receipt of such credit at Closing, to waive any claims against Seller for such Claims with respect to such Material Breach or (ii) terminate this Agreement by the giving of the written notice to Seller of same. If Purchaser has elected to terminate this Agreement pursuant to Section 10.9(a)(ii) above, Purchaser shall receive a refund of the Earnest Money Deposit, and Seller shall be obligated to promptly reimburse Purchaser for its actual out of pocket costs incurred in connection with this Agreement or the Property including, but not limited to, the negotiation of this Agreement, Purchaser's due diligence with respect to the Property, Purchaser's financing with respect to the Property (including, but not limited to, good faith deposits, commitment fees, and costs of hedging and other rate lock contracts), and all of Purchaser's legal fees and expenses related thereto, not to exceed, however, \$250,000 with respect to this Agreement and the Other Property Agreements in the aggregate.

(b)

If, prior to the Closing, Purchaser shall deliver a written notice to Seller asserting a breach of any representation or any warranty of Seller (which constitutes a Material Breach) that was not true and correct in all material respects on the Effective Date, or that otherwise no longer remains true and correct in all material respects (and which is not the result of an Authorized Qualification) due to any fact or event caused by any Seller or any of the Seller Released Parties, then Purchaser may, as its sole and exclusive remedy, upon the delivery of written notice of such breach to Seller either (i) proceed to close the purchase of the Property with a credit against the Purchase Price in an amount of the damage (including, but not limited to, indirect, consequential and speculative damages) as reasonably determined by Purchaser in such written notice, such amount to be not more than \$500,000 on account of such asserted breach (and with no liability to Seller beyond such credit) and, upon receipt of such credit at Closing, to waive any claims against Seller for such Claims with respect to such Material Breach or (ii) terminate this Agreement by the giving

of the written notice to Seller of same. If Purchaser has elected to terminate this Agreement pursuant to Section 10.9(b)(ii) above, Purchaser shall receive a refund of the Earnest Money Deposit, and Seller shall be obligated to promptly reimburse Purchaser for its actual out of pocket costs incurred in connection with this Agreement and the Other Property Agreements (as defined below) or the Property and the Other Properties (as defined below) including, but not limited to, the negotiation of this Agreement and the Other Property Agreements, Purchaser's due diligence with respect to the Property and the Other Properties, Purchaser's financing with respect to the Property and the Other Properties (including, but not limited to, good faith deposits, commitment fees, and costs of hedging and other rate lock contracts), and all of Purchaser's legal fees and expenses related thereto, not to exceed, however, \$700,000 with respect to this Agreement and the Other Property Agreements in the aggregate.

Section

10.10

General Conditions Precedent to Seller's Obligations Regarding the Closing.

In addition to the conditions to Seller's obligations set forth in this Article X, the obligations and liabilities of Seller 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 Seller 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 8.2 shall be true and correct in all material respects.

Section

10.11

Condition Precedent to Closing. Notwithstanding anything to the contrary contained herein (but subject to Sections 9.1 and 9.3 hereof), it shall be a condition to each party's obligation to close the sale of the Property, that a closing occur simultaneously with the Closing with respect to (i) Oak Park Village and Champions Village in Texas, (ii) Cherokee Plaza, Sandy Plains Exchange and Thompson Bridge Commons in Georgia, and (iii) Shoppes at Parkland and University Palms in Florida (collectively, the "**Other Properties**"), which Other Properties are the subject to Agreements of Purchase and Sale by and between Affiliates of Seller, as seller, and Purchaser, as purchaser (the "**Other Property Agreements**") the parties hereto acknowledging that the Property is being sold as a part of the portfolio containing the Property and the Other Properties and the parties do not intend to sell or purchase the Property or any of the Other Properties as individual assets; provided, however, that (1) if the affiliate of Seller which is the seller under the Other Property Agreement for the Texas assets duly exercises its right to terminate such Other Property Agreement with respect to Champions Village pursuant to Section 10.13 thereof (such termination, the "**Champions 10.13 Termination**"), or (2) the "Closing Date" of the sale of Champions Village is scheduled to occur following the Closing Date hereunder pursuant to the terms of the Other Property Agreement for Champions Village, then the closing of the sale of

Champions Village shall not be a condition to the Closing of the sale of the Property. Seller intends that the sale of the Property, together with the sale of the Other Properties by Affiliates of Seller constitute the sale of property to one buyer as part of one transaction within the meaning of Section 857(b)(6)(E)(vi) of the Internal Revenue Code of 1986, as amended. Furthermore, if either party exercises any right to terminate this Agreement in accordance herewith, such party (or its applicable Affiliate) shall simultaneously terminate each of the Other Property Agreements (if such Other Property Agreements are not terminated by their terms), and the earnest money deposits held under such Other Property Agreements shall be delivered to the party (or its applicable Affiliate) entitled to receive same hereunder. Seller and Purchaser hereby agree that the exercise of a right to terminate under any of the Other Property Agreements shall automatically terminate this Agreement, and the Earnest Money Deposit shall be delivered to the party hereunder who is entitled to receive (or whose applicable Affiliate is entitled to receive) same under such terminated Other Property Agreement; provided, however, that the exercise of the Champions 10.13 Termination shall not cause the termination of this Agreement. Further, a default under any of the Other Property Agreements shall constitute a default under this Agreement and Seller and Purchaser shall have all rights and remedies provided hereunder as if such default had occurred with respect to this Agreement. Notwithstanding anything to the contrary provided in this Agreement, (x) if Closing is extended pursuant to the express terms of this Agreement, such party (or its applicable Affiliate) shall simultaneously be deemed to agree to extend the closing under each of the Other Property Agreements for the same number of days as the Closing is extended hereunder (if closing under such Other Property Agreements is not automatically extended for the same number of days by their terms), and (y) Seller and Purchaser hereby agree that the extension of closing under any of the Other Property Agreements shall automatically extend the Closing under this Agreement for the same number of days as the closing is extended under any of the Other Property Agreements.

Section

10.12

Failure of Condition. If any condition precedent to Seller's obligation to effect the Closing (as set forth in Section 10.10) is not satisfied, then Seller shall be entitled to terminate this Agreement by notice thereof to Purchaser and Title Company. Subject to Section 10.9, 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 Seller and Title Company. If the condition precedent to each party's obligation to effect the Closing (as set forth in Section 10.11) is not satisfied, then either party shall be entitled to terminate this Agreement by notice thereof to the other party and the Title Company (if this Agreement is not terminated by its terms). If this Agreement is so terminated, then Purchaser shall be entitled to receive the Earnest Money Deposit (and all accrued interest thereon) and neither party 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 Seller or Purchaser hereunder, then Article XIII shall govern and this Section 10.12 shall not apply.

ARTICLE XI

BROKERAGE

Brokers. Seller agrees to pay to CBRE (“**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 Seller to Broker will fully satisfy the obligations of the Seller for the payment of a real estate commission hereunder. Other than as stated in the first sentence of this Section 11.1, Purchaser and Seller represent and warrant to the other 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 and Seller will indemnify, defend and hold the other party 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

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CONFIDENTIALITY

Confidentiality. Seller and Purchaser each expressly acknowledges and agrees 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 Seller and Purchaser and will not be disclosed by Seller or Purchaser except to their respective legal counsel, accountants, consultants, officers, prospective investors, prospective lender, clients, partners, directors, and shareholders, and except and only to the extent that such disclosure may be necessary for their respective performances hereunder or as otherwise required by applicable law; provided, however, that notwithstanding anything to the contrary provided in this Agreement, Purchaser shall have the right to release a press notice containing such information as Purchaser is required to include in its filing of Form 8-K with the SEC reporting the entry of a “Material Definitive Agreement” following the full execution of this Agreement. 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 Seller. Nothing contained in this Article XII will preclude or limit either 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 thereof so that the other party 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, Seller and Purchaser acknowledge and agree that Seller and Purchaser, and entities which directly or indirectly own the equity interests in Seller and Purchaser, 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, acquisition and financing 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 Seller and Purchaser 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 both parties or as sooner required by law. Additionally, notwithstanding anything to the contrary provided in this Agreement, Seller hereby agrees to reasonably cooperate with Purchaser (at no third party cost to Seller) during the term of this Agreement in the preparation by Purchaser and its advisors, at Purchaser’s sole cost and expense, of audited financial statements of the Property for the most recent completed fiscal year of Seller and the current fiscal year-to-date that comply with Form 8-K filing requirements and Rule 3-14 of Regulation S-X, both as promulgated by the SEC, including current and historical operating statements and information regarding the Property. The provisions of this Article XII will survive any termination of this Agreement.

ARTICLE XIII

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REMEDIES

Section

13.1

Default by Seller.

Notwithstanding any provision in this Agreement to the contrary, if Closing of the purchase and sale transaction provided for herein does not occur as herein provided by reason of any default of Seller, Purchaser may, as Purchaser’s sole and exclusive remedies, elect by written notice to Seller within five (5) Business Days following the scheduled Closing Date, to either (a) terminate this Agreement, in which event Seller shall be obligated to promptly reimburse Purchaser for its actual out of pocket costs incurred in connection with this Agreement or the Property including, but not limited to, the negotiation of this Agreement, Purchaser’s due diligence with respect to the Property, Purchaser’s financing with respect to the Property (including, but not limited to, good faith deposits, commitment fees, and costs of hedging and other rate lock contracts), and all of Purchaser’s legal fees and expenses related thereto, not to exceed, however, \$700,000.00 with respect to this Agreement and the Other Property Agreements in the aggregate, and Purchaser shall receive from the Title Company the Earnest Money Deposit, whereupon Seller 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 Seller shall be filed and served within thirty (30) days of the scheduled Closing Date, and, in either event, Purchaser hereby waives all other remedies, including without limitation, any claim against Seller 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 Seller 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 with respect to the Property or Seller's 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 Seller 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 SELLER AGREE IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO FIX THE DAMAGES WHICH SELLER MAY SUFFER. PURCHASER AND SELLER 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 SELLER WOULD SUFFER IN THE EVENT PURCHASER DEFAULTS AND FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY, AND (ii) SUCH AMOUNT SHALL BE PAID TO SELLER 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 SELLER'S SOLE AND EXCLUSIVE REMEDY (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 SELLER 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 SELLER'S 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. Seller and Purchaser each waive any right to sue the other for any consequential or punitive damages for matters arising under this Agreement (it being understood that Seller and Purchaser each have waived the right to obtain incidental, special, exemplary or consequential damages in connection with any default of Purchaser or Seller 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

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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:

NEW MARKET PROPERTIES, LLC

3284 Northside Parkway, NW, Suite 515

Atlanta, Georgia 30327

Attn: Mr. Joel Murphy

Email: joel@newmarketprop.com

with copy to:

NEW MARKET PROPERTIES, LLC

3284 Northside Parkway, NW, Suite 515

Atlanta, Georgia 30327

Attn: Mr. Michael C. Aide

Email: michael@newmarketprop.com

with copy to:

ARNALL GOLDEN GREGORY LLP
171 17th Street, Suite 2100
Atlanta, Georgia 30363
Attn: Andrew D. Siegel
Email: Andrew.siegel@agg.com

To Seller: HR HERITAGE STATION LLC
c/o Hines Interests Limited Partnership
2800 Post Oak Boulevard, Suite 4800
Houston, Texas 77056
Attn: Kevin McMeans
Email: kevin.mcmeans@hines.com

with copy to: HR HERITAGE STATION LLC

c/o Hines Advisors Limited Partnership

2800 Post Oak Boulevard, Suite 4800

Houston, Texas 77056

Attn: Jason P. Maxwell – General Counsel
Email: jason.maxwell@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

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ASSIGNMENT AND BINDING EFFECT

Section

15.1

Assignment; Binding Effect. Purchaser will not have the right to assign this Agreement without Seller's prior written consent, to be given or withheld in Seller's sole and absolute discretion. Notwithstanding the foregoing, Purchaser may assign its rights under this Agreement to wholly-owned (directly or indirectly) and controlled Affiliates 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, and provided that the wholly-owned (directly or indirectly) and controlled Affiliates are disregarded as an entity separate from Purchaser for federal income tax purposes within the meaning of Section 301.7701-3 of the Treasury Regulations under the Internal Revenue Code of 1986, as amended, at all times from such assignment through and including the Closing. This Agreement will be binding upon and inure to the benefit of Seller 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 Seller 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 Seller set forth in this Agreement and Seller's liability under any provision of this Agreement, and under any Closing Document (as defined below), will survive the Closing for a period ending on November 30, 2016; provided however, that if Purchaser delivers written notice(s) to Seller(s) of a breach of a representation, warranty or covenant of Seller (s) prior to the expiration of such period (such notice[s] being collectively referred to herein as a "**Breach Notice**"), those representations, warranties and/or covenants referenced in such Breach Notice(s) shall survive beyond such period until conclusively and finally resolved by Purchaser and Seller including, if applicable, the resolution of any litigation beyond any applicable appeals periods (such period ending on November 30, 2016, as same may be extended by the terms hereof, the "**Seller Survival Period**"). Purchaser shall not have any right to bring any action for monetary damages against Seller as a result of (i) any untruth, inaccuracy or breach of such representations and warranties under this Agreement, or any Closing Document, or (ii) the failure of Seller to perform its obligations under any other provision of this Agreement, 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 (including Seller's liability for attorneys' fees and costs due to Purchaser) exceeds \$100,000. In addition, in no event will Seller's liability for all such untruths, inaccuracies, breaches, and/or failures under Sections 8.1, any other provision of this Agreement, or under any Closing Documents (including Seller's liability for attorneys' fees and costs in connection with such untruths, inaccuracies, breaches and/or failures) exceed, in the aggregate, one percent (1%) of the Purchase Price. In order to secure Seller's obligations set forth in this Section 16.1(a), Seller shall cause Hines Real Estate Investment Trust, Inc., a Maryland corporation, ("**Guarantor**"), to execute and deliver a guaranty in favor of Purchasers guaranteeing Seller's obligations under this Section 16.1(a) for the duration of the Survival Period (the "**Guaranty**").

(b)

Seller shall have no liability to Purchaser following Closing with respect to any specific representation, warranty or covenant of Seller herein if, prior to the Closing, Purchaser has actual knowledge of such specific breach of a representation, warranty or covenant of Seller herein (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 Seller or Seller's agents and employees) that contradicts any of Seller's 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 Seller or Purchaser 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 Seller's 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

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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 Seller 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. 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

17.3

Time of Essence. Seller 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 and Seller acknowledge that, except as expressly provided in this Agreement, neither party has any right to extend the Closing Date.

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 Purchaser or Seller 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 **O**, 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 Seller and Purchaser with respect to the Property to be conveyed as contemplated hereby.

Section 17.14

Limitations on Benefits. It is the explicit intention of Purchaser and Seller that no person or entity other than Purchaser and Seller 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 Seller 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 Seller expressly reject any such intent, construction or interpretation of this Agreement.

Section 17.15

Exculpation. In no event whatsoever shall recourse be had or liability asserted

against any of Seller's or Purchaser's partners, members, shareholders, employees, agents, directors, officers or other owners of Seller or Purchaser or their respective constituent members, partners, shareholders, employees, agents directors, officers or other owners. Seller's or 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 Seller or 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.

[End of Page]

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

PURCHASER:

NEW MARKET PROPERTIES, LLC,
a Maryland limited liability company

By: /s/ Joel T. Murphy
Name: Joel T. Murphy
Title: CEO

SELLER:

HR HERITAGE STATION LLC,
a Delaware limited liability company

By: HR Retail Venture I LLC,
a Delaware limited liability company,
its sole member

By: Hines REIT Retail Holdings LLC,
a Delaware limited liability company,
its sole member

By: /s/ Kevin L. McMeans
Name: Kevin L. McMeans
Title: Manager

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 Seller and Purchaser on the 24th day of June, 2016, 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: /s/ Elvira Fuentes
Printed Name: Elvira Fuentes
Title: VP/ Escrow Manager

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 Seller 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 Seller in Article V and (iii) is duly licensed and authorized to do business in the State in which the Property is located.

CBRE

Date: June 27, 2016

By: /s/ Steve Shields

Printed Name: Steve Shields

Title: Vice President

Address: 201 S. College St. Suite 1700
Charlotte, NC 28244

License No.: 222966

Tax ID. No.: _____

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

I, Sherri W. Schugart, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Hines Real Estate Investment Trust, Inc.;
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 the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
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. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - 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: August 15, 2016

By: /s/ SHERRI W. SCHUGART

Sherri W. Schugart

President and Chief Executive Officer

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

I, Ryan T. Sims, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Hines Real Estate Investment Trust, Inc.;
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 the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
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. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - 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: August 15, 2016

By: /s/ RYAN T. SIMS

Ryan T. Sims

Chief Financial Officer and Secretary

**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 Hines Real Estate Investment Trust, Inc. (“the Company”), each hereby certifies that to his/her knowledge, on the date hereof:

- (a) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2016, 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) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 15, 2016

By: /s/ SHERRI W. SCHUGART

Sherri W. Schugart

President and Chief Executive
Officer

Date: August 15, 2016

By: /s/ RYAN T. SIMS

Ryan T. Sims

Chief Financial Officer and
Secretary