

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2021 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2021 or fiscal plan year beginning <u>01/01/2021</u> and ending <u>11/30/2021</u>	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☒ the final return/report ☐ an amended return/report ☒ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐

Part II	Basic Plan Information—enter all requested information				
1a Name of plan <u>TPI HOSPITALITY EMPLOYEE STOCK OWNERSHIP PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>002</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/2015</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>002</u>	1c Effective date of plan <u>01/01/2015</u>	
1b Three-digit plan number (PN) ▶	<u>002</u>				
1c Effective date of plan <u>01/01/2015</u>					
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>TORGERSON PROPERTIES, INC. DBA TPI HOSPITALITY</u> <u>103 15TH AVENUE NW, SUITE 200</u> <u>WILLMAR, MN 56201</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>41-0991920</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>320-235-7207</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>721110</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>41-0991920</u>	2c Plan Sponsor's telephone number <u>320-235-7207</u>	2d Business code (see instructions) <u>721110</u>	
2b Employer Identification Number (EIN) <u>41-0991920</u>					
2c Plan Sponsor's telephone number <u>320-235-7207</u>					
2d Business code (see instructions) <u>721110</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	09/14/2022	SHERYL WALTON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

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v. 210624

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN	
5 Total number of participants at the beginning of the plan year		5	953
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year.....		6a(1)	651
a(2) Total number of active participants at the end of the plan year		6a(2)	0
b Retired or separated participants receiving benefits.....		6b	0
c Other retired or separated participants entitled to future benefits		6c	0
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	0
f Total. Add lines 6d and 6e		6f	0
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	0
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2I 2P 2Q			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ <u>0</u> A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2021 Form M-1 annual report. If the plan was not required to file the 2021 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection
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For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 11/30/2021		
A Name of plan TPI HOSPITALITY EMPLOYEE STOCK OWNERSHIP PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 TORGERSON PROPERTIES, INC. DBA TPI HOSPITALITY	D Employer Identification Number (EIN) 41-0991920	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions.....	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	504383	0
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other.....	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)	0	0
(2) Employer real property.....	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	504383	0

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	504383	0
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers).....	2a(1)(C)		
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2)	2a(3)		0

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)	14	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans.....	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)		14

(2) Dividends: (A) Preferred stock.....	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A), (B), and (C)	2b(2)(D)		0

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		

(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		14
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	504383	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		504383
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)		
(2) Contract administrator fees.....	2i(2)	14	
(3) Investment advisory and management fees.....	2i(3)		
(4) Other.....	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		14
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		504397
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		-504383
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☐ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☒ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: MMKR

(2) EIN: 41-1690382

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

	Yes	No	Amount
4a		X	

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)			
4i		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k	X		
l Has the plan failed to provide any benefit when due under the plan?		X	
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☒ Yes ☐ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year 0.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2021 This Form is Open to Public Inspection.
For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 11/30/2021		
A Name of plan TPI HOSPITALITY EMPLOYEE STOCK OWNERSHIP PLAN		B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 TORGERSON PROPERTIES, INC. DBA TPI HOSPITALITY		D Employer Identification Number (EIN) 41-0991920
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 33-6134835		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year		3
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?		☐ Yes ☒ No
11 a Does the ESOP hold any preferred stock?		☐ Yes ☒ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)		☐ Yes ☒ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?		☐ Yes ☒ No
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Schedule R (Form 5500) 2021 v. 201209		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....

14a

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14b

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14c

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year.....

15a

b The corresponding number for the second preceding plan year.....

15b

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year.....

16a

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....

16b

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation _____

TPI HOSPITALITY
EMPLOYEE STOCK OWNERSHIP PLAN

Financial Statements
(In Liquidation)
November 30, 2021 and December 31, 2020,
Period from
January 1, 2021 Through November 30, 2021
and
Year Ended December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Trustee and ESOP Committee
TPI Hospitality Employee Stock Ownership Plan
Willmar, Minnesota

OPINION

We have audited the accompanying financial statements of the TPI Hospitality Employee Stock Ownership Plan (the Plan), an employee benefit plan subject to the *Employee Retirement Income Security Act of 1974*, which comprise the statements of net assets in liquidation available for benefits as of November 30, 2021 and December 31, 2020, and the related statements of changes in net assets in liquidation available for benefits for the period from January 1, 2021 through November 30, 2021 and year ended December 31, 2020, and the related notes to the financial statements.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the net assets in liquidation available for benefits of the Plan as of November 30, 2021 and December 31, 2020, and the changes in its net assets in liquidation available for benefits for the period from January 1, 2021 through November 30, 2021 and year ended December 31, 2020, in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINION

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

EMPHASIS OF MATTER

As described in Note 1 to the financial statements, the Board of Directors of TPI Hospitality approved to terminate the Plan on December 29, 2020, and management determined liquidation is imminent. In accordance with accounting principles generally accepted in the United States of America, the Plan has utilized the liquidation basis of accounting in presenting the 2021 and 2020 financial statements. Our opinion is not modified with respect to this matter.

(continued)

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Plan management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Plan management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the Plan; and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by plan management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota
September 13, 2022

FINANCIAL STATEMENTS

TPI HOSPITALITY
EMPLOYEE STOCK OWNERSHIP PLAN

Statements of Net Assets in Liquidation Available for Benefits

	November 30, 2021	December 31, 2020
	<u> </u>	<u> </u>
Assets		
Cash and cash equivalents	<u>\$ —</u>	<u>\$ 504,383</u>
Net assets in liquidation available for benefits	<u><u>\$ —</u></u>	<u><u>\$ 504,383</u></u>

TPI HOSPITALITY
EMPLOYEE STOCK OWNERSHIP PLAN

Statements of Changes in Net Assets in Liquidation Available for Benefits
Period from January 1, 2021 Through November 30, 2021 and Year Ended December 31, 2020

	2021			2020		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Additions to net assets						
Employer contributions	\$ —	\$ —	\$ —	\$ 4,383	\$ 178,887	\$ 183,270
Loan forgiveness	—	—	—	—	9,306,861	9,306,861
Interest income	14	—	14	—	—	—
Total additions	14	—	14	4,383	9,485,748	9,490,131
Deductions from net assets						
Investment loss						
Net unrealized/realized depreciation in estimated fair value of investment	—	—	—	927,388	8,772,612	9,700,000
Interest expense	—	—	—	—	225,181	225,181
Distributions	504,383	—	504,383	—	178,887	178,887
Administrative expense	14	—	14	—	—	—
Total deductions	504,397	—	504,397	927,388	9,176,680	10,104,068
Net increase (decrease)	(504,383)	—	(504,383)	(923,005)	309,068	(613,937)
Net assets available for benefits						
Beginning of year	504,383	—	504,383	1,427,388	(309,068)	1,118,320
Net assets in liquidation available for benefits – end of year	\$ —	\$ —	\$ —	\$ 504,383	\$ —	\$ 504,383

TPI HOSPITALITY
EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements – In Liquidation
November 30, 2021 and December 31, 2020

NOTE 1 – SUMMARY DESCRIPTION OF THE PLAN

The following brief description of the TPI Hospitality Employee Stock Ownership Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan Agreement for complete information.

A. General

The Plan was a defined contribution plan covering the employees of Torgerson Properties, Inc. dba TPI Hospitality (the Company). The purpose of the Plan was to enable participating employees to acquire a beneficial interest in the Company in order that they may share in the growth and prosperity of the Company and accumulate capital for future economic benefit. The Plan became effective January 1, 2015 and has yet to be amended. It is subject to the applicable provisions of the Department of Labor's (DOL) *Rules and Regulations for Reporting and Disclosure Under the Employee Retirement Income Security Act of 1974 (ERISA)*, as amended. The Plan was qualified as a leveraged Employee Stock Ownership Plan (ESOP) and was designed to comply with Section 4975(e)(7) and regulations thereunder of the Internal Revenue Code (IRC) of 1986, as amended and also qualifies for preferred tax treatment under Section 401(a) of the IRC. The Plan was administered by the Company ESOP Committee comprising one or more persons appointed by the Board of Directors. The trust department of an independent wealth management company was the Plan's trustee.

Plan Termination

On December 29, 2020, 100 percent of the issued and outstanding common stock of the Company was sold to an individual. As a result, the Plan received cash proceeds from the sale of \$500,000.

Effective December 29, 2020, in connection with the sale as described previously, the Company's Board of Directors approved to terminate the Plan and the accounts of all participants became 100 percent vested. Prior to the complete distribution of all plan assets executed during the period ended November 30, 2021, the Plan was no longer considered an ESOP, but rather a profit sharing plan following the termination date. As a result of the approved termination of the Plan, management determined that liquidation was imminent, and the Plan utilized the liquidation basis of accounting in presenting the 2021 and 2020 financial statements. The liquidation basis of accounting generally requires the accruing of income and expenses expected to be incurred until the completion of the liquidation of the Plan, however, as all assets were held in cash as of December 31, 2020 and through the date of final distribution and the Company intended on paying all necessary liquidation expenses, no adjustments were recorded with respect to this matter during the period from January 1, 2021 through November 30, 2021 or year ended December 31, 2020.

Prior to the termination of the Plan, the Plan had purchased the Company's common stock through a loan payable (see Note 4) to the Company, and held the common stock in a trust established under the Plan. The borrowing was to be repaid over a period of 50 years by fully deductible company contributions to the trust fund. As the Plan made each payment of principal and interest, an appropriate percentage of stock was allocated to eligible employees' accounts in accordance with applicable regulations under the IRC.

TPI HOSPITALITY
EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements – In Liquidation (continued)
November 30, 2021 and December 31, 2020

NOTE 1 – SUMMARY DESCRIPTION OF THE PLAN (CONTINUED)

A. General (continued)

The borrowing was collateralized by the unallocated shares of common stock and was guaranteed by the Company. The lender had no rights against shares of common stock once they were allocated to participants in accordance with the terms of the ESOP. Accordingly, the financial statements of the Plan as of November 30, 2021 and December 31, 2020 and for the years then ended, present separately the assets, liabilities, and changes therein pertaining to:

1. The accounts of employees with vested rights in allocated common stock (allocated)
2. Common stock not yet allocated to employees (unallocated)

B. Eligibility and Participation

Prior to the termination of the Plan, substantially all employees over the age of 21 who were actively employed by the Company on January 24, 2015, were automatically participants in the Plan as of that date. Thereafter, substantially all employees over the age of 21 of the Company become participants in the Plan on or after the entry date (June 30 or December 31 of each year) coinciding with or next following the completion of one year of service, defined as the completion of 1,000 hours of service. Participants who had not worked at least 1,000 hours of service during a plan year or were not employed on the last working day of a plan year were generally not eligible for an allocation of company contributions for such year.

C. Employer Contributions

The Company established the TPI Hospitality Employee Stock Ownership Trust (the Trust) and the Company was obligated to make contributions to the Plan, which when aggregated with the Plan's dividends and interest earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loan. The Company also could have made additional voluntary contributions as determined by the Company's Board of Directors. These employer contributions may have been paid in cash and cash equivalents, shares of company stock, or other property. The maximum contribution was not to exceed the maximum amount deductible by the Company for income tax purposes. Participating employees were not permitted to make contributions to the Trust.

D. Participant Accounts

The Plan was a defined contribution plan under which a separate individual account is established for each participant. Each participant's account was credited as of the last day of each plan year with an allocation of shares of the Company's common stock released by the Trustee from the unallocated account and forfeitures of terminated participants' nonvested accounts. Only those participants who were eligible employees of the Company as of the last day of the Plan year would receive an allocation. Allocations were based on a participant's eligible compensation, relative to total eligible compensation. Plan earnings were allocated to each participant's account based on the ratio of the participant's beginning of the year account balance to all participants' beginning of the year account balances.

TPI HOSPITALITY
EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements – In Liquidation (continued)
November 30, 2021 and December 31, 2020

NOTE 1 – SUMMARY DESCRIPTION OF THE PLAN (CONTINUED)

E. Vesting and Distribution of Benefits

Vesting in the Plan began after one year of service at a rate of 20 percent per year and increased to 100 percent after five years of service as defined by the Plan Agreement. Plan participants became fully vested if employment is terminated after age 65 regardless of the number of years of service or as a result of death or total disability at any age. As indicated in Note 1 A., the participant accounts were fully vested upon termination of the Plan.

Distributions on account of death, disability, or retirement commenced in the Plan year following the event and were made in five annual installments. Distributions for other separations of service could commence in the fifth plan year following the separation from service and would be made in five annual installments. In addition, the distribution period for participant account balances exceeding certain thresholds (\$1,130,000) may be extended up to an additional five-year period. Prior to termination, distribution of plan benefits could be paid entirely in cash unless the Company elected to pay the distribution in the form of shares of the Company's common stock, in which case, all such shares would be subject to mandatory buy-back provisions as discussed below (see Note 1 G.). All distributions subsequent to the termination date will be paid in cash.

The Trust maintained a mandatory cash-out of benefits threshold for vested amounts of \$5,000 or less, which would be distributed in a lump sum as soon as administratively reasonable after termination of employment. At the direction of the participant, the mandatory cash-out would be made in the form of a cash payment, or a direct rollover to another qualified plan or an individual retirement account.

F. Diversification

Diversification was offered to participants close to retirement age so that they would have the opportunity to move part of the value of their investment in company common stock into investments that were more diversified. Participants who are at least age 55 with at least 10 years of participation in the Plan could have elected to diversify a portion of their account. Diversification was offered to each eligible participant over a six-year period. In each of the first five years, a participant could have diversified up to 25 percent of the value of the participant's company stock account, less any shares previously diversified. In the sixth year, the percentage changes to 50 percent. Participants who elected to diversify received either a cash distribution or a transfer to another qualified defined contribution plan of the Company.

G. Rights and Options on Distributed Shares of Common Stock

Under federal income tax regulations, the Company common stock, that was held by the Plan and its participants and was not readily tradeable on an established market or was subject to trading limitations, included a put option or mandatory buy-back provision. The Trust or the Company, as the case may be, were required to purchase the shares distributed to a participant or to a beneficiary at their fair value effective on the same day as the distribution occurs. Fair value was determined by the Trustees, based on an independent appraisal, as of the anniversary date coinciding with or immediately preceding the date of exercise. The terms of payment for the shares to be purchased were either in lump sum or in up to five equal annual installments (plus interest), as determined by the ESOP Committee.

TPI HOSPITALITY
EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements – In Liquidation (continued)
November 30, 2021 and December 31, 2020

NOTE 1 – SUMMARY DESCRIPTION OF THE PLAN (CONTINUED)

H. Forfeitures

During the year in which a participant incurred a one-year break in service (less than 501 hours), which is attributable to a termination of employment, the nonvested portion of a participant's benefit was held in suspense. At the earlier of receiving a distribution or a participant having five consecutive one-year breaks in service, the nonvested benefit was forfeited, and the forfeited amount could have been used to pay administrative expenses incurred by the Plan, restore forfeitures of participants' accounts, or allocated to the remaining active participants in the same manner as employer contributions were allocated. There were no nonvested shares held by the Trust in suspense at November 30, 2021 and December 31, 2020. During the period from January 1, 2021 through November 30, 2021 and year ended December 31, 2020, no shares were forfeited by participants.

I. Administration

The Plan was administered by the ESOP Committee and certain administrative functions were outsourced to a third party administrator. Other administrative functions were performed by officers or employees of the Company, for which no such officer or employee received compensation from the Plan. Administrative expenses of the Plan were paid by the Company. The Plan assets were invested and controlled by the Trustee.

J. Plan Termination

The Company reserved and has exercised its right to discontinue contributions and terminate the Plan, subject to plan provisions. Since the Plan will not be replaced by a comparable plan qualified under Section 401(a) of the IRC, the accounts of all participants became nonforfeitable. The Trust continued until the Plan benefits of each participant were distributed to such participant or his or her beneficiary at the time prescribed by plan terms and the IRC.

K. Voting Rights

Participants only had the right to vote if the matter put before the shareholders involved the approval or disapproval of a merger, consolidation, recapitalization, reclassification, liquidation, dissolution, or sale of substantially all corporate assets. On all other corporate matters involving a vote of the shareholders of the Company, including the election of the Company's Board of Directors, the Trustee was directed how to vote the Company stock in the Plan by the Company's Board of Directors.

TPI HOSPITALITY
EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements – In Liquidation (continued)
November 30, 2021 and December 31, 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

A. Fair Value of Financial Instruments

The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest level of priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820-10 are as described below:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
Level 2	Inputs to the valuation methodology include: • quoted prices for similar assets or liabilities in active markets; • quoted prices for identical or similar assets or liabilities in inactive markets; • inputs other than quoted prices that are observable for the assets or liability; • inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets previously measured at fair value. There have been no changes in the methodologies used at December 31, 2020.

The Trust had certain financial instruments, which were carried at their fair value, but were not held for trading purposes. The Company common stock was valued at year-end at fair value as determined by the Trustee, based on an annual independent appraisal.

The appraisal was based on a combination of the market and income valuation methods, taking into account historical and projected cash flows, net income, return on net assets, return on equity, market comparables, and estimated fair value of company assets and liabilities. The change in value of the common stock was recognized as investment income on the accompanying Statements of Changes in Net Assets in Liquidation Available for Benefits. When applicable, the carrying value of employer contributions receivable approximates fair value, due to the short maturity nature of this instrument.

TPI HOSPITALITY
EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements – In Liquidation (continued)
November 30, 2021 and December 31, 2020

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting

The Plan's financial statements have been prepared on the liquidation basis of accounting for the period from January 1, 2021 through November 30, 2021 and year ended December 31, 2020. Benefits are recorded when paid.

C. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, requires the ESOP Committee to make estimates and assumptions that affect the reported amounts of net assets in liquidation available for benefits and the changes therein and the disclosures of contingent assets and liabilities. The valuation of investment assets and income include significant estimates, which may change in the near term. It is also at least reasonably possible that actual results could differ from other estimates used.

D. Allocations

The financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to (a) the accounts of employees with rights in allocated stock (allocated) and (b) stock not yet allocated to employees (unallocated), including shares that were committed to be released. Shares were released from collateral and became allocated in the period in which debt service is actually paid.

E. Uncertain Tax Positions

The Plan follows recognition requirements for uncertain income tax positions as required by the FASB ASC 740-10. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Plan has analyzed tax positions taken for filing with the Internal Revenue Service (IRS), the DOL's Employee Benefits Security Administration, and the state jurisdiction where it operates. The Plan believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Plan's financial condition, results of operations, or cash flows. Accordingly, the Plan has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at November 30, 2021.

The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any open tax periods.

F. Subsequent Events

Subsequent events have been evaluated through September 13, 2022, which is the date the financial statements were available to be issued.

TPI HOSPITALITY
EMPLOYEE STOCK OWNERSHIP PLAN

Notes to Financial Statements – In Liquidation (continued)
November 30, 2021 and December 31, 2020

NOTE 3 – FAIR VALUE MEASUREMENTS

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the period from January 1, 2021 through November 30, 2021 and year ended December 31 2020:

	Company Common Stock	
	2021	2020
Balance, beginning of the year	\$ –	\$ 10,200,000
Unrealized loss relating to investment held at the end of the reporting period	–	–
Realized loss relating to investments held at the end of the reporting period	–	(9,700,000)
Proceeds received from sale of shares of TPI Hospitality	–	(500,000)
Balance, end of year	<u>\$ –</u>	<u>\$ –</u>

NOTE 4 – LOAN PAYABLE

The Plan maintained a \$10,000,000 term loan payable agreement with the Company. The loan financed the purchase of company common stock. Unallocated shares were collateral for the loan. Shares were released from collateral and allocated to participants when principal and interest payments were made.

The loan was scheduled to mature in December 2064 and bore an interest rate of 2.50 percent. Effective December 29, 2020, the Trust and the Company reached an agreement to forgive the loan in full in conjunction with the acquisition of company stock. The loan forgiveness agreement satisfied the outstanding principal balance of \$9,081,680 and accrued interest of \$225,181. The transaction resulted in a gain on loan forgiveness totaling \$9,306,861 during the year ended December 31, 2020.

NOTE 5 – TAX STATUS

The IRS had determined and informed the Company that the Plan, prior to its termination, was qualified and the ESOP trust established under the Plan was tax-exempt under the appropriate sections of the IRC in a letter dated April 23, 2018.

NOTE 6 – RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

The Plan prior to termination invested in company common stock and had indebtedness to the Company guaranteed by the Company unallocated common stock. These were related party and party-in-interest transactions. The Plan has a number of service providers and certain employees perform administrative functions. Such parties are parties-in-interest under *ERISA*.

All of these party-in-interest transactions are exempt from the prohibited transaction rules of *ERISA*.