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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): January 21, 2026

ELME COMMUNITIES

(Exact name of registrant as specified in its charter)

Maryland
(State of incorporation)

001-06622
(Commission File Number)

53-0261100
(IRS Employer Identification Number)

7550 WISCONSIN AVE, SUITE 900, BETHESDA, MD 20814
(Address of principal executive office) (Zip code)

Registrant's telephone number, including area code: (202) 774-3200

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Shares of Beneficial Interest

Trading Symbol(s)
ELME

Name of each exchange on which registered
NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

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

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Trustee Matters

On January 21, 2026, Ellen M. Goitia and Ron D. Sturzenegger each notified Paul McDermott, the Chairman of the Board of Trustees (the “Board”) and President and Chief Executive Officer of Elme Communities (the “Trust” or “Elme”), that they intended to resign from the Board, effective as of the end of the first business day after the date of filing of the Trust’s Form 10-K for the fiscal year ended December 31, 2025 with the Securities and Exchange Commission. The decisions of Ms. Goitia and Mr. Sturzenegger to resign were not due to any disagreement with management or the Board regarding any matter related to the Trust’s operations, policies or practices, or otherwise. These resignations follow Board discussions regarding appropriate adjustments to Board size in light of the Trust’s focus on wind-down and liquidation under the Plan of Sale and Liquidation approved by the shareholders on October 30, 2025 (the “Plan of Sale and Liquidation”), as well as progress to date regarding the marketing and sale process relating to the Trust’s remaining properties.

Executive Compensation Matters

On January 21, 2026, the Board approved the compensation arrangements for the Trust’s executive officers, Paul McDermott, Steven Freishtat, Tiffany Butcher and W. Drew Hammond (individually, an “Officer”, and together, the “Officers”), to apply following the closing of the 19-asset portfolio sale to an affiliate of Cortland Partners, LLC on November 12, 2025 (the “Portfolio Sale Transaction”) through completion of the sale of the Trust’s remaining assets and the wind-down of the Trust’s business and affairs pursuant to the Plan of Sale and Liquidation.

Retention Agreements

On January 22, 2026, the Trust entered into retention agreements with each of the Officers (the “Retention Agreements”). The Retention Agreements are intended to support the operations of the Trust during the ongoing implementation of the Plan of Sale and Liquidation and provide the Trust with additional flexibility in retaining the services of the Officers as needed throughout the process. The Retention Agreements provide for continuation of each Officer’s existing base salary, the Retention Payments (as defined below) and an additional compensation opportunity. For Messrs. McDermott and Hammond and Ms. Butcher, the additional compensation opportunity consists of participation in the New STIP discussed below while the additional compensation opportunity for Mr. Freishtat consists of a one-time bonus payment of \$25,000 if he remains employed through his Retention Date (as defined below). As a condition to receiving the applicable Retention Payment, each Officer must sign a general release of claims. By entering into the Retention Agreements, each Officer also effectively waives their ability to claim involuntary termination under their existing Change in Control Agreements during the liquidation process as a result of diminution in duties, responsibilities or compensation from those duties, responsibilities or compensation that existed prior to the closing of the Portfolio Sale Transaction.

In each case, the Retention Agreement supersedes the Officer’s Change in Control Agreement and, as applicable, their employment agreement and offer letter terms, each of which is effectively terminated. Under the terms of the Retention Agreements, each of Messrs. McDermott, Freishtat and Hammond and Ms. Butcher will instead receive \$5,062,631, \$1,202,639, \$1,029,484, and \$1,661,939, respectively, which is the amount they each would have been entitled to in connection with an involuntary termination of employment under their Change in Control Agreement, if they remain employed by the Trust through their agreed upon retention period (the “Retention Payment”). The retention period for Mr. McDermott, Ms. Butcher and Mr. Hammond will end on the earlier of November 13, 2026 and the date that is forty-five (45) days after all of the Trust’s remaining properties have been sold and for Mr. Freishtat will end on the end of the first business day after the date of filing of the Trust’s Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (each, a “Retention Date”). The Retention Agreements provide that the Retention Payments for Ms. Butcher and Messrs. Freishtat and Hammond are to be paid in lump sum, while Mr. McDermott’s Retention Payment is to be paid in 36 monthly installments.

Under the Retention Agreements, if an Officer’s employment is Involuntarily Terminated prior to their Retention Date, the Trust is obligated to pay the Officer the full amount of the Retention Payment within sixty (60) days of such Officer’s date of termination, and the Officer will remain eligible to receive a pro rata amount of his or her additional compensation opportunity, as applicable. For purposes of the Retention Agreements, “Involuntary

Termination" means (i) the termination of a participating Officer's employment by the Trust or its successor for any other reason than for cause, or (ii) a termination by the Officer as a result of a material diminution, without the Officer's consent, of his or her base salary and for Messrs. McDermott and Hammond and Ms. Butcher, the Award Opportunity (as defined below) under the New STIP, which diminution has not been remedied within 30 days of such Officer's notice to the Trust of the diminution.

The description of the Retention Agreements set forth above is qualified in its entirety by the full text of the Retention Agreements filed herewith as Exhibits 10.1, 10.2, 10.3 and 10.4 to this Current Report on Form 8-K and incorporated by reference herein.

New STIP

On January 21, 2026, in connection with and as consideration for Messrs. McDermott and Hammond and Ms. Butcher signing their Retention Agreements and eliminating their right to claim involuntary termination under their Change in Control Agreements, the Board approved the Elme Communities Executive Officer Short-Term Incentive Plan, effective as of November 13, 2025 (the "New STIP"), which provides for an Award Opportunity based on achievement of three metrics: (i) the value of the additional liquidating distributions to the Trust's shareholders, which will be 40% of the Award Opportunity, (ii) the timing of completion of the sales of the Trust's remaining assets, which will be 40% of the Award Opportunity, and (iii) performance measures in furtherance of implementing the Plan of Sale and Liquidation, consisting of efficient operation of the Trust's remaining assets, employee retention and successfully implementing the Plan of Sale and Liquidation, which will be 20% of the Award Opportunity. The target value for the additional liquidating distributions is \$3.20 per share (which reflects the mid-point of the estimated range of additional liquidating distributions of \$2.90 to \$3.50 per common share previously disclosed in the Trust's August 4, 2025 press release and included in the definitive proxy statement for the special meeting of shareholders held on October 30, 2025), and the target value for the timing of completion of the sale of the remaining assets is July 31, 2026. The performance period under the New STIP runs from November 13, 2025 through the earlier of (i) November 13, 2026 and (ii) the date on which the actual levels of achievement of the additional liquidating distributions and timing metrics discussed above are otherwise determined by the Compensation Committee of the Board.

Each Officer's total award under the New STIP with respect to the performance period is stated as a percentage of the Officer's annual base salary (subject to adjustment if the Officer is promoted during the performance period, in which case the annual base salary shall be prorated for the portion of the performance period such Officer had each base salary). The percentages of base salary by position (the "Award Opportunity") are as set forth below:

	Threshold	Target	High
President and Chief Executive Officer	45%	90%	135%
Executive Vice President	37%	75%	120%
Senior Vice President	30%	60%	105%

Pursuant to the terms of the New STIP, if (i) the Officer is terminated by the Trust without cause, (ii) the Officer resigns with "Good Reason", dies or becomes subject to a disability while employed by the Trust, or (iii) the Officer and the Board otherwise mutually agree that Officer's resignation constitutes a "Qualifying Termination", the Officer shall receive an award based on actual levels of achievement for the value of the additional liquidating distributions and timing metrics discussed above, and at target for the remaining performance metric. However, the award shall be prorated based on the number of days elapsed from the beginning of the performance period through the date the Officer ceases to be an employee of the Trust compared to the number of days in the full performance period. For purposes of the New STIP, "Good Reason" shall mean the Officer's annual base salary or the Award Opportunity are materially diminished without their consent, which diminution has not been remedied within 30 days of such Officer's notice to the Trust of the diminution.

The estimated compensation expense for the executive compensation arrangements described in this Current Report is reflected in the estimated range of liquidating distributions discussed elsewhere in this Current Report. The estimated compensation expense associated with the base salaries and Retention Payments described above are consistent with amounts previously estimated prior to closing of the Portfolio Sale Transaction, while the estimated compensation expense associated with the New STIP is less than originally estimated.

The description of the New STIP set forth above is qualified in its entirety by the full text of the New STIP filed herewith as Exhibit 10.5 to this Current Report on Form 8-K and incorporated by reference herein.

Prior Incentive Plans

In connection with the approval of the New STIP, the Compensation Committee of the Board terminated the existing Amended and Restated Short-Term Incentive Plan for Executive Officers (effective January 1, 2020), as amended, and the existing Amended and Restated Long-Term Incentive Plan for Executive Officers (effective January 1, 2020), as amended.

Chief Financial Officer Matters

On January 21, 2026, in connection with entering into his Retention Agreement, Mr. Freishtat and the Trust agreed that Mr. Freishtat would step down from his role as Chief Financial Officer and as an employee of the Trust effective as of the end of the first business day after the date of filing of the Trust's Form 10-K for the fiscal year ended December 31, 2025. On January 21, 2026, the Board approved the appointment of W. Drew Hammond to serve as Executive Vice President and Chief Financial Officer, in addition to his roles as Chief Administrative Officer, Treasurer and Secretary, subject to and effective at the beginning of the first day immediately following the effective date of Mr. Freishtat's departure (the "Appointment Date"), subject to Mr. Hammond's continued employment through the Appointment Date.

Mr. Freishtat's departure is also consistent with the Trust's previously disclosed ongoing downsizing efforts, which are being undertaken in connection with the Plan of Sale and Liquidation. The downsizing remains focused on retaining an appropriate level of personnel with the necessary skill set commensurate with the reduced size of the Trust, including those executive officers and other key personnel necessary for the continued operation of the then-remaining properties and completion of the wind-down activities. As of January 21, 2026, which gives effect to employee departures that occurred earlier in January, the Trust had approximately 109 employees, including approximately 72 persons engaged in community management functions. Downsizing activities are expected to affect both officers and other employees and are expected to continue as the Trust continues to complete property sales.

Mr. Hammond, age 52, joined the Trust in October 2012 and currently serves as Senior Vice President, Chief Administrative Officer, Treasurer and Secretary of the Trust, positions he has held since September 2023. In this capacity, he oversees the Trust's day-to-day operations, facilitates corporate strategic planning, and provides input for strategy and companywide goal setting. He also oversees the accounting, human resource, legal and treasury functions. Prior to September 2023, he served as Vice President, Chief Accounting Officer from 2015 until March 2023, and Senior Vice President and Chief Accounting Officer from March 2023 until September 2023. Prior to joining the Trust, Mr. Hammond held various roles at CapitalSource, Inc. from 2003 to 2012, most recently as Controller. Prior to CapitalSource, Mr. Hammond was a Senior Manager at Ernst & Young LLP from May 2002 to December 2003, and held various positions in the assurance practice at Arthur Andersen LLP from 1995 to 2002. Mr. Hammond earned a Bachelor of Science in Business Administration and Accounting from Washington and Lee University and is a certified public accountant.

There are no arrangements or understandings between Mr. Hammond and any other persons pursuant to which he was appointed as Executive Vice President and Chief Financial Officer, no family relationships among any of the Trust's trustees or executive officers and Mr. Hammond, and he has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

In connection with Mr. Hammond's appointment as Executive Vice President and Chief Financial Officer, on the Appointment Date, Mr. Hammond's annual base salary will be increased to \$350,000. Pursuant to the terms of his Retention Agreement and the New STIP, the Award Opportunity percentages under the New STIP for which Mr. Hammond is eligible will automatically increase from the Senior Vice President level to the Executive Vice President level and he will be entitled to participate in all other employee benefits, including the Supplemental Executive Retirement Plan, at the Executive Vice President level (as the case may be).

Item 8.01 Other Events.

On January 23, 2026, the Trust provided an update regarding the status of ongoing liquidation activities under the Trust's Plan of Sale and Liquidation. The update noted, among other things, that as of January 23, 2026, the Trust has entered into two purchase and sale agreements, which are no longer subject to ongoing inspection periods, pursuant to which it expects to sell three of its ten remaining properties to various buyers for aggregate gross proceeds of approximately \$155 million. The Trust also provided an update on the status of other marketing and sale activities, the estimated range of the total amount of liquidating distributions, including the estimated range of the total amount of additional liquidating distributions (the "Additional Liquidating Distributions") to be funded from the net proceeds of sales of the ten remaining properties and certain personnel matters. A copy of the press release issued by the Trust on January 23, 2026, regarding the foregoing updates, is attached as Exhibit 99.1 and is incorporated herein by reference (the "Press Release").

The estimated range of Additional Liquidating Distributions reflected in the Press Release was derived, in part, from the estimated range of gross asset sales proceeds from the sales of the ten remaining properties, less estimates for transaction costs, debt service costs, debt repayment amounts for the Trust's existing \$520 million senior secured term loan (the "Term Loan") and establishment of reserves to satisfy known liabilities and liquidating expenses and estimated, unascertained or contingent liabilities and expenses, estimated operating costs to run the Trust until completion of the wind-down of the Trust's business and affairs and dissolution of the Trust, capital expenditure requirements and REIT compliance costs, but adjusted upwards for estimated cash flow/net working capital to be generated from the Trust's property operations prior to completing sales of the ten remaining properties. The estimated range of gross asset sales proceeds has been updated to reflect, as applicable, actual contract pricing, information obtained during the marketing and sale process, including with respect to valuation levels received to date, as well as current market conditions in the D.C. area, and certain other adjustments, all as referenced in the Press Release. In addition, the estimated ranges of liquidating distributions included in the Press Release, including the estimated range of Additional Liquidating Distributions, reflect the following:

- The Trust's estimated transaction costs include costs associated with the sales of the remaining properties, which costs include, among other things, brokerage commissions, legal fees and transfer tax liabilities, as well as Elme's financial advisors' fees payable in connection with such sales, which were also updated to reflect the actual transaction costs associated with the closing of the Portfolio Sale Transaction;
- The Trust's estimated debt service costs and debt repayment amounts for the Term Loan, include interest expense on the Term Loan and incremental repayment of the portion of the Term Loan allocated to the applicable properties being sold, all of which were also updated to reflect the actual \$520 million loan amount (originally estimated to be between \$500 million and \$520 million) and actual transaction costs, as well as required escrows and reserves, associated with finalizing the Term Loan in November 2025, which among other things, impacted the amount of both the initial liquidating distribution, which was paid on January 7, 2026 to Elme shareholders of record on December 22, 2025, and the estimated range of Additional Liquidating Distributions;
- The Trust's estimated capital expenditures include estimated amounts for repair and maintenance to be incurred on the ten remaining properties prior to their sale;
- The Trust's estimated operating costs to run the Trust until completion of the wind-down of the Trust's business and affairs and dissolution of the Trust pursuant to the Plan of Sale and Liquidation, including estimated employee retention costs and other severance and other compensation payments triggered by the Plan of Sale and Liquidation and the closing of the Portfolio Sale Transaction, which were also updated to reflect actual retention and severance costs payable, and other compensation-related expenses, as a result of the closing of the Portfolio Sale Transaction, an estimate of any known financial obligations, an estimate of other general and administrative costs and other estimated costs to implement the wind-down of the Trust's business and affairs and dissolution of the Trust in accordance with the Plan of Sale and Liquidation;
- The Trust's estimated REIT compliance costs assume it remains a REIT until completion of the wind-down of the Trust's business and affairs and dissolution of the Trust pursuant to the Plan of Sale and Liquidation; and
- Certain assumptions around ongoing personnel needs as the Trust sells properties and progresses the wind-down of its business and activities, as well as the Trust's expectation to continue, as appropriate, downsizing with a focus on retaining an appropriate level of personnel with the necessary skill set commensurate with the reduced size of the Trust, including those executive officers and other key

personnel necessary for the continued operation of the remaining properties and completion of the wind-down activities, including assumptions around the amount and timing of personnel reductions and effects on compensation expense.

All of the estimated costs, expenses and other amounts referenced above, as applicable, and the estimated range of Additional Liquidating Distributions set forth in the Press Release also assume that the sales of the ten remaining properties will be completed by mid-year 2026.

The estimated range of the Additional Liquidating Distributions set forth in the Press Release was also based on approximately 88.9 million common shares outstanding as of December 31, 2025 on a fully-diluted basis.

The preparation of the estimated ranges of liquidating distributions, including the estimated range of Additional Liquidating Distributions as set forth in the Press Release, involved judgments and assumptions with respect to the sales of the ten remaining properties pursuant to the Plan of Sale and Liquidation and may not be realized. Elme cannot assure shareholders that the actual amounts available for distribution to shareholders will be within the estimated ranges set forth in the Press Release. The estimated ranges of liquidating distributions, including the estimated range of Additional Liquidating Distributions, set forth in the Press Release was determined as of January 21, 2026 and does not take into account interest rates, market volatility or other changes since that time. Certain examples of uncertainties that could cause the aggregate amount of liquidating distributions to be less or more than the estimate set forth in the Press Release include the following:

- the price that potential buyers of Elme's properties may be willing to pay for Elme's properties may change due to a number of factors beyond Elme's control, including changes in general economic or local conditions, changes in interest rates or availability of mortgage funds, supply and demand dynamics, changes in tax, real estate, environmental and zoning laws and regulations, occupancy percentages, lease rates, competition, operating performance and the perceived quality and dependability of income flows from tendencies, potential major repairs or other contingent liabilities associated with the properties, and a number of other factors, both local and national;
- delays in Elme's ability to find suitable buyers, complete the asset sales on the terms Elme currently expects and the wind-down of the Trust's business and affairs and termination of the Trust's existence could require it to incur expenses for a longer period than anticipated;
- the ability to make Additional Liquidating Distributions will be subject to ongoing compliance with the covenants and other terms of the Term Loan which could impact Elme's ability to make, or the timing of, Additional Liquidating Distributions;
- the costs and expenses of executing the Plan of Sale and Liquidation may differ from Elme's estimates;
- the estimated amount of cash flow/net working capital to be generated from the Trust's property operations prior to completing the wind-down of the Trust's business and affairs and termination of the Trust's existence pursuant to the Plan of Sale and Liquidation may be lower than the Trust anticipates;
- costs and expenses of continuing to operate the Trust, including as a public company, such as the need for additional retention costs, particularly if the liquidation takes longer than expected, may be higher than estimated;
- unanticipated or emergency capital expenditures may result in the need to incur additional debt financing or other costs and expenses that are not included in Elme's estimates and which Elme cannot reasonably estimate at this time;
- unknown or additional costs or liabilities that arise in the future, including future litigation, which Elme cannot reasonably estimate at this time, could delay completion of Elme's liquidation and cause Elme to incur additional costs and expenses;
- costs incurred to maintain Elme's REIT status may be higher than estimated;
- the number of issued and outstanding shares used to calculate the estimated range of the Additional Liquidating Distributions set forth in the Press Release could change; and
- the reserve amounts Elme may establish to satisfy known liabilities and liquidating expenses and estimated, unascertained or contingent liabilities and expenses may be insufficient.

Although Elme has provided estimated ranges of liquidating distributions, including an estimated range of the Additional Liquidating Distributions in the Press Release, no assurance can be given as to when, or whether, Elme will be able to make any additional liquidating distributions to its shareholders or the amount of any such additional distributions. The actual amounts and times of payment of the liquidating distributions will be determined by the

Board in its sole discretion. Except to the extent required by law or generally accepted accounting principles, Elme does not anticipate updating or otherwise publicly revising estimates presented in the Press Release or this Current Report on Form 8-K to reflect circumstances existing or developments occurring after the preparation of such estimates or to reflect the occurrence of subsequent events. Such estimates have not been audited, reviewed or compiled by independent auditors.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1	Retention Agreement between Paul McDermott and Elme Communities
10.2	Retention Agreement between Tiffany Butcher and Elme Communities
10.3	Retention Agreement between W. Drew Hammond and Elme Communities
10.4	Retention Agreement between Steven Freishtat and Elme Communities
10.5	Executive Officer Short-Term Incentive Plan
99.1	Press release issued January 23, 2026
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

Forward-Looking and Cautionary Statements

Certain statements in this Current Report are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 and involve risks and uncertainties. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward looking statements by the use of forward-looking terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” or “potential” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. Such statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of Elme to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Additional factors which may cause the actual results, performance, or achievements of Elme to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements include, but are not limited to: Elme’s ability to remain listed on the NYSE; Elme’s ability to successfully market and/or sell the remaining assets on the terms and timeline anticipated; Elme’s ability to close sales following execution of purchase and sale agreements on the terms and timeline anticipated, or at all, as set forth in the Press Release; changes in the amount and timing of the Additional Liquidating Distributions, including as a result of unexpected levels of transaction cost, changes in the gross asset sales proceeds for the sale of the remaining properties from prior estimates, delayed or terminated closings, liquidation costs or unpaid or additional liabilities and obligations; Elme’s ability to repay the Term Loan with the net proceeds from the sales of the remaining properties which secure the Term Loan and to release the mortgages securing the Term Loan as they are sold; the possibility of converting to a liquidating trust or other liquidating entity; the ability of the Board to terminate the Plan of Sale and Liquidation; the response of Elme’s residents, tenants and business partners to Plan of Sale and Liquidation; potential difficulties in employee retention as a result of the on-going Plan of Sale and Liquidation; the outcome of legal proceedings that may be instituted against Elme, its trustees and others related to Elme’s recently completed Portfolio Sale Transaction, future property sales and the Plan of Sale and Liquidation; the risk that disruptions caused by or relating to the Plan of Sale and Liquidation will harm Elme’s business, including current plans and operations; risks relating to the market value of Elme’s common shares; risks associated with third party contracts containing consent and/or other provisions that may be triggered by the Plan of Sale and Liquidation; general risks affecting the real estate industry and local real estate markets (including, without limitation, the market value of Elme’s properties and potential illiquidity of Elme’s remaining real estate investments); whether or not the sale of one or more of Elme’s properties may be considered a prohibited transaction under the Internal Revenue Code of 1986, as amended; Elme’s ability to maintain its status as a real estate investment trust for U.S. federal income tax purposes; the occurrence of any event,

change or other circumstances that could give rise to the termination of the Plan of Sale and Liquidation; the risks associated with ownership of real estate in general and Elme's real estate assets in particular; general economic and market developments and conditions; and volatility and uncertainty in the financial markets.

The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties that affect Elme's businesses in the "Risk Factors" section of Elme's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and other documents filed by Elme from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. While forward-looking statements reflect Elme's good faith beliefs, they are not guarantees of future performance. Elme undertakes no obligation to update its forward-looking statements or risk factors to reflect new information, future events, or otherwise.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ELME COMMUNITIES

(Registrant)

By:

/s/ W. Drew Hammond
(Signature)

W. Drew Hammond
Senior Vice President and Chief Administrative Officer

January 23, 2026

(Date)

**RETENTION AGREEMENT FOR
PRESIDENT AND CHIEF EXECUTIVE OFFICER**

THIS RETENTION AGREEMENT (“Agreement”), with an effective date of January 22, 2026 (the “Effective Date”), is made and entered into by and between Elme Communities, a real estate investment trust organized under the laws of the State of Maryland (the “Trust”), and Paul T. McDermott (“Employee”).

WHEREAS, Employee is employed in a key position with the Trust as its President and Chief Executive Officer;

WHEREAS, on October 30, 2025, at a special meeting of shareholders, the shareholders of the Trust approved the sale of 19 multifamily communities of the Trust to an affiliate of Cortland Partners, LLC for a purchase price of \$1.606 billion (“Portfolio Sale Transaction”) and a voluntary Plan of Sale and Liquidation for the Trust, which contemplates the sale or disposition of all the Trust’s assets, the wind-down of the Trust’s business and affairs and the termination of the Trust’s existence by voluntary dissolution (the “Plan of Sale and Liquidation”);

WHEREAS, on November 12, 2025, the Trust consummated the Portfolio Sale Transaction;

WHEREAS, the Trust and Employee have previously entered into a Change in Control Agreement with an effective date of October 1, 2013, as amended on February 15, 2023 (the “Change in Control Agreement”) pursuant to which Employee would be eligible to receive certain payments and benefits in the event Employee is Involuntarily Terminated (as such term is defined in the Change in Control Agreement) following a Change in Control (as such term is defined in the Change in Control Agreement), and subject to the other terms and conditions of the Change in Control Agreement;

WHEREAS, the Portfolio Sale Transaction constituted a Change in Control pursuant to the terms of the Change in Control Agreement; and

WHEREAS, the Trust and Employee mutually desire to terminate the Change in Control Agreement, without payment of any termination benefits or other amounts pursuant thereto, and enter into this Agreement so that the Trust can be assured of Employee’s continued employment through the Retention Period (as defined herein) and so that Employee can have the opportunity to earn the payments as set forth herein.

NOW, THEREFORE, in consideration of the promises contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree to the following terms:

1. Retention Period.

A. The Trust and Employee desire for Employee’s employment to continue from the Effective Date until the earlier of November 13, 2026 and the date that is forty-

five (45) days after all of the Trust's remaining properties have been sold (such date, the "Retention Date" and the period from the Effective Date until the Retention Date, the "Retention Period"). During the period between the Effective Date and the date Employee's employment with the Trust is terminated (the "Employment Period"), Employee will perform services in a manner consistent with Employee's position as President and Chief Executive Officer of the Trust, subject to the general supervision and direction of the Board of Directors of the Trust. Employee hereby agrees to devote substantially all of Employee's business time, skill, attention, and reasonable best efforts to the faithful performance of such duties and to the promotion of the business and affairs of the Trust during Employee's employment with the Trust.

B. In consideration of the services rendered by Employee during the Employment Period, the Trust shall pay Employee a base salary at the gross annual rate of seven hundred fifty thousand dollars (\$750,000) (the "Base Salary"), payable in accordance with the Company's applicable payroll practices. In addition, during the Employment Period, Employee shall be eligible to participate in or receive benefits under any employee benefit plan or arrangement now or in the future made available by the Trust generally to its similarly situated employees, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements. For the avoidance of doubt, nothing in this Agreement shall affect the Trust's right to change insurance carriers or to adopt, amend, terminate, or modify such plans and arrangements from time to time, provided that such changes apply to all similarly situated employees generally.

C. Subject to Employee's continued employment with the Trust through the Retention Date (except as set forth in Section 1.E.) and Employee's compliance with Section 1.F, Employee has the opportunity to earn a lump-sum performance bonus under the Elme Communities Executive Officer Short-Term Incentive Plan (Effective as of November 13, 2025) (the "Incentive Bonus"), for services performed in connection with the Plan of Sale and Liquidation.

D. Subject to Employee's continued employment with the Trust through the Retention Date (except as set forth in Section 1.E.) and Employee's compliance with Section 1.F, within sixty (60) days following the Retention Date, Employee shall receive a cash payment of \$5,062,631 (the "Retention Payment"), net of applicable deductions and tax withholdings, which shall be paid in substantially equally installments over thirty-six months following the Retention Date.

E. In the event Employee's employment with the Trust is Involuntarily Terminated (as defined below) prior to the Retention Date, then, subject to Employee's compliance with Section 1.F, the Trust shall pay Employee the full amount of the Retention Payment within sixty (60) days of Employee's date of termination, and Employee will remain eligible to receive a pro rata amount of the Incentive Bonus, pursuant to its terms, payable at the same time as such Incentive Bonus is paid to other participants in the Incentive Bonus program.

F. As a condition to receiving the Retention Payment, Employee must sign a release of claims (the “Release”) in the form provided by the Trust, and any revocation period applicable to the Release must have expired within sixty (60) days following the earlier of the Retention Date or Employee’s date of termination. For the avoidance of doubt, if the Release is not signed and irrevocable within such sixty (60)-day period, Employee will not be entitled to payment of the Retention Payment.

G. Employee’s employment will be deemed to have been “Involuntarily Terminated” only if (i) Employee’s employment is terminated by the Trust or any successor owner of the Trust without Cause, or (ii) Employee resigns because Employee’s Base Salary or Incentive Bonus opportunity are materially diminished without Employee’s consent, provided that (A) Employee gives written notice to the Trust within thirty (30) days following the first occurrence of the diminution or receipt of notice of the diminution of his objection to the diminution, (B) the Trust fails to remedy the diminution within thirty (30) days following Employee’s written notice, and (C) Employee terminates his employment within thirty (30) days following the Trust’s failure to remedy the diminution. For the avoidance of doubt, Employee understands and agrees that the definition of “Involuntarily Terminated” under the Change in Control Agreement is no longer applicable following the Effective Date.

H. For purposes of this Agreement, a termination for “Cause” shall be deemed to occur only if the Trust terminates Employee’s employment for any of the following reasons: (1) commission by Employee of a felony or crime of moral turpitude; (2) conduct by Employee in the performance of Employee’s duties which is illegal, dishonest, fraudulent or disloyal; (3) the breach by Employee of any fiduciary duty Employee owes to the Trust; or (4) gross neglect of duty or poor performance which is not cured by Employee to the reasonable satisfaction of the Trust within 30 days of Employee’s receipt of written notice from the Trust advising Employee of said gross neglect or poor performance.

2. Section 280G. If, by virtue of receipt of the payments described in Section 1 above or any other payments in the nature of compensation, Employee is subject to excise tax pursuant to Section 4999 of the Internal Revenue Code (the “Code,” and any payments subject to such excise taxes, the “Parachute Payments”), such Parachute Payments shall be reduced to the minimum extent necessary to avoid imposition of the excise tax, but only if such reduction would result in Employee retaining a greater amount after taking into account the excise tax that would be owed if no such reduction were made. If such reduction is required to be made, the Parachute Payments shall be reduced in such manner as required so as not to give rise to there being deemed to be more than one time or form of payment of any amount that constitutes nonqualified deferred compensation under Code Section 409A. Any reduction of payments required under this Section 2 shall occur only to the minimum extent necessary to avoid imposition of the excise tax.

3. **No Mitigation**. If Employee's employment is Involuntarily Terminated, Employee shall have no obligation to seek other employment in order to mitigate the payment of the amounts described in Section 1.E hereunder.

4. **Code Section 409A**. It is intended that this Agreement and the payments hereunder will, to the fullest extent possible, be exempt from Code Section 409A, and the Agreement shall be interpreted to that end to the fullest extent possible. Notwithstanding the foregoing, the Company is under no obligation to compensate Employee if the payments hereunder fail to comply with Code Section 409A. In this regard, it is intended that, to the extent possible, the maximum amount of severance pay possible be exempt from Code Section 409A as separation pay upon involuntary separation from service under Treas. Regs. Section 1.409A-1(b)(9)(iii). However, to the extent that any payment or benefit (or portion thereof) provided pursuant to this Agreement is determined to be subject to Code Section 409A, this Agreement shall be interpreted in a manner that complies with Code Section 409A to the fullest extent possible.

If payment or provision of any amount or benefit hereunder at the time specified in this Agreement would subject such amount or benefit to any tax under Code Section 409A, the payment or provision of such amount or benefit shall be postponed to the earliest commencement date on which the payment or the provision of such amount or benefit could be made without incurring such tax (including paying any severance that is delayed in a lump sum upon the earliest possible payment date which is consistent with Code Section 409A). A termination of employment shall not be deemed to have occurred for purposes of this Agreement, unless such termination is also a "separation from service" within the meaning of Code Section 409A. For purposes of this Agreement, references to a "termination," "termination of employment" or like terms shall mean such "separation from service." Notwithstanding anything to the contrary in this Agreement, if at the time of Employee's separation from service from the Trust, the Trust has shares which are publicly-traded on an established securities market and Employee is a "specified employee" within the meaning of Code Section 409A, then no payment, compensation, benefit or entitlement payable or provided to Employee in connection with his separation from service that is determined, in whole or in part, to constitute a payment of nonqualified deferred compensation within the meaning of Code Section 409A shall be paid or provided to Employee before the earlier of (A) Employee's death or (B) the day that is six (6) months after the date of his separation from service date (the "New Payment Date"). The aggregate of any payments, compensation, benefits and entitlements that otherwise would have been paid to Employee during the period between the date of his separation from service date and the New Payment Date shall be paid to Employee in a lump sum on such New Payment Date. Thereafter, any payments, compensation, benefits and entitlements that remain outstanding as of the day immediately following the New Payment Date shall be paid without delay over the time period originally scheduled, in accordance with the terms of this Agreement. With regard to any provision herein that provides for reimbursement of expenses that are not excluded from Employee's taxable income and are nonqualified deferred compensation subject to Section 409A, then except as otherwise permitted by Section 409A (i) the right to reimbursement shall not be subject to liquidation or exchange for another benefit; (ii) the amount of expenses eligible for reimbursement provided during any taxable year shall not affect the expenses eligible for

reimbursement, or in-kind benefits to be provided, in any other taxable year; and (iii) such payments shall be made, as soon as practicable, but in any case on or before the last day of Employee's taxable year following the taxable year in which the expense was incurred. For purposes of Section 409A, Employee's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments.

5. Clawback Policy. All incentive-based compensation granted to Employee during Employee's employment will be subject to the Compensation Recovery Policy of Elme Communities, as it may be amended for all employees generally from time-to-time.

6. Limitations of Agreement. Nothing in this Agreement shall be construed to require the Trust or its successor owner to continue to employ Employee for any definite period of time. Either Employee or the Trust may terminate the employment relationship at any time with or without cause, unless otherwise expressly required by law or contract, and provided that the terms of this Agreement are observed.

7. Arbitration. Any dispute, controversy, or claim arising out of or relating to this Agreement or the Change in Control Agreement shall be resolved exclusively by final and binding arbitration administered by JAMS. The arbitration shall be conducted by a single arbitrator, selected in accordance with the Rules, and shall take place in Bethesda, Maryland. The arbitration and all related proceedings shall be confidential, except to the extent disclosure is required by law or necessary to enforce an arbitral award. Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction. The parties expressly agree that this arbitration provision shall be governed by and enforceable under the Federal Arbitration Act (the "FAA"), and to the extent any state arbitration law is inconsistent with the FAA, the FAA shall govern. Each party shall bear its own costs in any arbitration proceeding held hereunder and the parties shall share the costs of the arbitrator.

8. Severability. In the event that any provision of this Agreement conflicts with the law under which this Agreement is to be construed, or if any such provision is held invalid or unenforceable by a court of competent jurisdiction or an arbitrator, such provision shall be deleted from this Agreement and the Agreement shall be construed to give full effect to the remaining provisions thereof.

9. Governing Law. This Agreement shall be interpreted, construed and governed according to the laws of the State of Maryland, without regard to the principles of conflicts of law thereof.

10. Assignability. Neither this Agreement nor any rights or obligations hereunder may be assigned by either party without the prior written consent of the other. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

11. Entire Agreement. This Agreement contains and represents the entire agreement of the parties and supersedes all prior agreements, representations or understandings, oral or written, express or implied, with respect to the subject matter hereof, including, without

limitation, the Change in Control Agreement, any employment agreement and any offer letter entered into with Employee, which are hereby terminated and of no further force or effect. Employee further acknowledges and agrees that they have no rights to participate in the Trust's Amended and Restated Executive Officer Short-Term Incentive Plan or the Amended and Restated Executive Officer Long-Term Incentive Plan. This Agreement may not be modified or amended in any way unless in a writing signed by both parties.

12. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be considered an original and together which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement.

EMPLOYEE

By: /s/ Paul T. McDermott

Name: Paul T. McDermott

Title: President and Chief Executive Officer

Date: January 22, 2026

ELME COMMUNITIES

By: /s/ W. Drew Hammond

Name: W. Drew Hammond

Title: Senior Vice President, Chief Administrative Officer,

Treasurer

and Secretary

Date: January 22, 2026

**RETENTION AGREEMENT FOR
EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER**

THIS RETENTION AGREEMENT (“Agreement”), with an effective date of January 22, 2026 (the “Effective Date”), is made and entered into by and between Elme Communities, a real estate investment trust organized under the laws of the State of Maryland (the “Trust”), and Tiffany M. Butcher (“Employee”).

WHEREAS, Employee is employed in a key position with the Trust as its Executive Vice President and Chief Operating Officer;

WHEREAS, on October 30, 2025, at a special meeting of shareholders, the shareholders of the Trust approved the sale of 19 multifamily communities of the Trust to an affiliate of Cortland Partners, LLC for a purchase price of \$1.606 billion (“Portfolio Sale Transaction”) and a voluntary Plan of Sale and Liquidation for the Trust, which contemplates the sale or disposition of all the Trust’s assets, the wind-down of the Trust’s business and affairs and the termination of the Trust’s existence by voluntary dissolution (the “Plan of Sale and Liquidation”);

WHEREAS, on November 12, 2025, the Trust consummated the Portfolio Sale Transaction;

WHEREAS, the Trust and Employee have previously entered into a Change in Control Agreement with an effective date of July 10, 2023 (the “Change in Control Agreement”) pursuant to which Employee would be eligible to receive certain payments and benefits in the event Employee is Involuntarily Terminated (as such term is defined in the Change in Control Agreement) following a Change in Control (as such term is defined in the Change in Control Agreement), and subject to the other terms and conditions of the Change in Control Agreement;

WHEREAS, the Portfolio Sale Transaction constituted a Change in Control pursuant to the terms of the Change in Control Agreement; and

WHEREAS, the Trust and Employee mutually desire to terminate the Change in Control Agreement, without payment of any termination benefits or other amounts pursuant thereto, and enter into this Agreement so that the Trust can be assured of Employee’s continued employment through the Retention Period (as defined herein) and so that Employee can have the opportunity to earn the payments as set forth herein.

NOW, THEREFORE, in consideration of the promises contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree to the following terms:

1. Retention Period.

A. The Trust and Employee desire for Employee’s employment to continue from the Effective Date until the earlier of November 13, 2026 and the date that is forty-five (45) days after all of the Trust’s remaining properties have been sold (such date, the

“Retention Date” and the period from the Effective Date until the Retention Date, the “Retention Period”). During the period between the Effective Date and the date Employee’s employment with the Trust is terminated (the “Employment Period”), Employee will perform services in a manner consistent with Employee’s position as Executive Vice President and Chief Operating Officer of the Trust, subject to the general supervision and direction of the Chief Executive Officer of the Trust. Employee hereby agrees to devote substantially all of Employee’s business time, skill, attention, and reasonable best efforts to the faithful performance of such duties and to the promotion of the business and affairs of the Trust during Employee’s employment with the Trust.

B. In consideration of the services rendered by Employee during the Employment Period, the Trust shall pay Employee a base salary at the gross annual rate of four hundred twenty-five thousand dollars (\$425,000) (the “Base Salary”), payable in accordance with the Company’s applicable payroll practices. In addition, during the Employment Period, Employee shall be eligible to participate in or receive benefits under any employee benefit plan or arrangement now or in the future made available by the Trust generally to its similarly situated employees, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements. For the avoidance of doubt, nothing in this Agreement shall affect the Trust’s right to change insurance carriers or to adopt, amend, terminate, or modify such plans and arrangements from time to time, provided that such changes apply to all similarly situated employees generally.

C. Subject to Employee’s continued employment with the Trust through the Retention Date (except as set forth in Section 1.E.) and Employee’s compliance with Section 1.F, Employee has the opportunity to earn a lump-sum performance bonus under the Elme Communities Executive Officer Short-Term Incentive Plan (Effective as of November 13, 2025) (the “Incentive Bonus”), for services performed in connection with the Plan of Sale and Liquidation.

D. Subject to Employee’s continued employment with the Trust through the Retention Date (except as set forth in Section 1.E.) and Employee’s compliance with Section 1.F, within sixty (60) days following the Retention Date, Employee shall receive a lump sum cash payment of \$1,661,939 (the “Retention Payment”), net of applicable deductions and tax withholdings.

E. In the event Employee’s employment with the Trust is Involuntarily Terminated (as defined below) prior to the Retention Date, then, subject to Employee’s compliance with Section 1.F, the Trust shall pay Employee the full amount of the Retention Payment within sixty (60) days of Employee’s date of termination, and Employee will remain eligible to receive a pro rata amount of the Incentive Bonus, pursuant to its terms, payable at the same time as such Incentive Bonus is paid to other participants in the Incentive Bonus program.

F. As a condition to receiving the Retention Payment, Employee must sign a release of claims (the “Release”) in the form provided by the Trust, and any revocation

period applicable to the Release must have expired within sixty (60) days following the earlier of the Retention Date or Employee's date of termination. For the avoidance of doubt, if the Release is not signed and irrevocable within such sixty (60)-day period, Employee will not be entitled to payment of the Retention Payment.

G. Employee's employment will be deemed to have been "Involuntarily Terminated" only if (i) Employee's employment is terminated by the Trust or any successor owner of the Trust without Cause, or (ii) Employee resigns because Employee's Base Salary or Incentive Bonus opportunity are materially diminished without Employee's consent, provided that (A) Employee gives written notice to the Trust within thirty (30) days following the first occurrence of the diminution or receipt of notice of the diminution of her objection to the diminution, (B) the Trust fails to remedy the diminution within thirty (30) days following Employee's written notice, and (C) Employee terminates her employment within thirty (30) days following the Trust's failure to remedy the diminution. For the avoidance of doubt, Employee understands and agrees that the definition of "Involuntarily Terminated" under the Change in Control Agreement is no longer applicable following the Effective Date.

H. For purposes of this Agreement, a termination for "Cause" shall be deemed to occur only if the Trust terminates Employee's employment for any of the following reasons: (1) commission by Employee of a felony or crime of moral turpitude; (2) conduct by Employee in the performance of Employee's duties which is illegal, dishonest, fraudulent or disloyal; (3) the breach by Employee of any fiduciary duty Employee owes to the Trust; or (4) gross neglect of duty or poor performance which is not cured by Employee to the reasonable satisfaction of the Trust within 30 days of Employee's receipt of written notice from the Trust advising Employee of said gross neglect or poor performance.

2. Section 280G. If, by virtue of receipt of the payments described in Section 1 above or any other payments in the nature of compensation, Employee is subject to excise tax pursuant to Section 4999 of the Internal Revenue Code (the "Code," and any payments subject to such excise taxes, the "Parachute Payments"), such Parachute Payments shall be reduced to the minimum extent necessary to avoid imposition of the excise tax, but only if such reduction would result in Employee retaining a greater amount after taking into account the excise tax that would be owed if no such reduction were made. If such reduction is required to be made, the Parachute Payments shall be reduced in such manner as required so as not to give rise to there being deemed to be more than one time or form of payment of any amount that constitutes nonqualified deferred compensation under Code Section 409A. Any reduction of payments required under this Section 2 shall occur only to the minimum extent necessary to avoid imposition of the excise tax.

3. No Mitigation. If Employee's employment is Involuntarily Terminated, Employee shall have no obligation to seek other employment in order to mitigate the payment of the amounts described in Section 1 E hereunder.

4. Code Section 409A. It is intended that this Agreement and the payments hereunder will, to the fullest extent possible, be exempt from Code Section 409A, and the Agreement shall be interpreted to that end to the fullest extent possible. Notwithstanding the foregoing, the Company is under no obligation to compensate Employee if the payments hereunder fail to comply with Code Section 409A. In this regard, it is intended that, to the extent possible, the maximum amount of severance pay possible be exempt from Code Section 409A as separation pay upon involuntary separation from service under Treas. Regs. Section 1.409A-1(b)(9)(iii). However, to the extent that any payment or benefit (or portion thereof) provided pursuant to this Agreement is determined to be subject to Code Section 409A, this Agreement shall be interpreted in a manner that complies with Code Section 409A to the fullest extent possible.

If payment or provision of any amount or benefit hereunder at the time specified in this Agreement would subject such amount or benefit to any tax under Code Section 409A, the payment or provision of such amount or benefit shall be postponed to the earliest commencement date on which the payment or the provision of such amount or benefit could be made without incurring such tax (including paying any severance that is delayed in a lump sum upon the earliest possible payment date which is consistent with Code Section 409A). A termination of employment shall not be deemed to have occurred for purposes of this Agreement, unless such termination is also a “separation from service” within the meaning of Code Section 409A. For purposes of this Agreement, references to a “termination,” “termination of employment” or like terms shall mean such “separation from service.” Notwithstanding anything to the contrary in this Agreement, if at the time of Employee’s separation from service from the Trust, the Trust has shares which are publicly-traded on an established securities market and Employee is a “specified employee” within the meaning of Code Section 409A, then no payment, compensation, benefit or entitlement payable or provided to Employee in connection with her separation from service that is determined, in whole or in part, to constitute a payment of nonqualified deferred compensation within the meaning of Code Section 409A shall be paid or provided to Employee before the earlier of (A) Employee’s death or (B) the day that is six (6) months after the date of her separation from service date (the “New Payment Date”). The aggregate of any payments, compensation, benefits and entitlements that otherwise would have been paid to Employee during the period between the date of her separation from service date and the New Payment Date shall be paid to Employee in a lump sum on such New Payment Date. Thereafter, any payments, compensation, benefits and entitlements that remain outstanding as of the day immediately following the New Payment Date shall be paid without delay over the time period originally scheduled, in accordance with the terms of this Agreement. With regard to any provision herein that provides for reimbursement of expenses that are not excluded from Employee’s taxable income and are nonqualified deferred compensation subject to Section 409A, then except as otherwise permitted by Section 409A (i) the right to reimbursement shall not be subject to liquidation or exchange for another benefit; (ii) the amount of expenses eligible for reimbursement provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year; and (iii) such payments shall be made, as soon as practicable, but in any case on or before the last day of Employee’s taxable year following the taxable year in which the expense was incurred. For

purposes of Section 409A, Employee's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments.

5. Clawback Policy. All incentive-based compensation granted to Employee during Employee's employment will be subject to the Compensation Recovery Policy of Elme Communities, as it may be amended for all employees generally from time-to-time.

6. Limitations of Agreement. Nothing in this Agreement shall be construed to require the Trust or its successor owner to continue to employ Employee for any definite period of time. Either Employee or the Trust may terminate the employment relationship at any time with or without cause, unless otherwise expressly required by law or contract, and provided that the terms of this Agreement are observed.

7. Arbitration. Any dispute, controversy, or claim arising out of or relating to this Agreement or the Change in Control Agreement shall be resolved exclusively by final and binding arbitration administered by JAMS. The arbitration shall be conducted by a single arbitrator, selected in accordance with the Rules, and shall take place in Bethesda, Maryland. The arbitration and all related proceedings shall be confidential, except to the extent disclosure is required by law or necessary to enforce an arbitral award. Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction. The parties expressly agree that this arbitration provision shall be governed by and enforceable under the Federal Arbitration Act (the "FAA"), and to the extent any state arbitration law is inconsistent with the FAA, the FAA shall govern. Each party shall bear its own costs in any arbitration proceeding held hereunder and the parties shall share the costs of the arbitrator.

8. Severability. In the event that any provision of this Agreement conflicts with the law under which this Agreement is to be construed, or if any such provision is held invalid or unenforceable by a court of competent jurisdiction or an arbitrator, such provision shall be deleted from this Agreement and the Agreement shall be construed to give full effect to the remaining provisions thereof.

9. Governing Law. This Agreement shall be interpreted, construed and governed according to the laws of the State of Maryland, without regard to the principles of conflicts of law thereof.

10. Assignability. Neither this Agreement nor any rights or obligations hereunder may be assigned by either party without the prior written consent of the other. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

11. Entire Agreement. This Agreement contains and represents the entire agreement of the parties and supersedes all prior agreements, representations or understandings, oral or written, express or implied, with respect to the subject matter hereof, including, without limitation, the Change in Control Agreement, any employment agreement and any offer letter entered into with Employee, which are hereby terminated and of no further force or effect. Employee further acknowledges and agrees that they have no rights to participate in the Trust's

Amended and Restated Executive Officer Short-Term Incentive Plan or the Amended and Restated Executive Officer Long-Term Incentive Plan. This Agreement may not be modified or amended in any way unless in a writing signed by both parties.

12. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be considered an original and together which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement.

EMPLOYEE

By: /s/ Tiffany M. Butcher

Name: Tiffany M. Butcher

Title: Executive Vice President and Chief Operating Officer

Date: January 22, 2026

ELME COMMUNITIES

By: /s/ Paul T. McDermott

Name: Paul T. McDermott

Title: President and Chief Executive Officer

Date: January 22, 2026

**RETENTION AGREEMENT FOR
SENIOR VICE PRESIDENT, CHIEF ADMINISTRATIVE OFFICER,
TREASURER AND SECRETARY**

THIS RETENTION AGREEMENT (“Agreement”), with an effective date of January 22, 2026 (the “Effective Date”), is made and entered into by and between Elme Communities, a real estate investment trust organized under the laws of the State of Maryland (the “Trust”), and W. Drew Hammond (“Employee”).

WHEREAS, Employee is employed in a key position with the Trust as its Senior Vice President, Chief Administrative Officer, Treasurer and Secretary;

WHEREAS, on October 30, 2025, at a special meeting of shareholders, the shareholders of the Trust approved the sale of 19 multifamily communities of the Trust to an affiliate of Cortland Partners, LLC for a purchase price of \$1.606 billion (“Portfolio Sale Transaction”) and a voluntary Plan of Sale and Liquidation for the Trust, which contemplates the sale or disposition of all the Trust’s assets, the wind-down of the Trust’s business and affairs and the termination of the Trust’s existence by voluntary dissolution (the “Plan of Sale and Liquidation”);

WHEREAS, on November 12, 2025, the Trust consummated the Portfolio Sale Transaction;

WHEREAS, the Trust and Employee have previously entered into an Amended and Restated Change in Control Agreement with an effective date of February 15, 2023 (the “Change in Control Agreement”) pursuant to which Employee would be eligible to receive certain payments and benefits in the event Employee is Involuntarily Terminated (as such term is defined in the Change in Control Agreement) following a Change in Control (as such term is defined in the Change in Control Agreement), and subject to the other terms and conditions of the Change in Control Agreement;

WHEREAS, the Portfolio Sale Transaction constituted a Change in Control pursuant to the terms of the Change in Control Agreement; and

WHEREAS, the Trust and Employee mutually desire to terminate the Change in Control Agreement, without payment of any termination benefits or other amounts pursuant thereto, and enter into this Agreement so that the Trust can be assured of Employee’s continued employment through the Retention Period (as defined herein) and so that Employee can have the opportunity to earn the payments as set forth herein.

NOW, THEREFORE, in consideration of the promises contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree to the following terms:

1. Retention Period.

A. The Trust and Employee desire for Employee's employment to continue from the Effective Date until the earlier of November 13, 2026 and the date that is forty-five (45) days after all of the Trust's remaining properties have been sold (such date, the "Retention Date" and the period from the Effective Date until the Retention Date, the "Retention Period"). During the period between the Effective Date and the date Employee's employment with the Trust is terminated (the "Employment Period"), Employee will perform services in a manner consistent with Employee's position as Senior Vice President, Chief Administrative Officer, Treasurer and Secretary of the Trust, subject to the general supervision and direction of the Chief Executive Officer of the Trust. Employee hereby agrees to devote substantially all of Employee's business time, skill, attention, and reasonable best efforts to the faithful performance of such duties and to the promotion of the business and affairs of the Trust during Employee's employment with the Trust.

B. In consideration of the services rendered by Employee during the Employment Period, the Trust shall pay Employee a base salary at the gross annual rate of three hundred fifteen thousand dollars (\$315,000), which amount shall be increased to three hundred fifty thousand dollars (\$350,000) effective as of, and contingent upon, Employee's anticipated promotion to Executive Vice President, Chief Financial Officer, Chief Administrative Officer, Treasurer and Secretary (the "Base Salary"), payable in accordance with the Company's applicable payroll practices. In addition, during the Employment Period, Employee shall be eligible to participate in or receive benefits under any employee benefit plan or arrangement now or in the future made available by the Trust generally to its similarly situated employees, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements. For the avoidance of doubt, nothing in this Agreement shall affect the Trust's right to change insurance carriers or to adopt, amend, terminate, or modify such plans and arrangements from time to time, provided that such changes apply to all similarly situated employees generally.

C. Subject to Employee's continued employment with the Trust through the Retention Date (except as set forth in Section 1.E.) and Employee's compliance with Section 1.F, Employee has the opportunity to earn a lump-sum performance bonus under the Elme Communities Executive Officer Short-Term Incentive Plan (Effective as of November 13, 2025) (the "Incentive Bonus"), for services performed in connection with the Plan of Sale and Liquidation.

D. Subject to Employee's continued employment with the Trust through the Retention Date (except as set forth in Section 1.E.) and Employee's compliance with Section 1.F, within sixty (60) days following the Retention Date, Employee shall receive a lump sum cash payment of \$1,029,484 (the "Retention Payment"), net of applicable deductions and tax withholdings.

E. In the event Employee's employment with the Trust is Involuntarily Terminated (as defined below) prior to the Retention Date, then, subject to Employee's compliance with Section 1.F, the Trust shall pay Employee the full amount of the Retention Payment within sixty (60) days of Employee's date of termination, and Employee will remain eligible to receive a pro rata amount of the Incentive Bonus, pursuant to its terms, payable at the same time as such Incentive Bonus is paid to other participants in the Incentive Bonus program.

F. As a condition to receiving the Retention Payment, Employee must sign a release of claims (the "Release") in the form provided by the Trust, and any revocation period applicable to the Release must have expired within sixty (60) days following the earlier of the Retention Date or Employee's date of termination. For the avoidance of doubt, if the Release is not signed and irrevocable within such sixty (60)-day period, Employee will not be entitled to payment of the Retention Payment.

G. Employee's employment will be deemed to have been "Involuntarily Terminated" only if (i) Employee's employment is terminated by the Trust or any successor owner of the Trust without Cause, or (ii) Employee resigns because Employee's Base Salary or Incentive Bonus opportunity are materially diminished without Employee's consent, provided that (A) Employee gives written notice to the Trust within thirty (30) days following the first occurrence of the diminution or receipt of notice of the diminution of his objection to the diminution, (B) the Trust fails to remedy the diminution within thirty (30) days following Employee's written notice, and (C) Employee terminates his employment within thirty (30) days following the Trust's failure to remedy the diminution. For the avoidance of doubt, Employee understands and agrees that the definition of "Involuntarily Terminated" under the Change in Control Agreement is no longer applicable following the Effective Date.

H. For purposes of this Agreement, a termination for "Cause" shall be deemed to occur only if the Trust terminates Employee's employment for any of the following reasons: (1) commission by Employee of a felony or crime of moral turpitude; (2) conduct by Employee in the performance of Employee's duties which is illegal, dishonest, fraudulent or disloyal; (3) the breach by Employee of any fiduciary duty Employee owes to the Trust; or (4) gross neglect of duty or poor performance which is not cured by Employee to the reasonable satisfaction of the Trust within 30 days of Employee's receipt of written notice from the Trust advising Employee of said gross neglect or poor performance.

2. Section 280G. If, by virtue of receipt of the payments described in Section 1 above or any other payments in the nature of compensation, Employee is subject to excise tax pursuant to Section 4999 of the Internal Revenue Code (the "Code," and any payments subject to such excise taxes, the "Parachute Payments"), such Parachute Payments shall be reduced to the minimum extent necessary to avoid imposition of the excise tax, but only if such reduction would result in Employee retaining a greater amount after taking into account the excise tax that would be owed if no such reduction were made. If such reduction is required to be made, the

Parachute Payments shall be reduced in such manner as required so as not to give rise to there being deemed to be more than one time or form of payment of any amount that constitutes nonqualified deferred compensation under Code Section 409A. Any reduction of payments required under this Section 2 shall occur only to the minimum extent necessary to avoid imposition of the excise tax.

3. No Mitigation. If Employee's employment is Involuntarily Terminated, Employee shall have no obligation to seek other employment in order to mitigate the payment of the amounts described in Section 1.E hereunder.

4. Code Section 409A. It is intended that this Agreement and the payments hereunder will, to the fullest extent possible, be exempt from Code Section 409A, and the Agreement shall be interpreted to that end to the fullest extent possible. Notwithstanding the foregoing, the Company is under no obligation to compensate Employee if the payments hereunder fail to comply with Code Section 409A. In this regard, it is intended that, to the extent possible, the maximum amount of severance pay possible be exempt from Code Section 409A as separation pay upon involuntary separation from service under Treas. Regs. Section 1.409A-1(b)(9)(iii). However, to the extent that any payment or benefit (or portion thereof) provided pursuant to this Agreement is determined to be subject to Code Section 409A, this Agreement shall be interpreted in a manner that complies with Code Section 409A to the fullest extent possible.

If payment or provision of any amount or benefit hereunder at the time specified in this Agreement would subject such amount or benefit to any tax under Code Section 409A, the payment or provision of such amount or benefit shall be postponed to the earliest commencement date on which the payment or the provision of such amount or benefit could be made without incurring such tax (including paying any severance that is delayed in a lump sum upon the earliest possible payment date which is consistent with Code Section 409A). A termination of employment shall not be deemed to have occurred for purposes of this Agreement, unless such termination is also a "separation from service" within the meaning of Code Section 409A. For purposes of this Agreement, references to a "termination," "termination of employment" or like terms shall mean such "separation from service." Notwithstanding anything to the contrary in this Agreement, if at the time of Employee's separation from service from the Trust, the Trust has shares which are publicly-traded on an established securities market and Employee is a "specified employee" within the meaning of Code Section 409A, then no payment, compensation, benefit or entitlement payable or provided to Employee in connection with his separation from service that is determined, in whole or in part, to constitute a payment of nonqualified deferred compensation within the meaning of Code Section 409A shall be paid or provided to Employee before the earlier of (A) Employee's death or (B) the day that is six (6) months after the date of his separation from service date (the "New Payment Date"). The aggregate of any payments, compensation, benefits and entitlements that otherwise would have been paid to Employee during the period between the date of his separation from service date and the New Payment Date shall be paid to Employee in a lump sum on such New Payment Date. Thereafter, any payments, compensation, benefits and entitlements that remain outstanding as of the day immediately following the New Payment Date shall be paid without delay over the

time period originally scheduled, in accordance with the terms of this Agreement. With regard to any provision herein that provides for reimbursement of expenses that are not excluded from Employee's taxable income and are nonqualified deferred compensation subject to Section 409A, then except as otherwise permitted by Section 409A (i) the right to reimbursement shall not be subject to liquidation or exchange for another benefit; (ii) the amount of expenses eligible for reimbursement provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year; and (iii) such payments shall be made, as soon as practicable, but in any case on or before the last day of Employee's taxable year following the taxable year in which the expense was incurred. For purposes of Section 409A, Employee's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments.

5. Clawback Policy. All incentive-based compensation granted to Employee during Employee's employment will be subject to the Compensation Recovery Policy of Elme Communities, as it may be amended for all employees generally from time-to-time.

6. Limitations of Agreement. Nothing in this Agreement shall be construed to require the Trust or its successor owner to continue to employ Employee for any definite period of time. Either Employee or the Trust may terminate the employment relationship at any time with or without cause, unless otherwise expressly required by law or contract, and provided that the terms of this Agreement are observed.

7. Arbitration. Any dispute, controversy, or claim arising out of or relating to this Agreement or the Change in Control Agreement shall be resolved exclusively by final and binding arbitration administered by JAMS. The arbitration shall be conducted by a single arbitrator, selected in accordance with the Rules, and shall take place in Bethesda, Maryland. The arbitration and all related proceedings shall be confidential, except to the extent disclosure is required by law or necessary to enforce an arbitral award. Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction. The parties expressly agree that this arbitration provision shall be governed by and enforceable under the Federal Arbitration Act (the "FAA"), and to the extent any state arbitration law is inconsistent with the FAA, the FAA shall govern. Each party shall bear its own costs in any arbitration proceeding held hereunder and the parties shall share the costs of the arbitrator.

8. Severability. In the event that any provision of this Agreement conflicts with the law under which this Agreement is to be construed, or if any such provision is held invalid or unenforceable by a court of competent jurisdiction or an arbitrator, such provision shall be deleted from this Agreement and the Agreement shall be construed to give full effect to the remaining provisions thereof.

9. Governing Law. This Agreement shall be interpreted, construed and governed according to the laws of the State of Maryland, without regard to the principles of conflicts of law thereof.

10. Assignability. Neither this Agreement nor any rights or obligations hereunder may be assigned by either party without the prior written consent of the other. Subject to the

foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

11. Entire Agreement. This Agreement contains and represents the entire agreement of the parties and supersedes all prior agreements, representations or understandings, oral or written, express or implied, with respect to the subject matter hereof, including, without limitation, the Change in Control Agreement, any employment agreement and any offer letter entered into with Employee, which are hereby terminated and of no further force or effect. Employee further acknowledges and agrees that they have no rights to participate in the Trust's Amended and Restated Executive Officer Short-Term Incentive Plan or the Amended and Restated Executive Officer Long-Term Incentive Plan. This Agreement may not be modified or amended in any way unless in a writing signed by both parties.

12. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be considered an original and together which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement.

EMPLOYEE

By: /s/ W. Drew Hammond

Name: W. Drew Hammond

Title: Senior Vice President, Chief Administrative Officer, Treasurer and Secretary

Date: January 22, 2026

ELME COMMUNITIES

By: /s/ Paul T. McDermott

Name: Paul T. McDermott

Title: President and Chief Executive Officer

Date: January 22, 2026

**RETENTION AGREEMENT FOR
EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER**

THIS RETENTION AGREEMENT (“Agreement”), with an effective date of January 22, 2026 (the “Effective Date”), is made and entered into by and between Elme Communities, a real estate investment trust organized under the laws of the State of Maryland (the “Trust”), and Steven M. Freishtat (“Employee”).

WHEREAS, Employee is employed in a key position with the Trust as its Executive Vice President and Chief Financial Officer;

WHEREAS, on October 30, 2025, at a special meeting of shareholders, the shareholders of the Trust approved the sale of 19 multifamily communities of the Trust to an affiliate of Cortland Partners, LLC for a purchase price of \$1.606 billion (“Portfolio Sale Transaction”) and a voluntary Plan of Sale and Liquidation for the Trust, which contemplates the sale or disposition of all the Trust’s assets, the wind-down of the Trust’s business and affairs and the termination of the Trust’s existence by voluntary dissolution (the “Plan of Sale and Liquidation”);

WHEREAS, on November 12, 2025, the Trust consummated the Portfolio Sale Transaction;

WHEREAS, the Trust and Employee have previously entered into a Change in Control Agreement with an effective date of March 1, 2023 (the “Change in Control Agreement”) pursuant to which Employee would be eligible to receive certain payments and benefits in the event Employee is Involuntarily Terminated (as such term is defined in the Change in Control Agreement) following a Change in Control (as such term is defined in the Change in Control Agreement), and subject to the other terms and conditions of the Change in Control Agreement;

WHEREAS, the Portfolio Sale Transaction constituted a Change in Control pursuant to the terms of the Change in Control Agreement; and

WHEREAS, the Trust and Employee mutually desire to terminate the Change in Control Agreement, without payment of any termination benefits or other amounts pursuant thereto, and enter into this Agreement so that the Trust can be assured of Employee’s continued employment through the Retention Period (as defined herein) and so that Employee can have the opportunity to earn the payments as set forth herein.

NOW, THEREFORE, in consideration of the promises contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree to the following terms:

1. Retention Period.

A. The Trust and Employee desire for Employee’s employment to continue from the Effective Date until the end of the first business day after the date of filing of the Trust’s Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (such

date, the “Retention Date” and the period from the Effective Date until the Retention Date, the “Retention Period”). During the period between the Effective Date and the date Employee’s employment with the Trust is terminated (the “Employment Period”), Employee will perform services in a manner consistent with Employee’s position as Executive Vice President and Chief Financial Officer of the Trust, subject to the general supervision and direction of the Chief Executive Officer of the Trust. Employee hereby agrees to devote substantially all of Employee’s business time, skill, attention, and reasonable best efforts to the faithful performance of such duties and to the promotion of the business and affairs of the Trust during Employee’s employment with the Trust.

B. In consideration of the services rendered by Employee during the Employment Period, the Trust shall pay Employee a base salary at the gross annual rate of three hundred twenty-five thousand dollars (\$325,000) (the “Base Salary”), payable in accordance with the Company’s applicable payroll practices. In addition, during the Employment Period, Employee shall be eligible to participate in or receive benefits under any employee benefit plan or arrangement now or in the future made available by the Trust generally to its similarly situated employees, subject to and on a basis consistent with the terms, conditions and overall administration of such plans and arrangements. For the avoidance of doubt, nothing in this Agreement shall affect the Trust’s right to change insurance carriers or to adopt, amend, terminate, or modify such plans and arrangements from time to time, provided that such changes apply to all similarly situated employees generally.

C. Subject to Employee’s continued employment with the Trust through the Retention Date (except as set forth in Section 1.E.) and Employee’s compliance with Section 1.F, Employee has the opportunity to earn a lump-sum performance bonus of \$25,000 within sixty (60) days following the Retention Date (the “Incentive Bonus”), for services performed in connection with the Plan of Sale and Liquidation.

D. Subject to Employee’s continued employment with the Trust through the Retention Date (except as set forth in Section 1.E.) and Employee’s compliance with Section 1.F, within sixty (60) days following the Retention Date, Employee shall receive a lump sum cash payment of \$1,202,639 (the “Retention Payment”), net of applicable deductions and tax withholdings.

E. In the event Employee’s employment with the Trust is Involuntarily Terminated (as defined below) prior to the Retention Date, then, subject to Employee’s compliance with Section 1.F, the Trust shall pay Employee the full amount of the Retention Payment within sixty (60) days of Employee’s date of termination, and Employee will remain eligible to receive a pro rata amount of the Incentive Bonus.

F. As a condition to receiving the Retention Payment, Employee must sign a release of claims (the “Release”) in the form provided by the Trust, and any revocation period applicable to the Release must have expired within sixty (60) days following the earlier of the Retention Date or Employee’s date of termination. For the avoidance of

doubt, if the Release is not signed and irrevocable within such sixty (60)-day period, Employee will not be entitled to payment of the Retention Payment.

G. Employee's employment will be deemed to have been "Involuntarily Terminated" only if (i) Employee's employment is terminated by the Trust or any successor owner of the Trust without Cause, or (ii) Employee resigns because Employee's Base Salary is materially diminished without Employee's consent, provided that (A) Employee gives written notice to the Trust within thirty (30) days following the first occurrence of the diminution or receipt of notice of the diminution of his objection to the diminution, (B) the Trust fails to remedy the diminution within thirty (30) days following Employee's written notice, and (C) Employee terminates his employment within thirty (30) days following the Trust's failure to remedy the diminution. For the avoidance of doubt, Employee understands and agrees that the definition of "Involuntarily Terminated" under the Change in Control Agreement is no longer applicable following the Effective Date.

H. For purposes of this Agreement, a termination for "Cause" shall be deemed to occur only if the Trust terminates Employee's employment for any of the following reasons: (1) commission by Employee of a felony or crime of moral turpitude; (2) conduct by Employee in the performance of Employee's duties which is illegal, dishonest, fraudulent or disloyal; (3) the breach by Employee of any fiduciary duty Employee owes to the Trust; or (4) gross neglect of duty or poor performance which is not cured by Employee to the reasonable satisfaction of the Trust within 30 days of Employee's receipt of written notice from the Trust advising Employee of said gross neglect or poor performance.

2. Section 280G. If, by virtue of receipt of the payments described in Section 1 above or any other payments in the nature of compensation, Employee is subject to excise tax pursuant to Section 4999 of the Internal Revenue Code (the "Code," and any payments subject to such excise taxes, the "Parachute Payments"), such Parachute Payments shall be reduced to the minimum extent necessary to avoid imposition of the excise tax, but only if such reduction would result in Employee retaining a greater amount after taking into account the excise tax that would be owed if no such reduction were made. If such reduction is required to be made, the Parachute Payments shall be reduced in such manner as required so as not to give rise to there being deemed to be more than one time or form of payment of any amount that constitutes nonqualified deferred compensation under Code Section 409A. Any reduction of payments required under this Section 2 shall occur only to the minimum extent necessary to avoid imposition of the excise tax.

3. No Mitigation. If Employee's employment is Involuntarily Terminated, Employee shall have no obligation to seek other employment in order to mitigate the payment of the amounts described in Section 1.E hereunder.

4. Code Section 409A. It is intended that this Agreement and the payments hereunder will, to the fullest extent possible, be exempt from Code Section 409A, and the Agreement shall be interpreted to that end to the fullest extent possible. Notwithstanding the

foregoing, the Company is under no obligation to compensate Employee if the payments hereunder fail to comply with Code Section 409A. In this regard, it is intended that, to the extent possible, the maximum amount of severance pay possible be exempt from Code Section 409A as separation pay upon involuntary separation from service under Treas. Regs. Section 1.409A-1(b)(9)(iii). However, to the extent that any payment or benefit (or portion thereof) provided pursuant to this Agreement is determined to be subject to Code Section 409A, this Agreement shall be interpreted in a manner that complies with Code Section 409A to the fullest extent possible.

If payment or provision of any amount or benefit hereunder at the time specified in this Agreement would subject such amount or benefit to any tax under Code Section 409A, the payment or provision of such amount or benefit shall be postponed to the earliest commencement date on which the payment or the provision of such amount or benefit could be made without incurring such tax (including paying any severance that is delayed in a lump sum upon the earliest possible payment date which is consistent with Code Section 409A). A termination of employment shall not be deemed to have occurred for purposes of this Agreement, unless such termination is also a “separation from service” within the meaning of Code Section 409A. For purposes of this Agreement, references to a “termination,” “termination of employment” or like terms shall mean such “separation from service.” Notwithstanding anything to the contrary in this Agreement, if at the time of Employee’s separation from service from the Trust, the Trust has shares which are publicly-traded on an established securities market and Employee is a “specified employee” within the meaning of Code Section 409A, then no payment, compensation, benefit or entitlement payable or provided to Employee in connection with his separation from service that is determined, in whole or in part, to constitute a payment of nonqualified deferred compensation within the meaning of Code Section 409A shall be paid or provided to Employee before the earlier of (A) Employee’s death or (B) the day that is six (6) months after the date of his separation from service date (the “New Payment Date”). The aggregate of any payments, compensation, benefits and entitlements that otherwise would have been paid to Employee during the period between the date of his separation from service date and the New Payment Date shall be paid to Employee in a lump sum on such New Payment Date. Thereafter, any payments, compensation, benefits and entitlements that remain outstanding as of the day immediately following the New Payment Date shall be paid without delay over the time period originally scheduled, in accordance with the terms of this Agreement. With regard to any provision herein that provides for reimbursement of expenses that are not excluded from Employee’s taxable income and are nonqualified deferred compensation subject to Section 409A, then except as otherwise permitted by Section 409A (i) the right to reimbursement shall not be subject to liquidation or exchange for another benefit; (ii) the amount of expenses eligible for reimbursement provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year; and (iii) such payments shall be made, as soon as practicable, but in any case on or before the last day of Employee’s taxable year following the taxable year in which the expense was incurred. For purposes of Section 409A, Employee’s right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments.

5. **Clawback Policy.** All incentive-based compensation granted to Employee during Employee's employment will be subject to the Compensation Recovery Policy of Elme Communities, as it may be amended for all employees generally from time-to-time.

6. **Limitations of Agreement.** Nothing in this Agreement shall be construed to require the Trust or its successor owner to continue to employ Employee for any definite period of time. Either Employee or the Trust may terminate the employment relationship at any time with or without cause, unless otherwise expressly required by law or contract, and provided that the terms of this Agreement are observed.

7. **Arbitration.** Any dispute, controversy, or claim arising out of or relating to this Agreement or the Change in Control Agreement shall be resolved exclusively by final and binding arbitration administered by JAMS. The arbitration shall be conducted by a single arbitrator, selected in accordance with the Rules, and shall take place in Bethesda, Maryland. The arbitration and all related proceedings shall be confidential, except to the extent disclosure is required by law or necessary to enforce an arbitral award. Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction. The parties expressly agree that this arbitration provision shall be governed by and enforceable under the Federal Arbitration Act (the "FAA"), and to the extent any state arbitration law is inconsistent with the FAA, the FAA shall govern. Each party shall bear its own costs in any arbitration proceeding held hereunder and the parties shall share the costs of the arbitrator.

8. **Severability.** In the event that any provision of this Agreement conflicts with the law under which this Agreement is to be construed, or if any such provision is held invalid or unenforceable by a court of competent jurisdiction or an arbitrator, such provision shall be deleted from this Agreement and the Agreement shall be construed to give full effect to the remaining provisions thereof.

9. **Governing Law.** This Agreement shall be interpreted, construed and governed according to the laws of the State of Maryland, without regard to the principles of conflicts of law thereof.

10. **Assignability.** Neither this Agreement nor any rights or obligations hereunder may be assigned by either party without the prior written consent of the other. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

11. **Entire Agreement.** This Agreement contains and represents the entire agreement of the parties and supersedes all prior agreements, representations or understandings, oral or written, express or implied, with respect to the subject matter hereof, including, without limitation, the Change in Control Agreement, any employment agreement and any offer letter entered into with Employee, which are hereby terminated and of no further force or effect. Employee further acknowledges and agrees that they have no rights to participate in the Trust's Amended and Restated Executive Officer Short-Term Incentive Plan or the Amended and Restated Executive Officer Long-Term Incentive Plan. This Agreement may not be modified or amended in any way unless in a writing signed by both parties.

12. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be considered an original and together which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement.

EMPLOYEE

By: /s/ Steven M. Freishtat

Name: Steven M. Freishtat

Title: Executive Vice President and Chief Financial Officer

Date: January 22, 2026

ELME COMMUNITIES

By: /s/ Paul T. McDermott

Name: Paul T. McDermott

Title: President and Chief Executive Officer

Date: January 22, 2026

**ELME COMMUNITIES
EXECUTIVE OFFICER SHORT-TERM INCENTIVE PLAN
(Effective as of November 13, 2025)**

ARTICLE I. INTRODUCTION

1.1 **Purpose**. The purposes of the Elme Communities Executive Officer Short-Term Incentive Plan (the “Plan”) contained herein are to allow Elme Communities (the “Trust”) to retain (and attract) talented executives, to provide incentives to executives to achieve certain performance targets related to execution of the Trust’s Plan of Sale and Liquidation. In furtherance of this purpose, the Plan is designed to provide short-term incentive compensation to specified executive officers of the Trust, the amount of which is dependent on the degree of attainment of certain performance goals of the Trust over the Performance Period (as defined in the Plan).

1.2 **Overview**. Each award under the Plan represents an opportunity for a participant to earn a cash award expressed as a dollar amount that is a multiple of the participant’s annual base salary, which multiple varies depending on the participant’s job position and the degree of achievement of the performance goals over the Performance Period. The award, if earned, is paid following completion of the Performance Period.

1.3 **Effective Date**. This Plan is effective as of November 13, 2025 (the “Effective Date”), and was approved by the Compensation Committee of the Board of Trustees of the Trust (the “Committee”) and by the Board of Trustees of the Trust (the “Board”) on January 21, 2026.

ARTICLE II. DEFINITIONS

2.1 “Award” means an opportunity to earn a cash payment based on the attainment of performance criteria over the Performance Period.

2.2 “Cause” means

- (a) commission by the Participant of a felony or crime of moral turpitude;
- (b) conduct by the Participant in the performance of the Participant’s duties to the Trust which is illegal, dishonest, fraudulent or disloyal;
- (c) the breach by the Participant of any fiduciary duty the Participant owes to the Trust; or
- (d) gross neglect of duty which is not cured by the Participant to the reasonable satisfaction of the Trust within thirty (30) days of the Participant’s receipt of written notice from the Trust advising the Participant of said gross neglect.

2.3 “Disability” means any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, as a result of which the Participant is receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Trust. The determination of whether the Participant’s physical or mental impairment satisfies the conditions set forth in this Section shall be made under a disability insurance program covering employees of the Trust; provided, however, that if the Participant is determined to be totally disabled by the Social Security Administration, his physical or mental impairment shall be deemed to satisfy the conditions of this Section.

2.4 “Good Reason” means the Participant resigns because the Participant’s annual base salary, or the Award opportunity hereunder, are materially diminished without Participant’s consent, provided that (A) Participant gives written notice to the Trust within thirty (30) days following the first occurrence of the diminution or receipt of notice of the diminution of Participant’s objection to the diminution, (B) the Trust fails to remedy the diminution within thirty (30) days following Participant’s written notice, and (C) Participant terminates his or her employment within thirty (30) days following the Trust’s failure to remedy the diminution.

2.5 “Participant” means the persons listed on Appendix A, or any other person or position designated by the Committee to be eligible to participate in this Plan.

2.6 “Performance Period” means the period from and including November 13, 2025 through the earlier of (i) November 13, 2026 and (ii) the date on which the actual levels of achievement of the Performance Goals in Section 4.2(A) and (B) are otherwise determined by the Committee.

2.7 “Plan of Sale and Liquidation” means that certain Plan of Sale and Liquidation, which became effective on October 30, 2025.

ARTICLE III. ELIGIBILITY AND ADMINISTRATION

3.1 Eligibility. Only those persons listed as Participants on Appendix A, who are employees of the Trust as of the first day of the Performance Period, shall be the Participants unless specifically excluded by the Committee. The Committee may designate additional employees as Participants during the Performance Period. If the Committee adds Participants after the first day of the Performance Period, the Participant’s Award opportunity will be as established by the Committee by written notice to the Participant in lieu of the level specified in Section 4.1. Unless otherwise specified by the Committee, the Award for any Participant who is not a Participant on the first day of the Performance Period shall be prorated in the proportion that the number of days the Participant is employed by the Trust during the Performance Period bears to the number of days in the Performance Period. Once a person becomes a Participant in the Plan, the Participant shall remain a Participant until any Award payable hereunder has been paid or forfeited.

3.2 Administration. The Plan shall be administered by the Committee, which shall have discretionary authority to interpret and make all determinations relating to the Plan. Any interpretation or determination by the Committee shall be binding on all parties.

ARTICLE IV. AWARDS

4.1 Award Opportunity. Each Participant's total Award under the Plan with respect to the Performance Period shall be stated as a percentage of the Participant's annual base salary determined as of the first day of the Performance Period (subject to adjustment, as applicable, pursuant to the last paragraph of this Section 4.1), which percentage shall depend upon the Participant's position and the degree of achievement of threshold, target, and high of each Performance Goal (as defined below) for the Performance Period which, except as otherwise determined by the Committee, shall be as set forth in the table below:

	<i>Threshold</i>	<i>Target</i>	<i>High</i>
President and Chief Executive Officer	45%	90%	135%
Executive Vice President	37%	75%	120%
Senior Vice President	30%	60%	105%

Unless otherwise specified by the Committee, the Award for any Participant who is promoted during the Performance Period shall be determined by prorating the applicable threshold, target and high percentages set forth above and applying the Participant's annual base salary as of the first day of the Performance Period and as of the effective date of their promotion, respectively, to the number of days the Participant is employed by the Trust during the Performance Period at each of the levels set forth above.

4.2 Performance Goals. The performance measures and the weighting attributable to each performance measure under the Plan for the Performance Period shall consist of (A) the aggregate amount of the additional liquidating distributions to be paid to shareholders following effectiveness of the Plan of Sale and Liquidation, as estimated by the Committee as of July 31, 2026, but excluding the initial special liquidating distribution paid on January 7, 2026 to holders of record on December 22, 2025 (40%), (B) the timing of completion of the sale of substantially all of the remaining assets of the Trust, including completion of the sale of the 10 remaining multifamily/office assets owned by the Trust on November 13, 2025 in furtherance of winding-up of the activities of the Trust (40%), and (C) other subjective measures in furtherance of implementing the Plan of Sale and Liquidation, as determined by the Committee (20%). The threshold, target and high performance goals for each performance measure (collectively the "Performance Goals") shall be separately determined by the Committee and communicated to the Participants.

Upon or following completion of the Performance Period, the degree of achievement of the Performance Goals shall be determined by the Committee in its discretion. If the Committee

determines that the degree of achievement of one or more Performance Goals is between threshold and target or between target and high, then the portion of the Award that is dependent upon such Performance Goal shall be determined by linear interpolation between such values. If the degree of achievement of one or more Performance Goals falls below threshold, the portion of the Award that is dependent on such Performance Goal shall not be paid.

In determining the degree to which a Performance Goal is achieved, the Committee may take into account absolute performance, performance relative to other companies in the industry, the challenges faced by the Trust and/or the positive external circumstances that may have beneficially impacted the Trust's performance, input from the Board or written materials provided by the Chief Executive Officer. In addition, the Committee may provide that any evaluation of performance may include or exclude events that occur during a Performance Period, such as, but not limited to: (a) asset write-downs; (b) litigation or claims, judgments, or settlements; (c) the effect of changes in tax laws, accounting principles, or other laws or provisions affecting reported results; or (d) other anticipated extraordinary items.

4.3 Eligibility for, Timing and Form of Payment of Award. Except as provided in Section 4.4, the Participant must be employed by the Trust on the last day of the Performance Period to receive an Award, and the Award shall be paid as follows:

- (a) Upon or following the end of the Performance Period, for each Participant, the Committee shall determine the degree of achievement of the Performance Goals and determine the dollar amount payable in cash to each Participant based on achievement of the Performance Goals; and
- (b) The dollar amount payable in cash for each Participant shall be paid no later than sixty (60) days following the end of the Performance Period.

4.4 Qualifying Termination during the Performance Period. If during the Performance Period, (A) the Participant's employment is terminated by the Trust without Cause, (B) the Participant resigns with Good Reason, dies or becomes subject to a Disability while employed by the Trust, or (C) the Participant and the Board otherwise mutually agree that the Participant's resignation constitutes a Qualifying Termination under this Section 4.4, the Participant shall receive an Award calculated based on the actual levels of achievement of the Performance Goals in Section 4.2(A) and (B) for the entire Performance Period and at target level of achievement of the Performance Goal in Section 4.2(C) for the entire Performance Period, but the Award shall be prorated in the proportion that the number of days elapsed from the beginning of the Performance Period through the date the Participant ceases to be an employee of the Trust bears to the total number of days in the Performance Period. The timing of payment Awards shall occur no later than sixty (60) days following the earlier of (x) the end of the Performance Period or (y) the date on which the actual levels of achievement of the Performance Goals in Section 4.2(A) and (B) are otherwise determined by the Committee.

ARTICLE V. MISCELLANEOUS

5.1 Payroll Withholding. The payment of the Award shall be reduced by all required tax withholding and all other applicable payroll deductions.

5.2 Restrictions on Transfer. The Participant shall not have the right to make or permit to exist any transfer or hypothecation, whether outright or as security, with or without consideration, voluntary or involuntary, of all or any part of any right, title or interest in or to an Award until such date as, and only to the extent that, cash has been paid. Any such disposition not made in accordance with this Plan shall be deemed null and void. Any permitted transferee under this Section shall be bound by the terms of this Plan.

5.3 Successors. This Plan shall be binding upon and inure to the benefit of the heirs, legal representatives, successors, and permitted assigns of the parties.

5.4 Notice. Except as otherwise specified herein, all notices and other communications under this Plan shall be in writing and shall be deemed to have been given if personally delivered or if sent by registered or certified United States mail, return receipt requested, postage prepaid, addressed to the proposed recipient at the last known address of the recipient. Any party may designate any other address to which notices shall be sent by giving notice of the address to the other parties in the same manner as provided herein.

5.5 Severability. In the event that any one or more of the provisions or portion thereof contained in this Plan shall for any reason be held to be invalid, illegal, or unenforceable in any respect, the same shall not invalidate or otherwise affect any other provisions of this Plan, and this Plan shall be construed as if the invalid, illegal or unenforceable provision or portion thereof had never been contained herein.

5.6 No Right to Continued Retention. Neither the establishment of the Plan nor the Award hereunder shall be construed as giving any Participant the right to continued service with the Trust.

5.7 Interpretation and IRC Section 409A. Section headings used herein are for convenience of reference only and shall not be considered in construing this Plan. Sections 1.1 and 1.2 are intended to introduce and summarize the Plan only and shall not apply for purposes of determining a Participant's rights under the Plan. Termination of employment under the Plan shall be considered to have occurred for purposes of Section 4.4 only if the Participant has a termination of employment that constitutes a "separation from service" within the meaning of Section 409A of the Internal Revenue Code. Awards under the Plan are intended to be exempt from Section 409A as "short-term deferrals" within the meaning of the Treasury Regulations under Section 409A, and the Plan shall be interpreted in a manner to be exempt from or otherwise in compliance with Section 409A.

5.8 Amendment and Termination of the Plan. The Committee reserves the right to amend or terminate the Plan at any time, provided that no amendment shall deprive a Participant of any Award that is earned up to the date of the amendment or termination or result in the

acceleration of any award payable under the Plan if such acceleration would result in any Participants incurring a tax under Section 409A of the Internal Revenue Code.

5.9 Governing Laws. The laws of the State of Maryland shall govern the Plan, to the extent not preempted by federal law, without reference to the principles of conflict of laws.

ELME COMMUNITIES

By: /s/ Paul T. McDermott

Name: Paul T. McDermott

Title: President and Chief Executive Officer

Appendix A

Paul McDermott
Tiffany Butcher
Drew Hammond



Elme Communities Provides Update On Liquidation Activities

Company has entered into purchase and sale agreements covering three of the remaining 10 properties expected to close in first quarter 2026

Continues to target completing all remaining sales by mid-year 2026

Updates range of total estimated liquidating distributions to \$17.02 - \$17.47 per share (including the initial \$14.67 per share distribution paid in January 2026)

BETHESDA, Md.– January 23, 2026 – Elme Communities (“Elme” or the “Company”) (NYSE: ELME) today provided an update regarding the status of ongoing liquidation activities under the Company’s Plan of Sale and Liquidation, approved by Elme shareholders on October 30, 2025.

Marketing and Sale Process

As of January 23, 2026, the Company has entered into two purchase and sale agreements, which are no longer subject to ongoing inspection periods, pursuant to which it expects to sell three of its remaining properties – Elme Sandy Spring and Elme Marietta located in Georgia and Elme Watkins Mill located in Maryland – to various buyers for aggregate gross proceeds of approximately \$155 million. The closing of each of these transactions is expected to occur later in the first quarter of 2026, subject to satisfaction of customary closing conditions, including, in the case of the Maryland property, regulatory requirements related to the sale of multifamily properties in Montgomery County, Maryland.

The marketing and sale process with respect to the Company’s remaining seven properties remains ongoing. The Company currently expects to finalize the sales of the two remaining Maryland properties, the one remaining Georgia property and Watergate 600, Elme’s only office property, in the first quarter or early second quarter of 2026. The Company also expects to commence a formal marketing process for Riverside Apartments later this month and to continue the marketing process for the two D.C. properties, with a goal to have these three remaining properties under contract by mid-May. Elme continues to target completion of the sale of all 10 remaining properties by mid-year 2026.

“We are pleased to have moved quickly to begin the marketing and sale process for our remaining assets, and with the progress we’ve made to-date, as part of our timely execution of the Plan of Sale and Liquidation approved by our shareholders late last year,” said Paul McDermott, President and Chief Executive Officer. “Following our successful sale of a 19-property portfolio late last year for \$1.6 billion, we remain laser-focused on expediently monetizing the Company’s remaining assets.”

Estimated Range of Liquidating Distributions

As previously disclosed, following closing of the 19-property portfolio sale to an affiliate of Cortland Partners LLC (the “Portfolio Sale”) and entry into a \$520 million senior secured term loan with Goldman Sachs Bank USA, as lender (the “Term Loan”), both of which occurred on November 12, 2025, Elme’s Board of Trustees (the “Board”) declared an initial special liquidating distribution of \$14.67 per common share, which was paid on January 7, 2026 to Elme

shareholders of record on December 22, 2025 (the “Initial Liquidating Distribution”). The Term Loan is intended to be repaid with the net proceeds from the sales of the remaining properties which secure the Term Loan, and such properties are expected to be released from the mortgages securing the Term Loan as they are sold. The Company intends to return net proceeds from the sale of its remaining 10 assets to Elme shareholders when appropriate and in the Board’s discretion.

Based on the assumptions and estimates described in more detail below, the Company currently estimates that the total amount of additional liquidating distributions (the “Additional Liquidating Distributions”) to be funded from the net proceeds of sales of the 10 remaining assets will be between \$2.35 and \$2.80 per common share. Based on this updated estimate, the total amount of liquidating distributions (including the Initial Liquidating Distribution) is estimated to be between \$17.02 and \$17.47 per common share, compared to the estimated range of \$17.40 to \$18.32 per common share previously disclosed in the Company’s August 4, 2025 press release and included in the definitive proxy statement for the special meeting of shareholders held on October 30, 2025. The change in the estimated range of Additional Liquidating Distributions compared to the previously disclosed estimated range is predominately the result of reductions to the estimated range of gross proceeds with respect to Riverside Apartments and to a lesser extent the two remaining D.C. properties, which reductions are largely a function of information obtained during the marketing and sale process, including with respect to interest and valuation levels received to date, as well as current market conditions in the D.C. area, which have continued to soften throughout our marketing and sale process generally. The adjusted estimated range of Additional Liquidating Distributions also includes minor adjustments for incremental increases in estimated general and administrative expenses and transaction costs, as well as an adjustment to reflect the higher actual amount of the Term Loan (which was originally estimated to be between \$500 million and \$520 million), resulting in a Term Loan repayment amount at the top end of the Trust’s original estimate, partially offset by slightly higher interest income.

“Given the size of Riverside Apartments, we anticipated the need to draw upon a different buyer pool for this property relative to the expected pool of buyers for our other remaining multifamily properties,” said Mr. McDermott. “We expect to kick off a formal marketing process for Riverside later this month with the goal of attracting additional interest in the property from buyers with available capital to deploy in 2026.”

Our estimates of the ranges of liquidating distributions, including the estimated range of Additional Liquidating Distributions, were derived from a number of assumptions and estimates, including the estimated range of gross asset sales proceeds for the 10 remaining properties as discussed above, updated to reflect actual contract pricing and the other gross asset value estimate adjustments discussed above, less updated estimates for transaction costs (including updates to reflect actual transaction costs associated with closing the Portfolio Sale and finalizing the Term Loan), debt service costs, debt repayment amounts for the Term Loan and establishment of reserves to satisfy liabilities and liquidating expenses, estimated operating costs to run the Company until completion of the wind-down of the Company’s business and affairs and dissolution of the Company, capital expenditure requirements and REIT compliance costs, but adjusted upwards for estimated cash flow/net working capital to be generated from the Company’s property operations prior to completing sales of the 10 remaining properties.



Many of the assumptions and estimates reflected in the estimated range of Additional Liquidating Distributions are outside the Company's control and may not prove to be accurate, which could cause actual liquidating distributions, including the estimated range of Additional Liquidating Distributions, to be less or more than the estimated ranges. The Company cannot determine the timing of any Additional Liquidating Distributions to Elme shareholders or provide assurances that the actual amounts available for distribution to shareholders will be within the estimated ranges of the liquidating distributions, including the estimated range of Additional Liquidating Distributions. Elme may provide further updates regarding any assumptions or estimates that may change in the future, but undertakes no obligation to do so.

For additional detail and other information regarding the assumptions and estimates relating to the estimated range of Additional Liquidating Distributions, please see the Current Report on Form 8-K, dated as of January 23, 2026, filed by Elme with the Securities and Exchange Commission ("SEC"), which is available free of charge through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed by Elme with the SEC are also available, free of charge, on Elme's website at www.elmecommunities.com or upon written request to Investor Relations, Elme Communities 7550 Wisconsin Ave, Suite 900, Bethesda, MD 20814.

NYSE Listing

While the New York Stock Exchange ("NYSE") has discretionary authority to delist the Company's common shares following shareholder approval of the Plan of Sale and Liquidation, Elme intends for its common shares to continue to be listed on the NYSE, subject to continued compliance with NYSE listing requirements, until such time in the future as the Board determines to voluntarily delist its common shares from the NYSE in order to reduce operating expenses and maximize liquidating distributions. The Company does not currently expect to voluntarily delist prior to completing the sale of at least a substantial portion of the remaining properties.

Personnel Matters

The Company also provided an update regarding its previously announced downsizing activities in connection with the property sale process, including the expected departures of two trustees and the Company's current chief financial officer. On January 21, 2026, Ellen M. Goitia and Ron D. Sturzenegger each notified the Company that they intended to resign from the Board, effective shortly after the filing of the Company's upcoming 2025 Annual Report on Form 10-K. Ms. Goitia's and Mr. Sturzenegger's resignations follow Board discussions regarding appropriate adjustments to Board size in light of the Trust's focus on wind-down and liquidation under the Plan of Sale and Liquidation, as well as progress to date regarding the marketing and sale process relating to the Trust's remaining properties.

"We are grateful to Ellen and Ron for their valuable service and contributions to Elme Communities and for voluntarily agreeing to step down from the Board," said Benjamin S. Butcher, Lead Independent Trustee. "They have been important contributors to our strategic review process and our Board more generally. On behalf of the Board, I want to thank Ellen for her years of dedicated service and contribution to our Board. Her leadership and dedication have been invaluable to both the Board and Elme. I'd also like to thank Ron. We benefitted from



his expertise and perspective as we navigated our review of strategic alternatives over the past year. Given the completion of our Portfolio Sale to Cortland, and level of progress on the marketing and sale process for our remaining properties, we felt it was appropriate to adjust the size of our Board after the 10-K filing. Following Ellen's and Ron's resignations, we expect to continue operating as a six-person Board."

The Company also announced that Steven M. Freishtat, the Company's Chief Financial Officer, was expected to step down, effective shortly after the filing of the Company's upcoming 2025 Annual Report on Form 10-K, and that W. Drew Hammond, the Company's Chief Administrative Officer, Treasurer and Secretary was expected to become the Company's Chief Financial Officer upon the effectiveness of Mr. Freishtat's departure. "Since joining the Company in 2015, Steve has been an instrumental part of the Elme team, including most recently as part of our leadership team, and we are grateful for all his guidance and contributions to Elme," said Paul T. McDermott. "While Steve will be missed, we are fortunate to have Drew to assume the role of Chief Financial Officer, and we are confident in his ability to continue to execute on the Plan of Sale and Liquidation."

These departures, as well as additional employee departures earlier this month, are consistent with the Company's continuing downsizing efforts, which began following the closing of the Portfolio Sale in November. The downsizing remains focused on retaining an appropriate level of personnel with the necessary skill set commensurate with the reduced size of the Company, including those executive officers and other key personnel necessary for the continued operation of the then-remaining properties and completion of the wind-down activities. Downsizing activities are expected to affect both officers and other employees and are expected to continue as the Company continues to complete property sales.

Forward-Looking and Cautionary Statements

Certain statements in this press release are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and involve risks and uncertainties. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward looking statements by the use of forward-looking terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," or "potential" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. Such statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of Elme to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Additional factors which may cause the actual results, performance, or achievements of Elme to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements include, but are not limited to: Elme's ability to remain listed on the NYSE; Elme's ability to successfully market and/or sell the remaining assets on the terms and timeline anticipated; Elme's ability to close sales following execution of purchase and sale agreements on the terms and timeline anticipated, or at all, as set forth in this Press Release; changes in the amount and timing of the Additional Liquidating Distributions, including as a result of unexpected levels of transaction cost, changes in the gross asset sales proceeds for



the sale of the remaining properties from prior estimates, delayed or terminated closings, liquidation costs or unpaid or additional liabilities and obligations; Elme's ability to repay the Term Loan with the net proceeds from the sales of the remaining properties which secure the Term Loan and to release the mortgages securing the Term Loan as they are sold; the possibility of converting to a liquidating trust or other liquidating entity; the ability of our Board to terminate the Plan of Sale and Liquidation; the response of our residents, tenants and business partners to the Plan of Sale and Liquidation; potential difficulties in employee retention as a result of the on-going Plan of Sale and Liquidation; the outcome of legal proceedings that may be instituted against Elme, its trustees and others related to Elme's recently completed Portfolio Sale, future property sales and the Plan of Sale and Liquidation; the risk that disruptions caused by or relating to the Plan of Sale and Liquidation will harm Elme's business, including current plans and operations; risks relating to the market value of Elme's common shares; risks associated with third party contracts containing consent and/or other provisions that may be triggered by the Plan of Sale and Liquidation; general risks affecting the real estate industry and local real estate markets (including, without limitation, the market value of Elme's properties and potential illiquidity of Elme's remaining real estate investments); whether or not the sale of one or more of Elme's properties may be considered a prohibited transaction under the Internal Revenue Code of 1986, as amended; Elme's ability to maintain its status as a real estate investment trust for U.S. federal income tax purposes; the occurrence of any event, change or other circumstances that could give rise to the termination of the Plan of Sale and Liquidation; the risks associated with ownership of real estate in general and our real estate assets in particular; general economic and market developments and conditions; and volatility and uncertainty in the financial markets.

The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties that affect Elme's businesses in the "Risk Factors" section of Elme's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and other documents filed by Elme from time to time with the SEC, including the Form 8-K filed on January 23, 2026, referenced above. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. While forward-looking statements reflect Elme's good faith beliefs, they are not guarantees of future performance. Elme undertakes no obligation to update its forward-looking statements or risk factors to reflect new information, future events, or otherwise.