

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 2022 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022	
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 HRI 401(K) PLAN	1b Three-digit plan number (PN) ▶ 001
	1c Effective date of plan 07/01/1993
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) HRI PROPERTIES, LLC 812 GRAVIER STREET STE 200 NEW ORLEANS, LA 70112	2b Employer Identification Number (EIN) 36-4771557 2c Plan Sponsor's telephone number 504-679-5059 2d Business code (see instructions) 531390

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.	10/16/2023	DANIELLE PRATHER
	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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2022)
v. 220413

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 1044
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) 703
a(2) Total number of active participants at the end of the plan year		6a(2) 1094
b Retired or separated participants receiving benefits		6b 1
c Other retired or separated participants entitled to future benefits.....		6c 350
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 1445
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 1
f Total. Add lines 6d and 6e		6f 1446
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		6g 1373
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h 185
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: 2E 2F 2G 2J 2K 2S 2T 3B 3D 3H		
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) ☐ 0 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 2022 Form M-1 annual report. If the plan was not required to file the 2022 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 C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2022
		This Form is Open to Public Inspection.

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan HRI 401(K) PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 HRI PROPERTIES, LLC	D Employer Identification Number (EIN) 36-4771557	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL
04-2647786

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
37 64 65	RECORDKEEPER	137300	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

GALLAGHER FIDUCIARY ADVISORS LLC

36-4291971

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	ADVISOR	28000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

KESTRA ADVISORY SERVICES, LLC

35-2552359

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	INVESTMENT ADVISOR	7000	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

MALCOLM M DIENES LLC

72-0440297

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	ACCOUNTANT	6456	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

STRATEGIC ADVISORS, INC.

04-2654524

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	ADVISOR	5744	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection.
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan HRI 401(K) PLAN	B Three-digit plan number (PN) ►	001
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 HRI PROPERTIES, LLC	D Employer Identification Number (EIN) 36-4771557	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: PUTNAM STABLE VALUE		
b Name of sponsor of entity listed in (a): PUTNAM FIDUCIARY TRUST COMPANY		
c EIN-PN 04-3159710-202	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1153896
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II **Information on Participating Plans (to be completed by DFEs)**

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

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 2022 This Form is Open to Public Inspection
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>		
A Name of plan <u>HRI 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>HRI PROPERTIES, LLC</u>	D Employer Identification Number (EIN) <u>36-4771557</u>	

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	0	0
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)	0	0
(2) Participant contributions.....	1b(2)	0	0
(3) Other.....	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	714997	0
(2) U.S. Government securities	1c(2)	0	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	0
(B) All other	1c(3)(B)	0	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	0
(B) Common.....	1c(4)(B)	0	0
(5) Partnership/joint venture interests	1c(5)	0	0
(6) Real estate (other than employer real property)	1c(6)	0	0
(7) Loans (other than to participants).....	1c(7)	0	0
(8) Participant loans.....	1c(8)	559133	539317
(9) Value of interest in common/collective trusts.....	1c(9)	0	1153896
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts.....	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	32471171	28015792
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	0	0
(15) Other	1c(15)	0	0

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)	0	0
e Buildings and other property used in plan operation	1e	0	0
f Total assets (add all amounts in lines 1a through 1e)	1f	33745301	29709005

Liabilities

g Benefit claims payable	1g	0	0
h Operating payables	1h	0	0
i Acquisition indebtedness	1i	0	0
j Other liabilities	1j	0	0
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	33745301	29709005
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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) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	1296281	
(B) Participants	2a(1)(B)	2699430	
(C) Others (including rollovers)	2a(1)(C)	211725	
(2) Noncash contributions	2a(2)	0	4207436
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	9779	
(B) U.S. Government securities	2b(1)(B)	0	
(C) Corporate debt instruments	2b(1)(C)	0	
(D) Loans (other than to participants)	2b(1)(D)	0	
(E) Participant loans	2b(1)(E)	26038	
(F) Other	2b(1)(F)	0	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		35817
(2) Dividends: (A) Preferred stock	2b(2)(A)	0	1045603
(B) Common stock	2b(2)(B)	0	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	1045603	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1045603
(3) Rents	2b(3)		0
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	0	0
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	0	
(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)	0	0
(B) Other	2b(5)(B)	0	
(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)		2836
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-6739094
c Other income	2c		0
d Total income. Add all income amounts in column (b) and enter total	2d		-1447402
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2396721	
(2) To insurance carriers for the provision of benefits	2e(2)	0	
(3) Other	2e(3)	0	
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		2396721
f Corrective distributions (see instructions)	2f		1690
g Certain deemed distributions of participant loans (see instructions)	2g		2296
h Interest expense	2h		0
i Administrative expenses: (1) Professional fees	2i(1)	0	
(2) Contract administrator fees	2i(2)	0	
(3) Investment advisory and management fees	2i(3)	5744	
(4) Other	2i(4)	182443	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		188187
j Total expenses. Add all expense amounts in column (b) and enter total	2j		2588894
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-4036296
l Transfers of assets:			
(1) To this plan	2l(1)		0
(2) From this plan	2l(2)		0

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: MALCOLM M. DIENES, LLC

(2) EIN: 72-0440297

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?		X	
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?		X	
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.)	X		
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.)		X	
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?		X	
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.)		X	
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.		X	
4n		X	

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 _____.

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 2022 This Form is Open to Public Inspection.
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan HRI 401(K) PLAN		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 HRI PROPERTIES, LLC		D Employer Identification Number (EIN) 36-4771557
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
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): 04-6568107		
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
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2022 v. 220413		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (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:	14a		
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).....		14b	
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)			14c
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)			
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:	15a		
a The corresponding number for the plan year immediately preceding the current plan year.....		15b	
b The corresponding number for the second preceding plan year.....			
16 Information with respect to any employers who withdrew from the plan during the preceding plan year:	16a		
a Enter the number of employers who withdrew during the preceding plan year		16b	
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.....			
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 _____

HRI 401(k) Plan

**Financial Statements as of and for the
Years Ended December 31, 2022 and 2021**



INDEPENDENT AUDITORS' REPORT

To the Administrators of
HRI 401(k) Plan

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the accompanying financial statements of HRI 401(k) Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) [ERISA Section 103(a)(3)(C) audit]. The financial statements comprise the statement of net assets available for benefits as of December 31, 2022 and 2021, and the related statement of changes in net assets available for benefits for the year ended December 31, 2022, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of HRI 401(k) Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of December 31, 2022 and 2021, and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 6 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section—

- the amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the financial statements referred to above related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

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 HRI 401(k) 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 ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about HRI 401(k) Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, 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 HRI 401(k) 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 management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about HRI 401(k) Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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.

Supplemental Schedule Required by ERISA

The supplemental schedule of Assets (Held at End of Year) as of December 31, 2022 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion—

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is

presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Malcolm M Dienes LLC

Metairie, Louisiana
October 13, 2023

HRI 401(k) Plan

Statements of Net Assets Available for Benefits

December 31, 2022 and 2021

Assets

	<u>2022</u>	<u>2021</u>
Investments, at Fair Value:		
Cash & Cash Equivalents	\$ -	\$ 714,997
Mutual Funds	28,015,792	32,471,171
	<u>28,015,792</u>	<u>33,186,168</u>
Investments, at Contract Value:		
Putnam Stable Value Fund	1,153,896	-
	<u>1,153,896</u>	<u>-</u>
Total Investments	<u>29,169,688</u>	<u>33,186,168</u>
Receivables:		
Notes Receivable from Participants	539,317	559,133
Total Receivables	<u>539,317</u>	<u>559,133</u>
Total Assets	<u>\$ 29,709,005</u>	<u>\$ 33,745,301</u>
Net Assets Available for Benefits	<u>\$ 29,709,005</u>	<u>\$ 33,745,301</u>

See Accompanying Notes to Financial Statements

HRI 401(k) Plan

Statements of Changes in Net Assets Available for Benefits

For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Additions to Net Assets Attributed to:		
Investment Income (Loss):		
Interest and Dividend Income	\$ 1,055,382	\$ 1,181,784
Net Appreciation (Depreciation) in Fair Value of Investments	(6,736,258)	4,044,903
Total Investment Income (Loss)	<u>(5,680,876)</u>	<u>5,226,687</u>
Interest Income - Notes Receivable from Participants	<u>26,038</u>	<u>44,304</u>
Contributions:		
Participants	2,699,430	1,971,464
Employer, Net of Forfeitures	1,296,281	920,708
Rollovers	211,725	81,910
Total Contributions	<u>4,207,436</u>	<u>2,974,082</u>
Total Additions (Losses)	<u>(1,447,402)</u>	<u>8,245,073</u>
Deductions from Net Assets Attributed to:		
Benefits Paid to Participants	2,396,721	2,858,654
Corrective Distributions	1,690	-
Deemed Distribution of Notes Receivable from Participants	2,296	13,116
Administrative Expenses	188,187	179,016
Total Deductions	<u>2,588,894</u>	<u>3,050,786</u>
Net Increase (Decrease) in Net Assets Available for Benefits	(4,036,296)	5,194,287
Net Assets Available for Benefits:		
Beginning of Year	<u>33,745,301</u>	<u>28,551,014</u>
End of Year	<u>\$ 29,709,005</u>	<u>\$ 33,745,301</u>

See Accompanying Notes to Financial Statements

HRI 401(k) Plan

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

1. Summary of Accounting Policies

Basis of Accounting - The financial statements of the HRI 401(k) Plan (Plan) are presented using the accrual basis of accounting.

Investment Valuation and Income Recognition - Investments are reported at fair value (except for the fully benefit-responsive investment contract, which is reported at contract value). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements. Net appreciation or depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year. Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

Use of Estimates - The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Notes Receivable from Participants - Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance has been recorded as of December 31, 2022 or 2021.

Payment of Benefits - Benefits are recorded when paid.

HRI 401(k) Plan

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

1. Summary of Accounting Policies (Continued)

Expenses - Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation (depreciation) of fair value of investments.

2. Summary of Plan

The following brief description of the Plan is provided for general informational purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General - The Plan is a defined contribution plan provided for all eligible employees of HRI Properties, LLC (Company/Sponsor). Eligible employees have worked at least six months and are age 19 or older.

The Plan is subject to the provisions of ERISA. The Plan includes a savings feature designed to permit the employee and the Company to contribute to the Plan, which is allowed under Section 401(k) of the Internal Revenue Code.

Contributions - Each year, participants may contribute up to the lesser of 100% of pretax annual compensation, as defined in the Plan, or the dollar limit that is set by law. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan includes an auto-enrollment provision whereby all

HRI 401(k) Plan

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

2. Summary of Plan (Continued)

newly eligible employees are automatically enrolled in the Plan unless they affirmatively elect not to participate in the Plan. Automatically enrolled participants have their deferral rate set at 3% of eligible compensation and their contributions invested in a designated fund until changed by the participant. Effective January 1, 2021, the Plan also provides for Company matching of 100% of the participants' elective deferrals up to 1% of the participants compensation, plus 50% of the next 5% of the elective deferrals from the participants' compensation. The Company has the option to make additional contributions to participants' accounts as determined annually by the Board of Directors. For 2022, an additional contribution of \$215,000 has been approved and will be fully funded by forfeitures. Contributions are subject to certain IRS limitations.

Participant Accounts - Each participant's account is credited with the participant's contributions and Company matching contributions, as well as allocations of the Company's discretionary contributions and Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting - Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of continuous service. A participant's interest in the contributions the Company makes to the Plan for his or her benefit vests as follows:

<u>Years of Service</u>	<u>Percent Vested</u>
Less than 2	0%
2 or more	100%

HRI 401(k) Plan

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

2. Summary of Plan (Continued)

All employer contributions are vested at 100% following two years of service.

Notes receivable from participants - Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account. Participants may only have 1 loan outstanding at any given time. Loans are payable in at least quarterly installments over a period not to exceed five years. The repayment period for a loan used to buy a principal residence will not exceed the repayment period currently in effect for a commercial home loan. The loan interest rate will be based on the rates available for similar loans from commercial lending institutions.

Payment of benefits - On termination of service, the Plan will distribute vested accounts on any distribution date following termination of employment with the participant's written election. A participant has certain rights to direct the plan administrator regarding the payment of the value of the participant's vested interest in his or her account due to death, disability, retirement, or other reasons. Distributions payable as a result of termination for death, disability, retirement and for other reasons shall be paid as soon as administratively feasible following the date on which a distribution is requested or is otherwise payable. Qualifying participants and participants experiencing a qualified hardship may take distributions from their fund accounts.

For termination of services due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump sum distribution. Amounts contributed on a before-tax basis may only be withdrawn

HRI 401(k) Plan

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

2. Summary of Plan (Continued)

upon demonstration of financial hardship, disability, or after the participant reaches the age of 59.5 years.

There are no amounts allocated to accounts of persons who have elected to withdraw from the Plan but have not yet been paid as of December 31, 2022 and 2021, respectively.

Forfeited accounts - At December 31, 2022 and 2021, forfeited nonvested accounts totaled \$229,401 and \$172,333 respectively. These accounts will be used to reduce future employer contributions. For 2022, an additional contribution of \$215,000 has been approved and will be fully funded by forfeitures in 2023.

During the years ended December 31, 2022 and 2021, administrative expenses of \$188,187 and \$179,016, respectively, were paid by the Plan and allocated to the participant accounts.

Participants direct the investment of the contribution into various investment options offered by the Plan. The Plan currently offers mutual funds and a money market fund.

3. Tax Status

The IRS has determined and informed the company by a letter dated June 30, 2020, that the plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the plan has been amended since receiving the determination letter, the plan administrator and the plan's tax counsel believe that the plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believe that the plan is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability

HRI 401(k) Plan

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

3. Tax Status (Continued)

if the plan has taken an uncertain position that more likely than not would not be sustained upon examination. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

4. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100 percent vested in their employer contributions.

5. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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;

HRI 401(k) Plan

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

5. Fair Value Measurements (Continued)

- Inputs other than quoted prices that are observable for the asset 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Cash and Cash Equivalents: Valued at the amount held in the money market fund.

HRI 401(k) Plan

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

5. Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2022 and 2021.

Plan Assets at Fair Value as of December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds *	<u>\$28,015,792</u>	<u>-</u>	<u>-</u>	<u>\$28,015,792</u>
Total Investments at Fair Value	<u>\$28,015,792</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$28,015,792</u>

Plan Assets at Fair Value as of December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds *	\$32,471,171	-	-	\$32,471,171
Cash & Cash Equivalents	<u>714,997</u>	<u>-</u>	<u>-</u>	<u>714,997</u>
Total Investments at Fair Value	<u>\$33,186,168</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$33,186,168</u>

* Investments are detailed in Note 6.

6. Information Certified by the Trustee (Unaudited)

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and ERISA-required supplemental schedule, including investments and notes receivables from participants held at December 31, 2022 and 2021, and net depreciation in fair value of investments, interest and dividends, and interest income on notes receivable from participants for the year ended December 31, 2022, was obtained by management and agreed to or derived

HRI 401(k) Plan

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

6. Information Certified by the Trustees (Unaudited) (Ctd)

from information certified as complete and accurate by Fidelity Management Trust Company (the trustee of the Plan).

Statement of Net Assets Available for Benefits at December 31:

	<u>2022</u>	<u>2021</u>
<u>Fund Assets</u>		
FID 500 INDEX	\$8,912,636	\$11,083,378
FID MID CAP IDX	2,708,643	3,615,179
FID INTL INDEX	362,902	437,297
FH SHORT-TM INC R6	33,145	---
AB SM CAP GRTH Z	728,102	1,549,223
AF TRGT DATE 2010 R6	59,024	99,492
AF TRGT DATE 2020 R6	185,332	230,097
AF TRGT DATE 2030 R6	1,482,436	1,427,018
AF TRGT DATE 2040 R6	1,379,275	1,204,719
AF TRGT DATE 2050 R6	962,406	1,009,868
AF TRGT DATE 2060 R6	418,619	227,100
AF TRGT DATE 2015 R6	146,245	204,183
AF TRGT DATE 2025 R6	776,600	860,172
AF TRGT DATE 2035 R6	1,186,470	1,239,816
AF TRGT DATE 2045 R6	1,360,538	1,247,610
AF TRGT DATE 2055 R6	841,018	858,834
MFS MA INV GR STK R6	1,241,047	1,595,891
PGIM TOTAL RTN BD R6	1,694,763	2,078,910
DFA LARGE CAP INTL I	1,207,332	1,347,643
WF SPL SM CAP VAL R6	116,144	126,343
VANG EQUITY INC ADM	1,623,731	1,359,974
VANGUARD TREASURY MM	---	714,997
VANG SM CAP IDX ADM	589,384	668,424
Total Mutual Funds	28,015,792	33,186,168
Putnam Stable Value	1,153,896	---
Total Investments	29,169,688	33,186,168
Notes Receivable from Participants	539,317	559,133
Total Assets Certified	<u>\$29,709,005</u>	<u>\$33,745,301</u>

HRI 401(k) Plan

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

6. Information Certified by the Trustees (Unaudited) (Ctd)

Statement of Changes in Net Assets Available for Benefits
at December 31, 2022 and 2021:

<u>Changes in Fund Assets</u>	<u>2022</u>	<u>2021</u>
Interest and Dividend Income	\$ 1,055,382	\$ 1,181,784
Participant Loan Interest	26,038	44,304
Net Appreciation (Depreciation) in Fair Value of Investments	(6,736,258)	4,044,903
Contributions	4,207,436	2,974,082
Benefits Paid to Participants	(2,398,411)	(2,858,654)
Deemed Distributions	(2,296)	(13,116)
Administrative Expenses	<u>(188,187)</u>	<u>(179,016)</u>
Net Increase (Decrease) in Net Assets Available for Benefits	<u><u>\$ (4,036,296)</u></u>	<u><u>\$ 5,194,287</u></u>

7. Risks and Uncertainties

The Plan has made various investment options available through Fidelity Management Trust Company. These investment options are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits. The Plan permits every participant to direct the investment of their account balances under the Plan.

8. Related-Party and Party-in-Interest Transactions

Plan investments include shares of mutual funds and money market funds managed by Fidelity Management Trust Company.

HRI 401(k) Plan

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

8. Related-Party and Party-in-Interest Transactions (Ctd)

Fidelity Management Trust Company is also trustee as defined by the Plan and, therefore, these transactions qualify as exempt party-in-interest transactions. The Plan also makes loans to Plan participants and, thus, these transactions qualify as exempt party-in-interest transactions.

9. Prohibited Transactions

The following is a general description of the Department of Labor's and the Employee Retirement Income Security Act's ("ERISA") rules governing employee benefit plans. Participants should refer to the Plan administrator for a more complete description of ERISA rules. Under the U.S. Department of Labor regulation section 2510.3-102, salary deferrals to a 401(k) plan and loan repayments that are withheld from employees' paychecks must be deposited into the plan as soon as reasonably possible, but in no event later than the fifteenth business day of the month following the month of the withholding from the paycheck.

When this regulation is not satisfied, the plan sponsor has engaged in prohibited transactions.

In 2021, the Plan Sponsor inadvertently engaged in prohibited transactions by untimely remitting employee deferrals and loan repayments in the amount of \$1,779. Corrective action was taken 2021 and the required deposits and related lost earnings were remitted.

10. Business Risks

In August 2021, Hurricane Ida made landfall off the coast of Louisiana, causing business interruption and property damage in its wake. The impact on the Plan and the Plan Sponsor cannot be reasonably estimated at this time.

HRI 401(k) Plan

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

11. Plan Amendments

Effective 1/1/2021, the Plan elected the safe harbor option for the employer matching contributions. In February 2021, the Plan was also amended to include HRI Communities LLC as a participating related employer.

12. Voluntary Correction Program

Due to change in operations and internal restructuring, the HRI 401(k) Plan was not timely amended to reflect one of its participating employers, Historic Restoration, Inc., prior to or as of the effective date of its participation in the Plan. Under the terms of the Plan, each entity needs to be separately listed and due to the change in structure, the amendment to include these entities as participating employers was not correctly reflected. As part of the restructuring, the Plan was timely amended to reflect the current participating employees as of the date of the restructuring, but Historic Restoration, Inc. was erroneously omitted. However, Historic Restoration, Inc. was appropriately added to the Plan in operation. As such, Historic Restoration, Inc. was not timely added by amendment to the Plan and therefore needs to be added now, retroactively, to reflect its employees' actual participation. The Plan needs to be amended to reflect their participation when effective. The effective date of the amendment should be February 22, 2021. The Plan submitted a VCP filing related to this amendment. As of the date of evaluation, the Plan has not received a response from the IRS regarding its agreement with the corrective action taken.

13. Group Annuity Contract

In 2022, the Plan entered into a traditional fully benefit-responsive guaranteed investment contract totaling \$1,153,896 at December 31, 2022. The insurance company maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and

HRI 401(k) Plan

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

13. Group Annuity Contract

administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. The crediting rate is based on a formula established by the contract issuer. The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

This contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value. Contract value is the relevant measure for fully benefit-responsive investment contracts because this is the amount received by participants if they were to initiate permitted transactions under the terms of the Plan. Contract value, as reported to the Plan, represents contributions made under the contract, plus earnings, less participant withdrawals, and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

The Plan's ability to receive amounts due is dependent on the issuer's ability to meet its financial obligations. The issuer's ability to meet its contractual obligations may be affected by future economic and regulatory developments.

Certain events might limit the ability of the Plan to transact at contract value with the issuer. Such events include (1) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the Plan sponsor or other Plan sponsor events (for example, divestitures or spinoffs of a subsidiary) that cause a significant withdrawal from the Plan, or (4) the failure of the trust to qualify for exemption from federal income taxes or any required

HRI 401(k) Plan

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

13. Group Annuity Contract

prohibited transaction exemption under ERISA (5) premature termination of the contract. No events are probable of occurring that might limit the ability of the plan to transact at contract value with the participants.

In addition, certain events allow the issuer to terminate the contract with the Plan and settle at an amount different from contract value. Such events include (1) an uncured violation of the Plan's investment guidelines, (2) a breach of material obligation under the contract, (3) a material misrepresentation, (4) a material amendment to the agreement without the consent of the issuer.

14. Subsequent Events

The Plan's management evaluated all subsequent events through the date of this report, which is the date the financial statements were available to be issued. There were no events which required an adjustment to the December 31, 2022 financial statements or any additional disclosures to the financial statements.

HRI 401(k) Plan

Schedule H, Line 41 - Schedule of Assets (Held at End of Year)

Employer ID No. 72-0945019

Plan No. 001

December 31, 2022

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of Investment including maturity date, rate of interest, collateral, par, or maturity value	Cost(1)	Current Value
*	Fidelity Management Trust Company	FID 500 INDEX		\$ 8,912,636
*	Fidelity Management Trust Company	FID MID CAP IDX		2,708,643
*	Fidelity Management Trust Company	FID INTL INDEX		362,902
*	Fidelity Management Trust Company	FH SHORT-TM INC R6		33,145
*	Fidelity Management Trust Company	AB SM CAP GRTH Z		728,102
*	Fidelity Management Trust Company	AF TRGT DATE 2010 R6		59,024
*	Fidelity Management Trust Company	AF TRGT DATE 2020 R6		185,332
*	Fidelity Management Trust Company	AF TRGT DATE 2030 R6		1,482,436
*	Fidelity Management Trust Company	AF TRGT DATE 2040 R6		1,379,275
*	Fidelity Management Trust Company	AF TRGT DATE 2050 R6		962,406
*	Fidelity Management Trust Company	AF TRGT DATE 2060 R6		418,619
*	Fidelity Management Trust Company	AF TRGT DATE 2015 R6		146,245
*	Fidelity Management Trust Company	AF TRGT DATE 2025 R6		776,600
*	Fidelity Management Trust Company	AF TRGT DATE 2035 R6		1,186,470
*	Fidelity Management Trust Company	AF TRGT DATE 2045 R6		1,360,538
*	Fidelity Management Trust Company	AF TRGT DATE 2055 R6		841,018
*	Fidelity Management Trust Company	MFS MA INV GR STK R6		1,241,047
*	Fidelity Management Trust Company	PGIM TOTAL RTN BD R6		1,694,763
*	Fidelity Management Trust Company	DFA LARGE CAP INTL I		1,207,332
*	Fidelity Management Trust Company	WF SPL SM CAP VAL R6		116,144
*	Fidelity Management Trust Company	VANG EQUITY INC ADM		1,623,731
*	Fidelity Management Trust Company	VANGUARD SMALL CAP INDEX ADM		589,384
*	Fidelity Management Trust Company	PUTNAM STABLE VALUE		<u>1,153,896</u>
	Total Investments			29,169,688
*	Outstanding Notes Receivable from Participants	Rates range from 4.25% to 6.50%, maturing between 1 to 5 years.		<u>539,317</u>
	Total assets held for investment purposes			<u>\$29,709,005</u>

*Party in interest

In column (d), the cost information has been omitted. This is a plan with participant-directed transactions under an individual account.

HRI 401(k) Plan

**Financial Statements as of and for the
Years Ended December 31, 2022 and 2021**



INDEPENDENT AUDITORS' REPORT

To the Administrators of
HRI 401(k) Plan

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the accompanying financial statements of HRI 401(k) Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) [ERISA Section 103(a)(3)(C) audit]. The financial statements comprise the statement of net assets available for benefits as of December 31, 2022 and 2021, and the related statement of changes in net assets available for benefits for the year ended December 31, 2022, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audit of HRI 401(k) Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of December 31, 2022 and 2021, and for the year ended December 31, 2022, stating that the certified investment information, as described in Note 6 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section—

- the amounts and disclosures in the financial statements referred to above, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the financial statements referred to above related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

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 HRI 401(k) 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 ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about HRI 401(k) Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

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

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, 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 HRI 401(k) 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 management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about HRI 401(k) Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

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.

Supplemental Schedule Required by ERISA

The supplemental schedule of Assets (Held at End of Year) as of December 31, 2022 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion—

- the form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is

presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

- the information in the supplemental schedule related to assets held by and certified to by a qualified institution agrees to or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Malcolm M Dienes LLC

Metairie, Louisiana
October 13, 2023

HRI 401(k) Plan

Statements of Net Assets Available for Benefits

December 31, 2022 and 2021

Assets

	<u>2022</u>	<u>2021</u>
Investments, at Fair Value:		
Cash & Cash Equivalents	\$ -	\$ 714,997
Mutual Funds	28,015,792	32,471,171
	<u>28,015,792</u>	<u>33,186,168</u>
Investments, at Contract Value:		
Putnam Stable Value Fund	1,153,896	-
	<u>1,153,896</u>	<u>-</u>
Total Investments	<u>29,169,688</u>	<u>33,186,168</u>
Receivables:		
Notes Receivable from Participants	539,317	559,133
Total Receivables	<u>539,317</u>	<u>559,133</u>
Total Assets	<u>\$ 29,709,005</u>	<u>\$ 33,745,301</u>
Net Assets Available for Benefits	<u>\$ 29,709,005</u>	<u>\$ 33,745,301</u>

See Accompanying Notes to Financial Statements

HRI 401(k) Plan

Statements of Changes in Net Assets Available for Benefits

For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Additions to Net Assets Attributed to:		
Investment Income (Loss):		
Interest and Dividend Income	\$ 1,055,382	\$ 1,181,784
Net Appreciation (Depreciation) in Fair Value of Investments	(6,736,258)	4,044,903
Total Investment Income (Loss)	<u>(5,680,876)</u>	<u>5,226,687</u>
Interest Income - Notes Receivable from Participants	<u>26,038</u>	<u>44,304</u>
Contributions:		
Participants	2,699,430	1,971,464
Employer, Net of Forfeitures	1,296,281	920,708
Rollovers	211,725	81,910
Total Contributions	<u>4,207,436</u>	<u>2,974,082</u>
Total Additions (Losses)	<u>(1,447,402)</u>	<u>8,245,073</u>
Deductions from Net Assets Attributed to:		
Benefits Paid to Participants	2,396,721	2,858,654
Corrective Distributions	1,690	-
Deemed Distribution of Notes Receivable from Participants	2,296	13,116
Administrative Expenses	188,187	179,016
Total Deductions	<u>2,588,894</u>	<u>3,050,786</u>
Net Increase (Decrease) in Net Assets Available for Benefits	(4,036,296)	5,194,287
Net Assets Available for Benefits:		
Beginning of Year	<u>33,745,301</u>	<u>28,551,014</u>
End of Year	<u>\$ 29,709,005</u>	<u>\$ 33,745,301</u>

See Accompanying Notes to Financial Statements

HRI 401(k) Plan

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

1. Summary of Accounting Policies

Basis of Accounting - The financial statements of the HRI 401(k) Plan (Plan) are presented using the accrual basis of accounting.

Investment Valuation and Income Recognition - Investments are reported at fair value (except for the fully benefit-responsive investment contract, which is reported at contract value). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements. Net appreciation or depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year. Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

Use of Estimates - The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Notes Receivable from Participants - Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance has been recorded as of December 31, 2022 or 2021.

Payment of Benefits - Benefits are recorded when paid.

HRI 401(k) Plan

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

1. Summary of Accounting Policies (Continued)

Expenses - Certain expenses of maintaining the Plan are paid by the Plan, unless otherwise paid by the Company. Expenses that are paid by the Company are excluded from these financial statements. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment related expenses are included in net appreciation (depreciation) of fair value of investments.

2. Summary of Plan

The following brief description of the Plan is provided for general informational purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General - The Plan is a defined contribution plan provided for all eligible employees of HRI Properties, LLC (Company/Sponsor). Eligible employees have worked at least six months and are age 19 or older.

The Plan is subject to the provisions of ERISA. The Plan includes a savings feature designed to permit the employee and the Company to contribute to the Plan, which is allowed under Section 401(k) of the Internal Revenue Code.

Contributions - Each year, participants may contribute up to the lesser of 100% of pretax annual compensation, as defined in the Plan, or the dollar limit that is set by law. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollover). Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan includes an auto-enrollment provision whereby all

HRI 401(k) Plan

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

2. Summary of Plan (Continued)

newly eligible employees are automatically enrolled in the Plan unless they affirmatively elect not to participate in the Plan. Automatically enrolled participants have their deferral rate set at 3% of eligible compensation and their contributions invested in a designated fund until changed by the participant. Effective January 1, 2021, the Plan also provides for Company matching of 100% of the participants' elective deferrals up to 1% of the participants compensation, plus 50% of the next 5% of the elective deferrals from the participants' compensation. The Company has the option to make additional contributions to participants' accounts as determined annually by the Board of Directors. For 2022, an additional contribution of \$215,000 has been approved and will be fully funded by forfeitures. Contributions are subject to certain IRS limitations.

Participant Accounts - Each participant's account is credited with the participant's contributions and Company matching contributions, as well as allocations of the Company's discretionary contributions and Plan earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, account balances, or specific participant transactions, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting - Participants are vested immediately in their contributions plus actual earnings thereon. Vesting in the Company's contribution portion of their accounts is based on years of continuous service. A participant's interest in the contributions the Company makes to the Plan for his or her benefit vests as follows:

<u>Years of Service</u>	<u>Percent Vested</u>
Less than 2	0%
2 or more	100%

HRI 401(k) Plan

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

2. Summary of Plan (Continued)

All employer contributions are vested at 100% following two years of service.

Notes receivable from participants - Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account. Participants may only have 1 loan outstanding at any given time. Loans are payable in at least quarterly installments over a period not to exceed five years. The repayment period for a loan used to buy a principal residence will not exceed the repayment period currently in effect for a commercial home loan. The loan interest rate will be based on the rates available for similar loans from commercial lending institutions.

Payment of benefits - On termination of service, the Plan will distribute vested accounts on any distribution date following termination of employment with the participant's written election. A participant has certain rights to direct the plan administrator regarding the payment of the value of the participant's vested interest in his or her account due to death, disability, retirement, or other reasons. Distributions payable as a result of termination for death, disability, retirement and for other reasons shall be paid as soon as administratively feasible following the date on which a distribution is requested or is otherwise payable. Qualifying participants and participants experiencing a qualified hardship may take distributions from their fund accounts.

For termination of services due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump sum distribution. Amounts contributed on a before-tax basis may only be withdrawn

HRI 401(k) Plan

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

2. Summary of Plan (Continued)

upon demonstration of financial hardship, disability, or after the participant reaches the age of 59.5 years.

There are no amounts allocated to accounts of persons who have elected to withdraw from the Plan but have not yet been paid as of December 31, 2022 and 2021, respectively.

Forfeited accounts - At December 31, 2022 and 2021, forfeited nonvested accounts totaled \$229,401 and \$172,333 respectively. These accounts will be used to reduce future employer contributions. For 2022, an additional contribution of \$215,000 has been approved and will be fully funded by forfeitures in 2023.

During the years ended December 31, 2022 and 2021, administrative expenses of \$188,187 and \$179,016, respectively, were paid by the Plan and allocated to the participant accounts.

Participants direct the investment of the contribution into various investment options offered by the Plan. The Plan currently offers mutual funds and a money market fund.

3. Tax Status

The IRS has determined and informed the company by a letter dated June 30, 2020, that the plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the plan has been amended since receiving the determination letter, the plan administrator and the plan's tax counsel believe that the plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believe that the plan is qualified and the related trust is tax-exempt.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability

HRI 401(k) Plan

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

3. Tax Status (Continued)

if the plan has taken an uncertain position that more likely than not would not be sustained upon examination. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

4. Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100 percent vested in their employer contributions.

5. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

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;

HRI 401(k) Plan

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

5. Fair Value Measurements (Continued)

- Inputs other than quoted prices that are observable for the asset 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Cash and Cash Equivalents: Valued at the amount held in the money market fund.

HRI 401(k) Plan

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

5. Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2022 and 2021.

Plan Assets at Fair Value as of December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds *	<u>\$28,015,792</u>	<u>-</u>	<u>-</u>	<u>\$28,015,792</u>
Total Investments at Fair Value	<u>\$28,015,792</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$28,015,792</u>

Plan Assets at Fair Value as of December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds *	\$32,471,171	-	-	\$32,471,171
Cash & Cash Equivalents	<u>714,997</u>	<u>-</u>	<u>-</u>	<u>714,997</u>
Total Investments at Fair Value	<u>\$33,186,168</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$33,186,168</u>

* Investments are detailed in Note 6.

6. Information Certified by the Trustee (Unaudited)

Certain information related to investments and notes receivable from participants disclosed in the accompanying financial statements and ERISA-required supplemental schedule, including investments and notes receivables from participants held at December 31, 2022 and 2021, and net depreciation in fair value of investments, interest and dividends, and interest income on notes receivable from participants for the year ended December 31, 2022, was obtained by management and agreed to or derived

HRI 401(k) Plan

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

6. Information Certified by the Trustees (Unaudited) (Ctd)

from information certified as complete and accurate by Fidelity Management Trust Company (the trustee of the Plan).

Statement of Net Assets Available for Benefits at December 31:

	<u>2022</u>	<u>2021</u>
<u>Fund Assets</u>		
FID 500 INDEX	\$8,912,636	\$11,083,378
FID MID CAP IDX	2,708,643	3,615,179
FID INTL INDEX	362,902	437,297
FH SHORT-TM INC R6	33,145	---
AB SM CAP GRTH Z	728,102	1,549,223
AF TRGT DATE 2010 R6	59,024	99,492
AF TRGT DATE 2020 R6	185,332	230,097
AF TRGT DATE 2030 R6	1,482,436	1,427,018
AF TRGT DATE 2040 R6	1,379,275	1,204,719
AF TRGT DATE 2050 R6	962,406	1,009,868
AF TRGT DATE 2060 R6	418,619	227,100
AF TRGT DATE 2015 R6	146,245	204,183
AF TRGT DATE 2025 R6	776,600	860,172
AF TRGT DATE 2035 R6	1,186,470	1,239,816
AF TRGT DATE 2045 R6	1,360,538	1,247,610
AF TRGT DATE 2055 R6	841,018	858,834
MFS MA INV GR STK R6	1,241,047	1,595,891
PGIM TOTAL RTN BD R6	1,694,763	2,078,910
DFA LARGE CAP INTL I	1,207,332	1,347,643
WF SPL SM CAP VAL R6	116,144	126,343
VANG EQUITY INC ADM	1,623,731	1,359,974
VANGUARD TREASURY MM	---	714,997
VANG SM CAP IDX ADM	589,384	668,424
Total Mutual Funds	28,015,792	33,186,168
Putnam Stable Value	1,153,896	---
Total Investments	29,169,688	33,186,168
Notes Receivable from Participants	539,317	559,133
Total Assets Certified	<u>\$29,709,005</u>	<u>\$33,745,301</u>

HRI 401(k) Plan

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

6. Information Certified by the Trustees (Unaudited) (Ctd)

Statement of Changes in Net Assets Available for Benefits at December 31, 2022 and 2021:

<u>Changes in Fund Assets</u>	<u>2022</u>	<u>2021</u>
Interest and Dividend Income	\$ 1,055,382	\$ 1,181,784
Participant Loan Interest	26,038	44,304
Net Appreciation (Depreciation) in Fair Value of Investments	(6,736,258)	4,044,903
Contributions	4,207,436	2,974,082
Benefits Paid to Participants	(2,398,411)	(2,858,654)
Deemed Distributions	(2,296)	(13,116)
Administrative Expenses	<u>(188,187)</u>	<u>(179,016)</u>
Net Increase (Decrease) in Net Assets Available for Benefits	<u><u>\$ (4,036,296)</u></u>	<u><u>\$ 5,194,287</u></u>

7. Risks and Uncertainties

The Plan has made various investment options available through Fidelity Management Trust Company. These investment options are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits. The Plan permits every participant to direct the investment of their account balances under the Plan.

8. Related-Party and Party-in-Interest Transactions

Plan investments include shares of mutual funds and money market funds managed by Fidelity Management Trust Company.

HRI 401(k) Plan

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

8. Related-Party and Party-in-Interest Transactions (Ctd)

Fidelity Management Trust Company is also trustee as defined by the Plan and, therefore, these transactions qualify as exempt party-in-interest transactions. The Plan also makes loans to Plan participants and, thus, these transactions qualify as exempt party-in-interest transactions.

9. Prohibited Transactions

The following is a general description of the Department of Labor's and the Employee Retirement Income Security Act's ("ERISA") rules governing employee benefit plans. Participants should refer to the Plan administrator for a more complete description of ERISA rules. Under the U.S. Department of Labor regulation section 2510.3-102, salary deferrals to a 401(k) plan and loan repayments that are withheld from employees' paychecks must be deposited into the plan as soon as reasonably possible, but in no event later than the fifteenth business day of the month following the month of the withholding from the paycheck.

When this regulation is not satisfied, the plan sponsor has engaged in prohibited transactions.

In 2021, the Plan Sponsor inadvertently engaged in prohibited transactions by untimely remitting employee deferrals and loan repayments in the amount of \$1,779. Corrective action was taken 2021 and the required deposits and related lost earnings were remitted.

10. Business Risks

In August 2021, Hurricane Ida made landfall off the coast of Louisiana, causing business interruption and property damage in its wake. The impact on the Plan and the Plan Sponsor cannot be reasonably estimated at this time.

HRI 401(k) Plan

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

11. Plan Amendments

Effective 1/1/2021, the Plan elected the safe harbor option for the employer matching contributions. In February 2021, the Plan was also amended to include HRI Communities LLC as a participating related employer.

12. Voluntary Correction Program

Due to change in operations and internal restructuring, the HRI 401(k) Plan was not timely amended to reflect one of its participating employers, Historic Restoration, Inc., prior to or as of the effective date of its participation in the Plan. Under the terms of the Plan, each entity needs to be separately listed and due to the change in structure, the amendment to include these entities as participating employers was not correctly reflected. As part of the restructuring, the Plan was timely amended to reflect the current participating employees as of the date of the restructuring, but Historic Restoration, Inc. was erroneously omitted. However, Historic Restoration, Inc. was appropriately added to the Plan in operation. As such, Historic Restoration, Inc. was not timely added by amendment to the Plan and therefore needs to be added now, retroactively, to reflect its employees' actual participation. The Plan needs to be amended to reflect their participation when effective. The effective date of the amendment should be February 22, 2021. The Plan submitted a VCP filing related to this amendment. As of the date of evaluation, the Plan has not received a response from the IRS regarding its agreement with the corrective action taken.

13. Group Annuity Contract

In 2022, the Plan entered into a traditional fully benefit-responsive guaranteed investment contract totaling \$1,153,896 at December 31, 2022. The insurance company maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and

HRI 401(k) Plan

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

13. Group Annuity Contract

administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. The crediting rate is based on a formula established by the contract issuer. The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

This contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value. Contract value is the relevant measure for fully benefit-responsive investment contracts because this is the amount received by participants if they were to initiate permitted transactions under the terms of the Plan. Contract value, as reported to the Plan, represents contributions made under the contract, plus earnings, less participant withdrawals, and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

The Plan's ability to receive amounts due is dependent on the issuer's ability to meet its financial obligations. The issuer's ability to meet its contractual obligations may be affected by future economic and regulatory developments.

Certain events might limit the ability of the Plan to transact at contract value with the issuer. Such events include (1) amendments to the Plan documents (including complete or partial Plan termination or merger with another plan), (2) changes to the Plan's prohibition on competing investment options or deletion of equity wash provisions, (3) bankruptcy of the Plan sponsor or other Plan sponsor events (for example, divestitures or spinoffs of a subsidiary) that cause a significant withdrawal from the Plan, or (4) the failure of the trust to qualify for exemption from federal income taxes or any required

HRI 401(k) Plan

Notes to Financial Statements

For the Years Ended December 31, 2022 and 2021

13. Group Annuity Contract

prohibited transaction exemption under ERISA (5) premature termination of the contract. No events are probable of occurring that might limit the ability of the plan to transact at contract value with the participants.

In addition, certain events allow the issuer to terminate the contract with the Plan and settle at an amount different from contract value. Such events include (1) an uncured violation of the Plan's investment guidelines, (2) a breach of material obligation under the contract, (3) a material misrepresentation, (4) a material amendment to the agreement without the consent of the issuer.

14. Subsequent Events

The Plan's management evaluated all subsequent events through the date of this report, which is the date the financial statements were available to be issued. There were no events which required an adjustment to the December 31, 2022 financial statements or any additional disclosures to the financial statements.

HRI 401(k) Plan

Schedule H, Line 41 - Schedule of Assets (Held at End of Year)

Employer ID No. 72-0945019

Plan No. 001

December 31, 2022

(a)	(b)	(c)	(d)	(e)
	Identity of issue, borrower, lessor, or similar party	Description of Investment including maturity date, rate of interest, collateral, par, or maturity value	Cost(1)	Current Value
*	Fidelity Management Trust Company	FID 500 INDEX		\$ 8,912,636
*	Fidelity Management Trust Company	FID MID CAP IDX		2,708,643
*	Fidelity Management Trust Company	FID INTL INDEX		362,902
*	Fidelity Management Trust Company	FH SHORT-TM INC R6		33,145
*	Fidelity Management Trust Company	AB SM CAP GRTH Z		728,102
*	Fidelity Management Trust Company	AF TRGT DATE 2010 R6		59,024
*	Fidelity Management Trust Company	AF TRGT DATE 2020 R6		185,332
*	Fidelity Management Trust Company	AF TRGT DATE 2030 R6		1,482,436
*	Fidelity Management Trust Company	AF TRGT DATE 2040 R6		1,379,275
*	Fidelity Management Trust Company	AF TRGT DATE 2050 R6		962,406
*	Fidelity Management Trust Company	AF TRGT DATE 2060 R6		418,619
*	Fidelity Management Trust Company	AF TRGT DATE 2015 R6		146,245
*	Fidelity Management Trust Company	AF TRGT DATE 2025 R6		776,600
*	Fidelity Management Trust Company	AF TRGT DATE 2035 R6		1,186,470
*	Fidelity Management Trust Company	AF TRGT DATE 2045 R6		1,360,538
*	Fidelity Management Trust Company	AF TRGT DATE 2055 R6		841,018
*	Fidelity Management Trust Company	MFS MA INV GR STK R6		1,241,047
*	Fidelity Management Trust Company	PGIM TOTAL RTN BD R6		1,694,763
*	Fidelity Management Trust Company	DFA LARGE CAP INTL I		1,207,332
*	Fidelity Management Trust Company	WF SPL SM CAP VAL R6		116,144
*	Fidelity Management Trust Company	VANG EQUITY INC ADM		1,623,731
*	Fidelity Management Trust Company	VANGUARD SMALL CAP INDEX ADM		589,384
*	Fidelity Management Trust Company	PUTNAM STABLE VALUE		<u>1,153,896</u>
	Total Investments			29,169,688
*	Outstanding Notes Receivable from Participants	Rates range from 4.25% to 6.50%, maturing between 1 to 5 years.		<u>539,317</u>
	Total assets held for investment purposes			<u>\$29,709,005</u>

*Party in interest

In column (d), the cost information has been omitted. This is a plan with participant-directed transactions under an individual account.