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

FORM 10-Q

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

For quarterly period ended June 30, 2026

OR

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

COMMISSION FILE NO. 1-6622

ELME COMMUNITIES
(Exact name of registrant as specified in its charter)

Maryland	**53-0261100**
(State of incorporation)	**(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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Shares of Beneficial Interest	ELME	NYSE

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

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

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

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-accelerated Filer	☐	Smaller Reporting Company	☐
		Emerging Growth Company	☐

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

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

As of July 30, 2026, 88,857,883 common shares were outstanding.

ELME COMMUNITIES

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PART I
FINANCIAL INFORMATION

ITEM 1: FINANCIAL STATEMENTS

The information furnished in the accompanying unaudited Consolidated Statements of Net Assets (Liquidation Basis), Condensed Consolidated Statement of Changes in Net Assets (Liquidation Basis), Condensed Consolidated Statement of Operations (Going Concern Basis), Condensed Consolidated Statement of Comprehensive Income (Loss) (Going Concern Basis), Consolidated Statement of Equity (Going Concern Basis) and Consolidated Statement of Cash Flows (Going Concern Basis) reflects all adjustments, consisting of normal recurring items, which are, in the opinion of management, necessary for a fair presentation of the financial position, results of operations and cash flows for the interim periods. The accompanying financial statements and notes thereto should be read in conjunction with the financial statements and notes for the three years ended December 31, 2025 included in our 2025 Annual Report on Form 10-K.

ELME COMMUNITIES AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF NET ASSETS
(LIQUIDATION BASIS)
(IN THOUSANDS)

	June 30, 2026 (Unaudited)	December 31, 2025
Assets		
Income producing property	$ 418,000	$ 776,425
Cash, cash equivalents and restricted cash	41,257	1,331,882
Rents and other receivables	1,153	5,974
Total assets	$ 460,410	$ 2,114,281
Liabilities		
Liabilities for estimated costs in excess of estimated receipts during liquidation	36,614	43,599
Debt payable	251,042	520,000
Accounts payable and accrued expenses	5,098	8,044
Liquidating distribution payable	—	1,303,723
Total liabilities	$ 292,754	$ 1,875,366
Net assets in liquidation	$ 167,656	$ 238,915

See accompanying notes to the consolidated financial statements.

ELME COMMUNITIES AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
(LIQUIDATION BASIS)
(IN THOUSANDS)
(UNAUDITED)

	Three Months Ended June 30, 2026	Six Months Ended June 30, 2026
Net assets in liquidation, beginning of period	$ 203,909	$ 238,915
Changes in net assets in liquidation		
Liquidation value of income producing property	(31,250)	(64,425)
Remeasurement of assets and liabilities, net	(5,003)	(6,834)
Net decrease in liquidation value	(36,253)	(71,259)
Changes in net assets in liquidation	(36,253)	(71,259)
Net assets in liquidation, end of period	$ 167,656	$ 167,656

See accompanying notes to the consolidated financial statements.

ELME COMMUNITIES AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(GOING CONCERN BASIS)
(IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
Revenue		
Real estate rental revenue	$ 62,099	$ 123,592
Expenses		
Property operating and maintenance	14,624	28,799
Real estate taxes and insurance	8,038	15,857
Property management	2,256	4,502
General and administrative	7,689	16,918
Depreciation and amortization	23,560	46,799
	56,167	112,875
Real estate operating income	5,932	10,717
Other expense		
Interest expense	(9,498)	(18,958)
	(9,498)	(18,958)
Net loss	$ (3,566)	$ (8,241)
Basic net loss per common share	$ (0.04)	$ (0.10)
Diluted net loss per common share	$ (0.04)	$ (0.10)
Weighted average shares outstanding – basic	88,093	88,078
Weighted average shares outstanding – diluted	88,093	88,078

See accompanying notes to the consolidated financial statements.

ELME COMMUNITIES AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)
(GOING CONCERN BASIS)
(IN THOUSANDS)
(UNAUDITED)

	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
Net loss	$ (3,566)	$ (8,241)
Other comprehensive income:		
Unrealized gain on interest rate hedges	334	423
Reclassification of unrealized loss on interest rate derivatives to earnings	509	1,019
Comprehensive loss	$ (2,723)	$ (6,799)

See accompanying notes to the consolidated financial statements.

ELME COMMUNITIES AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF EQUITY
(GOING CONCERN BASIS)
(IN THOUSANDS)
(UNAUDITED)

	Shares Issued and Out-standing	Shares of Beneficial Interest at Par Value	Additional Paid in Capital	Distributions in Excess of Net Income	Accumulated Other Comprehensive Loss	Total Shareholders' Equity	Noncontrolling Interests in Subsidiaries	Total Equity
Balance, December 31, 2024	88,029	$ 880	$ 1,740,078	$ (646,095)	$ (13,066)	$ 1,081,797	$ 281	$ 1,082,078
Net loss	—	—	—	(8,241)	—	(8,241)	—	(8,241)
Unrealized gain on interest rate hedges	—	—	—	—	423	423	—	423
Amortization of swap settlements	—	—	—	—	1,019	1,019	—	1,019
Distributions to noncontrolling interests	—	—	—	—	—	—	(4)	(4)
Dividends ($0.36 per common share)	—	—	—	(31,890)	—	(31,890)	—	(31,890)
Share grants, net of forfeitures and tax withholdings	133	2	3,083	—	—	3,085	—	3,085
Balance, June 30, 2025	88,162	$ 882	$ 1,743,161	$ (686,226)	$ (11,624)	$ 1,046,193	$ 277	$ 1,046,470

	Shares Issued and Out-standing	Shares of Beneficial Interest at Par Value	Additional Paid in Capital	Distributions in Excess of Net Income	Accumulated Other Comprehensive Loss	Total Shareholders' Equity	Noncontrolling Interests in Subsidiaries	Total Equity
Balance, March 31, 2025	88,157	$ 882	$ 1,741,220	$ (666,713)	$ (12,467)	$ 1,062,922	$ 279	$ 1,063,201
Net loss	—	—	—	(3,566)	—	(3,566)	—	(3,566)
Unrealized gain on interest rate hedges	—	—	—	—	334	334	—	334
Amortization of swap settlements	—	—	—	—	509	509	—	509
Distributions to noncontrolling interests	—	—	—	—	—	—	(2)	(2)
Dividends ($0.18 per common share)	—	—	—	(15,947)	—	(15,947)	—	(15,947)
Share grants, net of forfeitures and tax withholdings	5	—	1,941	—	—	1,941	—	1,941
Balance, June 30, 2025	88,162	$ 882	$ 1,743,161	$ (686,226)	$ (11,624)	$ 1,046,193	$ 277	$ 1,046,470

See accompanying notes to the consolidated financial statements.

ELME COMMUNITIES AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
(GOING CONCERN BASIS)
(IN THOUSANDS)
(UNAUDITED)

		Six Months Ended June 30, 2025
Cash flows from operating activities		
Net loss	$	(8,241)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization		46,799
Credit losses on lease related receivables		2,022
Share-based compensation expense		3,113
Net amortization of debt premiums, discounts and related financing costs		2,143
Changes in operating other assets		(13)
Changes in operating other liabilities		200
Net cash provided by operating activities		46,023
Cash flows from investing activities		
Capital improvements to real estate		(14,391)
Non-real estate capital improvements		(60)
Net cash used in investing activities		(14,451)
Cash flows from financing activities		
Line of credit borrowings, net		(1,000)
Dividends paid		(31,841)
Payment of financing costs		(26)
Distributions to noncontrolling interests		(4)
Payment of tax withholdings for restricted share awards		(217)
Net cash used in financing activities		(33,088)
Net decrease in cash, cash equivalents and restricted cash		(1,516)
Cash, cash equivalents and restricted cash at beginning of period		8,609
Cash, cash equivalents and restricted cash at end of period	$	7,093
Supplemental disclosure of cash flow information:		
Cash paid for interest, net of amounts capitalized	$	16,286
Change in accrued capital improvements and development costs		1,155
Dividend payable		15,947
Reconciliation of cash, cash equivalents and restricted cash:		
Cash and cash equivalents	$	4,786
Restricted cash		2,307
Cash, cash equivalents and restricted cash	$	7,093

See accompanying notes to the consolidated financial statements.

ELME COMMUNITIES AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2026
(UNAUDITED)

NOTE 1: NATURE OF BUSINESS

Elme Communities, a Maryland real estate investment trust, formerly known as Washington Real Estate Investment Trust ("Elme" or the "Company"), is a self-administered equity real estate investment trust ("REIT") within the meaning of Sections 856-860 of the Internal Revenue Code of 1986, as amended (the "Code") and successor to a trust organized in 1960. Our business primarily consists of the ownership of apartment communities in the greater Washington, DC metro region. As of December 31, 2025, we owned nine apartment communities, six in the Washington, DC metro region and three in the Atlanta metro region, and one office property. As of June 30, 2026, we owned four apartment communities in the Washington, DC metro region. Within these notes to the financial statements, we refer to the three months ended June 30, 2026 and June 30, 2025 as the "2026 Quarter" and the "2025 Quarter," respectively, and the six months ended June 30, 2026 and June 30, 2025 as the "2026 Period" and the "2025 Period," respectively.

Plan of Liquidation

On February 13, 2025, the Company announced that its Board of Trustees (the "Board") had initiated a formal review to evaluate strategic alternatives. On August 4, 2025, the Company announced that the Board had completed its review, that Elme had entered into a Purchase and Sale Agreement, dated as of August 1, 2025, for the sale of 19 multifamily properties from Elme for approximately $1.6 billion in cash, subject to certain adjustments and prorations (the "Portfolio Sale Transaction"), and that the Board had also approved a plan of sale and liquidation (the "Plan of Sale and Liquidation"), which contemplates the sale or disposition of all the Company's assets, the wind-down of the Company's business and affairs and the termination of the Company's existence by voluntary dissolution. The Plan of Sale and Liquidation includes a plan of liquidation that provides for the Company's complete liquidation and dissolution in accordance with Section 331, Section 336 and Section 346(a) of the Code.

On October 30, 2025, our shareholders approved the Portfolio Sale Transaction and the Plan of Sale and Liquidation, and on November 12, 2025, Elme completed the Portfolio Sale Transaction. Also on November 12, 2025, certain indirect subsidiaries of the Company, as borrowers (collectively, the "Borrowers"), and Goldman Sachs Bank USA, as lender (the "Lender"), entered into that certain Loan Agreement (the "Loan Agreement") pursuant to which the Lender has made a senior secured term loan of $520.0 million (the "Secured Term Loan") to the Borrowers. Pursuant to the Loan Agreement, the Secured Term Loan was secured by first priority mortgages and security interests on all ten properties that remained under the Company following the closing of the Portfolio Sale Transaction (which were directly owned by the Borrowers) and included: Riverside Apartments, Elme Bethesda, Elme Germantown, Elme Watkins Mill, 3801 Connecticut Avenue, The Kenmore, Elme Conyers, Elme Marietta, Elme Sandy Springs, and Watergate 600 (the "Remaining Company Properties" or the "Loan Collateral"). In addition, the Secured Term Loan was secured by pledges of all equity interests in the Borrowers, along with all other personal property of the Borrowers.

During the first quarter of 2026, we completed the sale of four of the Remaining Company Properties, Elme Sandy Springs, Elme Marietta, Elme Conyers and Watergate 600, comprising approximately 1,000 residential apartment homes and 300,000 square feet of commercial space, for aggregate gross proceeds of approximately $199.0 million. During the 2026 Quarter, we completed the sale of two of the Remaining Company Properties, Elme Germantown and Elme Watkins Mill, comprising 428 residential apartment homes, for aggregate gross proceeds of approximately $95.0 million. For each of these sales, a portion of the net proceeds was used to repay a portion of the Secured Term Loan and those sold properties were released from the mortgages securing the Secured Term Loan.

In addition, during the 2026 Quarter, we entered into three separate purchase and sale agreements pursuant to which we expect to sell The Kenmore, 3801 Connecticut Avenue and Elme Bethesda. These three purchase and sale agreements, which provide for gross proceeds of approximately $168.0 million in the aggregate (subject to certain customary adjustments and prorations), are no longer subject to ongoing inspection periods, but remain subject to satisfaction of customary closing conditions including, in the case of the two DC properties, regulatory requirements related to the Tenant Opportunity to Purchase Act ("TOPA"). The closing of each DC property is expected to occur shortly after completion of its TOPA process, subject to satisfaction of other applicable closing conditions. The buyer of each DC property has commenced discussions with the property's tenant association, and, assuming no purchase rights are exercised or assigned to a party other than the contract buyer, Elme currently anticipates the TOPA process for both properties to be completed no later than the end of 2026. The Company has obtained the certificate of compliance from the Montgomery County Department of Housing and Community

Affairs certifying compliance with Montgomery County's right of first refusal requirements with respect to Elme Bethesda, and, following such receipt, the parties to the purchase and sale agreement for Elme Bethesda have agreed to close the sale no later than August 11, 2026.

As previously disclosed, in May 2026 the Company had entered into a purchase and sale agreement for Riverside Apartments (including related undeveloped land) which was subject to an ongoing inspection period and, on June 17, 2026, the buyer under that purchase and sale agreement exercised its right to terminate. On July 23, 2026, the Company entered into a purchase and sale agreement for Riverside Apartments (including related undeveloped land) with a new purchaser, which had previously submitted a proposal to acquire the property, for a contract sale price of $250.0 million, subject to certain customary adjustments and prorations. This new purchase and sale agreement is subject to an ongoing inspection period, as well as satisfaction of customary closing conditions. The new purchase and sale agreement for Riverside Apartments provides that, subject to completion of the inspection period and the satisfaction of the closing conditions, the sale of Riverside Apartments will close no later than September 14, 2026.

Because the sales of Elme's remaining properties are subject to, as applicable, satisfactory completion of an inspection period with respect to Riverside Apartments, and satisfaction of closing conditions, including, with respect to the DC properties, regulatory requirements related to the TOPA, the exact timing of completing the sales of the unsold Remaining Company Properties cannot be determined at this time and no assurance can be given as to how long it will take to complete the sale of any or all of its unsold Remaining Company Properties.

In accordance with the Plan of Sale and Liquidation, our objectives are to pursue an orderly liquidation of our Company by selling or otherwise disposing of our remaining assets, paying or otherwise settling our debts and our known liabilities, providing for the payment of unknown or contingent liabilities, when appropriate, and in the Board's discretion, distributing the net proceeds from liquidation to our shareholders, subject to the creation of necessary reserves for, and the payment or other satisfaction of, the Company's expenses and other liabilities and obligations, and winding up our operations and dissolving our Company. We do not intend to continue or to engage in the conduct of a trade or business, except as necessary for the orderly liquidation of our assets.

Elme is not required to obtain any further shareholder approval with respect to its liquidation and dissolution. Under the Plan of Sale and Liquidation, the Board may modify, amend or terminate the Plan of Sale and Liquidation (and authorize us to seek to dispose of all our assets through a merger, business combination or similar transaction) without approval by the shareholders if it determines that such action would be advisable and in the best interests of Elme. Elme has no present plans or intentions to modify, amend or abandon the Plan of Sale and Liquidation.

As a result of the approval of the Plan of Sale and Liquidation by our shareholders in October 2025, we adopted the liquidation basis of accounting on November 1, 2025, as described further in Note 3, "Summary of Significant Accounting Policies And Basis of Presentations."

Initial Liquidating Distribution

In accordance with the Plan of Sale and Liquidation, following completion of the Portfolio Sale Transaction in November 2025, the Board approved a special liquidating distribution of $14.67 per common share of the Company's shares of beneficial interest, par value $0.01 per share ("common shares"), to our shareholders of record as of the close of business on December 22, 2025. The special liquidating distribution was paid on January 7, 2026.

U.S. Federal Income Taxes

We believe that we qualify as a REIT under Sections 856-860 of the Code. We expect to remain qualified as a REIT until the end of our final REIT tax year in accordance with the Plan of Sale and Liquidation, which we anticipate, but cannot be certain, will occur after most of the remaining assets have been sold. To maintain our status as a REIT, we are, among other things, required to distribute 90% of our REIT taxable income (which is generally our ordinary taxable income, with certain modifications), excluding any net capital gains and any deductions for dividends paid to our shareholders on an annual basis.

Generally, and subject to our ongoing qualification as a REIT, no provisions for income taxes are necessary except for taxes on undistributed taxable income and taxes on the income generated by our taxable REIT subsidiary ("TRS"). Prior to its dissolution during the 2026 Quarter, our TRS was subject to corporate federal and state income tax on its taxable income at regular statutory rates.

NOTE 2: PLAN OF SALE AND LIQUIDATION

In accordance with the Plan of Sale and Liquidation, our objectives are to pursue an orderly liquidation of our Company by selling or otherwise disposing of our remaining assets, paying or otherwise settling our debts and our known liabilities, providing for the payment of unknown or contingent liabilities, when appropriate and in the Board's discretion, distributing the net proceeds from liquidation to our shareholders, subject to the creation of necessary reserves for, and the payment or other satisfaction of, the Company's expenses and other liabilities and obligations, and winding up our operations and dissolving our Company. In connection with the Plan of Sale and Liquidation, the Company paid a special liquidating distribution on January 7, 2026 to shareholders of record at the close of business on December 22, 2025.

The Plan of Sale and Liquidation enables the Company to sell any and all of its assets without further approval of its shareholders and provides that the amounts and timing of liquidating distributions will be determined by the Board in its discretion. Pursuant to applicable REIT rules, liquidating distributions the Company pays pursuant to the Plan of Sale and Liquidation will qualify for the dividends paid deduction, provided that they are paid within 24 months of the October 30, 2025 approval of the Plan of Sale and Liquidation by the Company's shareholders. However, if the Company cannot sell its properties and pay its debts within such time period, or if the Board determines that it is otherwise advisable to do so, the Company may transfer and assign its remaining assets to a liquidating trust or other liquidating entity. Upon such transfer and assignment, the Company's shareholders would receive beneficial interests in the liquidating trust or other liquidating entity.

The liquidating trust or other liquidating entity would pay or provide for all of the Company's liabilities and distribute any remaining net proceeds from liquidation to the holders of beneficial interests in the liquidating trust or other liquidating entity. If the Company is not able to sell its properties and pay its debt within the 24-month period and the remaining assets are not transferred to a liquidating trust or other liquidating entity, any distributions made during the 24 months may not qualify for the dividends paid deduction and may increase the Company's tax liability.

No assurance can be given that any liquidating distributions the Company pays to its shareholders will equal or exceed the estimate of net assets in liquidation presented on the Consolidated Statement of Net Assets as of June 30, 2026. For a discussion of risks related to the Plan of Sale and Liquidation, see the previously disclosed "Part I - Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2025 filed on February 27, 2026.

The Company expects to comply with the requirements necessary to continue to qualify as a REIT through the completion of the liquidation process, or until such time as the Company terminates its status as a REIT and/or any remaining assets are transferred into a liquidating trust or other liquidating entity. The Board shall use commercially reasonable efforts to continue to cause the Company to maintain its REIT status; provided, however, that the Board may elect to terminate the Company's status as a REIT if it determines that such termination would be in the best interest of the shareholders.

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATIONS

Significant Accounting Policies

We have prepared our consolidated financial statements using the accounting policies described in our Annual Report on Form 10-K for the year ended December 31, 2025.

Recent Accounting Pronouncements

In November 2024, the Financial Accounting Standards Board ("FASB") issued ASU 2024-03, Disaggregation of Income Statement Expenses ("DISE"), which will require additional disclosure of the nature of expenses included in the income statement in response to longstanding requests from investors for more information about an entity's expenses. The new standard requires disclosures about specific types of expenses included in the expense captions presented on the face of the income statement as well as disclosures about selling expenses. The new standard will be effective for public companies for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. The requirements will be applied prospectively with the option for retrospective application. Early adoption is permitted. The Company concluded there is no impact from this accounting standard update on our consolidated financial statements due to the adoption of the liquidation basis of accounting.

Principles of Consolidation and Basis of Presentation

The accompanying unaudited consolidated financial statements include the consolidated accounts of Elme and our subsidiaries and entities in which Elme has a controlling financial interest. All intercompany balances and transactions have been eliminated in consolidation. As a result of the change to the liquidation basis of accounting on November 1, 2025, the Company no longer presents a consolidated balance sheet, a consolidated statement of operations, a consolidated statement of equity or a consolidated statement of cash flows for the current period. These statements are only presented for prior year periods to the extent required.

We have prepared the accompanying unaudited consolidated financial statements in accordance with GAAP, as contained within the FASB's ASC, including Subtopic 205-30, "Liquidation Basis of Accounting," as indicated, and pursuant to the rules and regulations of the Securities and Exchange Commission.

Pursuant to the Company's shareholders' approval of the Plan of Sale and Liquidation on October 30, 2025, the Company adopted the liquidation basis of accounting as of and for the periods subsequent to November 1, 2025 (as the approval of the Plan of Sale and Liquidation by the Company's shareholders became imminent in late October 2025 based on the results of the Company's solicitation of proxies from its shareholders for their approval of the Plan of Sale and Liquidation). Accordingly, on November 1, 2025, assets were adjusted to their estimated net realizable value, also referred to as liquidation value, which represents the estimated amount of cash or other consideration that the Company expected to realize through the disposal of assets. The liquidation values of the Company's real estate properties are presented on a net realizable value basis at June 30, 2026. Liabilities are carried at their contractual amounts due or estimated settlement amounts.

The Company accrues costs and revenues that it expects to incur and earn as it carries out its liquidation activities through the end of the projected liquidation period to the extent it has a reasonable basis for estimation. Estimated costs expected to be incurred through the end of the liquidation period included budgeted property expenses and corporate overhead, costs to dispose of its real estate property, costs associated with satisfying known and contingent liabilities, including repayment of the Secured Term Loan, and other costs associated with the winding down and dissolution of the Company. These amounts are classified as a liability for estimated costs in excess of estimated receipts during liquidation on the consolidated statement of net assets. Actual costs and income may differ from amounts reflected in the financial statements because of the inherent uncertainty in estimating future events. These differences may be material. See Note 2, "Plan of Sale and Liquidation" and Note 4, "Liabilities for Estimated Costs in Excess of Estimated Receipts During Liquidation" for further discussion. Revenues are based on in place leases and forecasted operations at properties prior to their sale.

Actual costs incurred but unpaid prior to the Company's adoption of the liquidation basis of accounting on November 1, 2025, and yet to be derecognized, are included in accounts payable and accrued expenses at June 30, 2026 on the consolidated statement of net assets. All our liabilities under either the going concern basis of accounting or the liquidation basis of accounting are derecognized when we pay the obligation or when we are legally released from being the primary obligor under the liability.

Net assets in liquidation at June 30, 2026 represent the remaining estimated liquidation value available to shareholders upon liquidation. Due to the uncertainty in the estimated cash flows from operations and the time required to complete the Plan of Sale and Liquidation, actual liquidation costs and sale proceeds may differ materially from the amounts estimated.

All financial results and disclosure prior to the adoption of the liquidation basis of accounting, are presented on a going concern basis. As a result, the statement of operations, the statement of comprehensive income (loss) and the statement of equity for the three and six months ended June 30, 2025 and the statement of cash flow for the six months ended June 30, 2025 are presented using the going concern basis of accounting.

Restricted Cash

Restricted cash includes funds held in escrow for tenant security deposits and funds held by Goldman Sachs Bank USA (the "Lender") in lender-controlled reserve accounts under the Secured Term Loan, including reserves for property taxes and insurance premiums, capital expenditures and certain other approved operating expenses and capital items.

Use of Estimates in the Financial Statements

The preparation of financial statements in conformity with Generally Accepted Accounting Principles ("GAAP") requires management to make certain estimates and assumptions that affect the reported amounts in these financial statements and related notes. The Company is required to estimate all costs and revenue it expects to incur and earn through the end of liquidation. All of the estimates and evaluations are susceptible to change and actual results could differ from these estimates.

NOTE 4: LIABILITIES FOR ESTIMATED COSTS IN EXCESS OF ESTIMATED RECEIPTS DURING LIQUIDATION

The liquidation basis of accounting requires the Company to estimate net cash flows from operations and to accrue all costs associated with implementing and completing the Plan of Sale and Liquidation. As of June 30, 2026, the Company estimated that it will have costs in excess of estimated receipts during the liquidation process. These amounts can vary significantly due to, among other things, the timing and estimates for executing and renewing leases, estimates of capital expenditures, the timing and value of property sales, estimates of direct costs incurred to complete the sales, the timing and estimated amounts associated with discharging known and contingent liabilities and the estimated costs associated with the winding up of operations. These costs are estimated and are anticipated to be paid out over the liquidation period which is estimated to be complete within 24 months from October 30, 2025, the date on which the Company received shareholder approval of the Plan of Sale and Liquidation; however, no assurances can be provided that this date will be met.

The change in the liabilities for estimated costs in excess of estimated receipts during liquidation as of June 30, 2026 is as follows (in thousands):

	As of December 31, 2025	Cash Payments (Receipts)	Remeasurements of Assets and Liabilities	As of June 30, 2026
Assets				
Estimated net inflows from income producing property	$ 18,091	$ (20,371)	$ 5,203	$ 2,923
Estimated net inflows from interest income	1,874	(2,066)	285	93
	19,965	(22,437)	5,488	3,016
Liabilities				
Liquidation transaction costs[(1)]	(33,446)	11,016	(576)	(23,006)
General and administrative expenses	(16,020)	9,941	(6,148)	(12,227)
Capital expenditures	(2,885)	3,506	(1,940)	(1,319)
Interest expense	(10,385)	10,965	(3,658)	(3,078)
Debt repayment and origination costs, net	(828)	828	—	—
	(63,564)	36,256	(12,322)	(39,630)
Liabilities for estimated costs in excess of estimated receipts during liquidation	$ (43,599)	$ 13,819	$ (6,834)	$ (36,614)

[(1)] Liquidation transaction costs primarily include disposal costs and severance expenses.

NOTE 5: NET ASSETS IN LIQUIDATION

The net assets in liquidation as of June 30, 2026 were $167.7 million. Net assets in liquidation include projections of costs and expenses to be incurred during the estimated period required to complete the Plan of Sale and Liquidation. There is inherent uncertainty with these estimates and projections, and they could change materially based on the timing of the disposition and value received in the sale of the Company’s remaining real estate properties, the performance of the Company’s remaining assets and any changes in the underlying assumptions of the projected cash flows from such properties. Cumulative liquidating distributions paid to shareholders included the $14.67 per common share distribution paid on January 7, 2026 to our shareholders of record as of the close of business on December 22, 2025 and will include any future distribution of our net assets in liquidation.

NOTE 6: REAL ESTATE

As of June 30, 2026 the Company’s portfolio was composed of four multifamily properties with a liquidation value of real estate of $418.0 million.

Properties Sold and Held for Sale

Under the going concern basis, when we classified properties as held for sale, we discontinued the recording of depreciation expense and estimated their fair value less costs to sell. If we determined that the carrying value for these properties exceeded their estimated fair value less costs to sell, we recorded a loss on asset impairment.

During the 2026 Quarter, we sold our interests in the properties below. We did not classify any properties as held for sale or record an impairment during the 2026 Period or 2025 Period and did not sell any properties during the 2025 Period.

Properties	Number of Units (unaudited)
Elme Germantown	218
Elme Watkins Mill	210
	428

We have fully transferred control of the assets associated with these disposed properties and do not have continuing involvement in the operations of these properties.

NOTE 7: SECURED TERM LOAN PAYABLE

On November 12, 2025, the Borrowers and the Lender entered into that certain Loan Agreement pursuant to which the Lender has made the Secured Term Loan to the Borrowers. Pursuant to the Loan Agreement, the Secured Term Loan was secured by first priority mortgages and security interests on all ten properties that remained under the Company following the closing of the Portfolio Sale Transaction (which were directly owned by the Borrowers) and included: Riverside Apartments, Elme Bethesda, Elme Germantown, Elme Watkins Mill, 3801 Connecticut Avenue, The Kenmore, Elme Conyers, Elme Marietta, Elme Sandy Springs, and Watergate 600. In addition, the Secured Term Loan was secured by pledges of all equity interests in the Borrowers, along with all other personal property of the Borrowers. The Company has provided a customary non-recourse carveout guaranty. The Loan Agreement contains certain affirmative and negative covenants with which Borrowers must comply, including maintenance of insurance, single-purpose bankruptcy, remote entity requirements, reporting requirements and restrictions on property and equity transfers and the granting of liens. Customary events of default are included in the Loan Agreement, including nonpayment of principal and other amounts when due, nonperformance of covenants, breach of representations and warranties, certain bankruptcy or insolvency events and changes in control, the occurrence of which give Lender the right to accelerate repayment of the Secured Term Loan.

The Secured Term Loan matures on November 9, 2026, subject to a one-year Borrowers' extension option, which is subject to satisfaction of certain specified conditions, including the payment of an extension fee equal to 0.25% of the then outstanding principal amount of the Secured Term Loan and the requirement that no more than $312 million of the Secured Term Loan may be outstanding on the first day of the extended term. The Secured Term Loan bears interest at a per annum rate equal to the one-month term SOFR (subject to a term SOFR floor of 3.00%) plus the spread. The initial spread was 2.25% and increased to 2.75% in May 2026, and will increase to 3.00% in August 2026 and 3.50% in November 2026. Thereafter, the spread will increase by 0.25% every three months, to 3.75% in February 2027 and a maximum of 4.00% in May 2027 (if extended). The Company has purchased an interest rate cap that effectively caps term SOFR at 5.00% per annum. On February 9, 2026, a duration fee equal to 0.20% of the then outstanding principal amount of the Secured Term Loan was paid to the Lender.

The Secured Term Loan requires that the Company enter into cash management arrangements set forth in the certain cash management agreements pursuant to which the Company will maintain a restricted account into which all revenue from the Loan Collateral will be deposited during the term of the Secured Term Loan. Amounts on deposit in the restricted account will be transferred weekly to an account under the sole control of the Lender, and provided an event of default is not continuing under the Secured Term Loan, funds deposited in the account controlled by the Lender will be applied to pay items such as real estate taxes, insurance premiums, debt service obligations, the Lender required reserves for budgeted capital expenditures and operating expenses, with excess funds deposited available to pay general and administrative expenses subject to certain limitations.

Excess cash remaining after the sale of Loan Collateral and the payment of a release price paid to the Lender to release the lien of its mortgages shall be deposited with the Lender as additional cash collateral unless certain conditions, including a minimum balance of $10 million in the shortfall account, certain debt yield requirements, and no events of default, are met, in which case such excess cash may be disbursed to the Company for distribution. The cash management agreement contains provisions for the cure of certain of these events. The cash management arrangements could limit or restrict the Company from paying dividends or other distributions during the term of the Secured Term Loan.

The Secured Term Loan is intended to be repaid with the net proceeds from one or more sales of the properties securing the Secured Term Loan, and such properties shall be released from the mortgages securing the Secured Term Loan as they are sold, upon satisfaction of certain conditions and payment of a minimum release price applied to the prepayment of the Secured Term Loan. An exit fee equal to 0.50% of the principal amount of the Secured Term Loan repaid is payable with any prepayment or repayment of the Secured Term Loan, including at maturity, provided, that no exit fee is payable (i) if the Secured Term Loan is refinanced by the Lender or its affiliates or (ii) if the Secured Term Loan is repaid with the proceeds of an arm's length sale of one or more of the properties securing the Secured Term Loan. During the first quarter of 2026, we completed the sale of four of the Remaining Company Properties, Elme Sandy Springs, Elme Marietta, Elme Conyers and Watergate 600, for aggregate gross proceeds of approximately $199.0 million. During the 2026 Quarter, we completed the sale of two of the Remaining Company Properties, Elme Germantown and Elme Watkins Mill, for aggregate gross proceeds of approximately $95.0 million. For each of these sales, a portion of the net proceeds was used to repay a portion of the Secured Term Loan, and those sold properties were released from the mortgages securing the Secured Term Loan.

As of June 30, 2026, the remaining outstanding balance of the Secured Term Loan was $251.0 million. As of June 30, 2026, the interest rate on the Secured Term Loan is based on the one-month term SOFR plus 2.75% applicable margin and the one-month term SOFR is 3.63%.

NOTE 8: DERIVATIVE INSTRUMENTS

During the first quarter of 2023, we entered into two interest rate swap arrangements with an aggregate notional amount of $125.0 million that effectively fixed the interest rate at 4.73% for a $125.0 million unsecured term loan ("2023 Term Loan") beginning on July 21, 2023 through the 2023 Term Loan's initial maturity date of January 10, 2025. These two interest rate swap arrangements matured on January 25, 2025.

During the second quarter of 2024, we entered into two forward interest rate swap arrangements for the 2023 Term Loan with an aggregate notional amount of $150.0 million beginning on January 10, 2025 through January 10, 2026. These forward interest rate swap arrangements effectively fixed a portion of our variable rate debt based on an adjusted daily SOFR at 4.72% (subject to applicable interest rate margins). These two interest rate swap arrangements were terminated on November 12, 2025 in connection with the prepayment of the Company's unsecured debt, as previously disclosed.

The interest rate swap arrangements were recorded at fair value in accordance with GAAP, based on discounted cash flow methodologies and observable inputs. We recorded the effective portion of changes in fair value of the cash flow hedge in Other comprehensive income (loss). We assessed the effectiveness of a cash flow hedge both at inception and on an ongoing basis. If a cash flow hedge is no longer expected to be effective, hedge accounting is discontinued. Hedge ineffectiveness of our cash flow hedges is recorded in earnings.

The net unrealized gain on the effective swaps were recognized in Other comprehensive income (loss) for the three and six months ended June 30, 2025 as $0.3 million and $0.4 million, respectively.

Amounts reported in Accumulated other comprehensive loss related to effective cash flow hedges were reclassified to interest expense as interest payments were made on our variable-rate debt. The losses reclassified from Accumulated other comprehensive loss into interest expense for the three and six months ended June 30, 2025 were $0.5 million and $1.0 million, respectively.

NOTE 9: SHARE-BASED COMPENSATION

Elme maintained short-term and long-term incentive plans, each effective January 1, 2020, as amended, that allowed for cash and share-based awards to officers, respectively, and short-term and long-term incentive plans, that allowed for cash and share-based awards, respectively, to non-officer employees. Share-based awards were provided to officers and non-officer employees, as well as trustees, under the Elme Communities 2016 Omnibus Incentive Plan, as amended and restated effective May 30, 2024 (the "Omnibus Incentive Plan"). An amendment and restatement of the Omnibus Incentive Plan was approved by our Board in April 2024 and approved by our shareholders in May 2024 to, among other changes, increase the number of shares available to be issued by 2,900,000, from 2,400,000 shares to 5,300,000 shares (including shares issued pursuant to awards made under the Omnibus Incentive Plan prior to its amendment). The Omnibus Incentive Plan allowed for awards in the form of restricted shares, restricted share units, options and other awards up to an aggregate of 5,300,000 shares over the ten-year period in which the plan is in effect. Restricted share units were converted into shares of our stock upon full vesting through the issuance of new shares. Due to the Plan of Sale and Liquidation, the above-referenced officer short-term and long-term incentive plans have been terminated.

During the first quarter of 2026, the Board approved the Elme Communities Executive Officer Short-Term Incentive Plan, effective as of November 13, 2025 (the "New Officer STIP"), which provides for a cash award opportunity based on achievement of three metrics: (i) the value of the additional liquidating distributions to Elme's shareholders, which will be 40% of the award opportunity, (ii) the timing of completion of the sales of Elme'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 Elme's remaining assets, employee retention and successfully implementing the Plan of Sale and Liquidation, which will be 20% of the award opportunity. The performance period under the New Officer 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.

Total Compensation Expense

Total compensation expense recognized in the consolidated financial statements for all outstanding share-based awards was $1.7 million for the 2025 Quarter and $3.1 million for the 2025 Period.

Restricted Share Awards

There were no unvested restricted share awards at June 30, 2026.

NOTE 10: EARNINGS PER COMMON SHARE

We determine "Basic earnings per share" using the two-class method as our unvested restricted share awards and units have non-forfeitable rights to dividends, and are therefore considered participating securities. We compute basic earnings per share by dividing net income less the allocation of undistributed earnings to unvested restricted share awards and units by the weighted-average number of common shares outstanding for the period.

We also determine "Diluted earnings per share" as the more dilutive of the two-class method or the treasury stock method with respect to the unvested restricted share awards. We further evaluate any other potentially dilutive securities at the end of the period and adjust the basic earnings per share calculation for the impact of those securities that are dilutive. Our dilutive earnings per share calculation includes the dilutive impact of operating partnership units under the if-converted method and our share-based awards with performance conditions prior to the grant date and all market condition awards under the contingently issuable method.
The computations of basic and diluted earnings per share for the three and six months ended June 30, 2025 were as follows (in thousands, except per share data):

	Three Months Ended June 30,	Six Months Ended June 30,
	2025	2025
Numerator:		
Net loss	$ (3,566)	$ (8,241)
Allocation of earnings to unvested restricted share awards	(88)	(177)
Adjusted net loss	$ (3,654)	$ (8,418)
Denominator:		
Weighted average shares outstanding – basic and diluted	88,093	88,078
Basic net loss per common share	$ (0.04)	$ (0.10)
Diluted net loss per common share	$ (0.04)	$ (0.10)
Dividends declared per common share	$ 0.18	$ 0.36

NOTE 11: SEGMENT INFORMATION

For the 2025 Quarter and 2025 Period, we operated in a single reportable segment which includes the ownership, development, redevelopment and acquisition of apartment communities (the "Residential segment"). Within the Residential segment, we do not distinguish or group our consolidated operations for the period presented based on size (as of June 30, 2025, only one community, Riverside Apartments, comprised more than 10% of consolidated revenues), type (all assets in the segment are residential) or geography (as of June 30, 2025, all but six communities were within the Washington, DC metro region). Further, our apartment communities had similar long-term economic characteristics and provide similar products and services to our residents.

For the 2025 Quarter and 2025 Period, we had one office property, Watergate 600, which did not meet the quantitative or qualitative criteria for a reportable segment and was classified within "Other", along with business activities that are not part of an operating segment, on our segment disclosure tables.

Our chief operating decision maker (the "CODM"), the Chief Executive Officer, reviews financial information presented on a consolidated basis for purposes of assessing the performance and allocating resources to the operating segment. The CODM uses net operating income ("NOI"), defined as real estate rental revenue less real estate expenses (the significant segment expense), as the key basis of measurement for the reported segment profit or loss.

We evaluate performance based upon NOI of the combined properties in the segment. Our reportable operating segment consolidates similar properties. GAAP requires that segment disclosures present the measure(s) used by the CODM for purposes of assessing each segment's performance.

The following tables present revenues, NOI, capital expenditures and total assets for the three and six months ended June 30, 2025 from our Residential segment as well as Other, and reconcile NOI to net loss as reported (in thousands):

	Three Months Ended June 30, 2025		
	Residential	Other	Consolidated
Real estate rental revenue	$ 57,683	$ 4,416	$ 62,099
Real estate expenses	21,261	1,401	22,662
Net operating income	$ 36,422	$ 3,015	$ 39,437
Other expense:			
Property management expenses			(2,256)
General and administrative expenses			(7,689)
Depreciation and amortization			(23,560)
Interest expense			(9,498)
Net loss			$ (3,566)
Capital expenditures	$ 8,707	$ 46	$ 8,753
Total assets	$ 1,692,236	$ 117,968	$ 1,810,204

	Six Months Ended June 30, 2025		
	Residential	Other	Consolidated
Real estate rental revenue	$ 114,690	$ 8,902	$ 123,592
Real estate expenses	41,870	2,786	44,656
Net operating income	$ 72,820	$ 6,116	$ 78,936
Other expense:			
Property management expenses			(4,502)
General and administrative expenses			(16,918)
Depreciation and amortization			(46,799)
Interest expense			(18,958)
Net loss			$ (8,241)
Capital expenditures	$ 14,370	$ 81	$ 14,451

NOTE 12: SHAREHOLDERS' EQUITY

On February 20, 2024, we entered into an equity distribution agreement (the "Equity Distribution Agreement") with Wells Fargo Securities, LLC, BNY Mellon Capital Markets, LLC, Citigroup Global Markets Inc., Goldman Sachs & Co. LLC, KeyBanc Capital Markets Inc., TD Securities (USA) LLC and Truist Securities, Inc. as agents and forward sellers, as applicable, (collectively, the “Agents” or “Forward Sellers”, as applicable), and Wells Fargo Bank, National Association, The Bank of New York Mellon, Citibank, N.A., Goldman Sachs & Co. LLC, KeyBanc Capital Markets Inc., The Toronto-Dominion Bank and Truist Bank as forward purchasers pursuant to which up to an aggregate gross sales price of $350.0 million of the Company’s common shares, may be offered and sold from time to time through the Agents, acting as the Company’s sales agents or, if applicable, the Forward Sellers, or directly to the Agents as principals for their own accounts.

We did not issue common shares under the Equity Distribution Agreement during the 2026 Period or 2025 Period and we terminated the Equity Distribution Agreement during the first quarter of 2026.

We previously had a dividend reinvestment program, whereby shareholders were able to use their dividends and optional cash payments to purchase common shares, which was suspended in September 2025. Prior to the suspension, the common shares sold under this program were either common shares issued by us or common shares purchased in the open market. During the suspension period, dividend payments were not automatically reinvested in additional shares of our common shares of beneficial interest and participants in the dividend reinvestment program were not able to purchase shares of our common shares of beneficial interest through optional cash investments under the dividend reinvestment program. No common shares were issued under the dividend reinvestment program during the 2026 Period or 2025 Period. The dividend reinvestment program was formally terminated during the 2026 Quarter.

<u>**ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**</u>

The following discussion should be read in conjunction with our consolidated financial statements and the notes thereto appearing in Item 1 of this report and the more detailed information contained in our Annual Report on Form 10-K for the year ended December 31, 2025 filed with the Securities and Exchange Commission ("SEC") on February 27, 2026.

We refer to the three months ended June 30, 2026 and June 30, 2025 as the "2026 Quarter" and the "2025 Quarter," respectively, and the six months ended June 30, 2026 and June 30, 2025 as the "2026 Period" and the "2025 Period," respectively.

Forward-Looking Statements

This Form 10-Q contains forward-looking statements within the meaning of federal securities laws. 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 and its expected timeline for doing so; Elme's ability to transfer its remaining assets and liabilities to a liquidating trust and terminate its existence by voluntary dissolution on the terms and timeline anticipated; Elme's ability to successfully complete the sales of its remaining assets, including successful completion of any remaining inspection periods and all closing conditions applicable to assets under contract, including, but not limited to, timely completion of the Tenant Opportunity to Purchase Act ("TOPA") process for the sale of multifamily assets in DC, on the terms and timeline anticipated, or at all; changes in the amount and timing of the additional liquidating distributions, including as a result of unexpected levels of transaction, general and administrative and other liquidation costs, 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 Secured Term Loan (as defined below) with the net proceeds from the sales of the remaining properties which secure the Secured Term Loan and to release the mortgages securing the Secured Term Loan as they are sold; the possibility, mechanics and timing of converting to a liquidating trust or other liquidating entity; the ability of Elme's Board of Trustees (the "Board") to terminate the Plan of Sale and Liquidation; the response of Elme's 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, including those related to the Portfolio Sale Transaction (as defined below), completed and 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 (the "Code"); 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; and other risks and uncertainties detailed from time to time in Elme's filings with the SEC, including our 2025 Annual Report on Form 10-K and this Quarterly Report on Form 10-Q. While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. We undertake no obligation to update our forward-looking statements or risk factors to reflect new information, future events, or otherwise.

General

We provide Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") in addition to the accompanying consolidated financial statements and notes to assist readers in understanding our results of operations and financial condition.

Prior to adoption of the Plan of Sale and Liquidation, for purposes of evaluating comparative operating performance, we categorized our properties as "same-store" or "non-same-store." Same-store portfolio properties included properties that were owned for the entirety of the years being compared and excluded properties under redevelopment or development and properties acquired, sold or classified as held for sale during the years being compared. Following our adoption of a liquidation basis of accounting, our properties are no longer categorized in this manner and therefore we have not provided operating metrics on a same-store/non same-store basis.

Overview

On February 13, 2025, the Company announced that its Board had initiated a formal review to evaluate strategic alternatives. On August 4, 2025, the Company announced that the Board had completed its review, that Elme had entered into a Purchase and Sale Agreement, dated as of August 1, 2025, for the sale of 19 multifamily properties from Elme for approximately $1.6 billion in cash, subject to certain adjustments and prorations (the “Portfolio Sale Transaction”), and that the Board had also approved a plan of sale and liquidation (the “Plan of Sale and Liquidation”), which contemplates the sale or disposition of all the Company’s assets, the wind-down of the Company’s business and affairs and the termination of the Company’s existence by voluntary dissolution. The Plan of Sale and Liquidation includes a plan of liquidation that provides for the Company’s complete liquidation and dissolution in accordance with Section 331, Section 336 and Section 346(a) of the Code.

On October 30, 2025, our shareholders approved the Portfolio Sale Transaction and the Plan of Sale and Liquidation, and on November 12, 2025, Elme completed the Portfolio Sale Transaction. Also on November 12, 2025, certain indirect subsidiaries of the Company, as borrowers (collectively, the “Borrowers”), and Goldman Sachs Bank USA, as lender (the “Lender”), entered into that certain Loan Agreement (the “Loan Agreement”) pursuant to which the Lender has made a senior secured term loan of $520.0 million (the “Secured Term Loan”) to the Borrowers. Pursuant to the Loan Agreement, the Secured Term Loan was secured by first priority mortgages and security interests on all ten properties that remained under the Company following the closing of the Portfolio Sale Transaction (which were directly owned by the Borrowers) and included: Riverside Apartments, Elme Bethesda, Elme Germantown, Elme Watkins Mill, 3801 Connecticut Avenue, The Kenmore, Elme Conyers, Elme Marietta, Elme Sandy Springs, and Watergate 600 (the “Remaining Company Properties”). In addition, the Secured Term Loan was secured by pledges of all equity interests in the Borrowers, along with all other personal property of the Borrowers.

During the first quarter of 2026, we completed the sale of four of the Remaining Company Properties, Elme Sandy Springs, Elme Marietta, Elme Conyers and Watergate 600, comprising approximately 1,000 residential apartment homes and 300,000 square feet of commercial space, for aggregate gross proceeds of approximately $199.0 million. During the 2026 Quarter, we completed the sale of two of the Remaining Company Properties, Elme Germantown and Elme Watkins Mill, comprising 428 residential apartment homes, for aggregate gross proceeds of approximately $95.0 million. For each of these sales, a portion of the net proceeds was used to repay a portion of the Secured Term Loan, and those sold properties were released from the mortgages securing the Secured Term Loan. As of June 30, 2026, the remaining outstanding balance of the Secured Term Loan was $251.0 million.

In addition, during the 2026 Quarter, we entered into three separate purchase and sale agreements pursuant to which we expect to sell The Kenmore, 3801 Connecticut Avenue and Elme Bethesda. These three purchase and sale agreements, which provide for gross proceeds of approximately $168.0 million in the aggregate (subject to certain customary adjustments and prorations), are no longer subject to ongoing inspection periods, but remain subject to satisfaction of customary closing conditions including, in the case of the two DC properties, regulatory requirements related to TOPA. The closing of each DC property is expected to occur shortly after completion of its TOPA process, subject to satisfaction of other applicable closing conditions. The buyer of each DC property has commenced discussions with the property’s tenant association, and, assuming no purchase rights are exercised or assigned to a party other than the contract buyer, Elme currently anticipates the TOPA process for both properties to be completed no later than the end of 2026. The Company has obtained the certificate of compliance from the Montgomery County Department of Housing and Community Affairs certifying compliance with Montgomery County’s right of first refusal requirements with respect to Elme Bethesda, and, following such receipt, the parties to the purchase and sale agreement for Elme Bethesda have agreed to close the sale no later than August 11, 2026.

As previously disclosed, in May 2026 the Company had entered into a purchase and sale agreement for Riverside Apartments (including related undeveloped land) which was subject to an ongoing inspection period and, on June 17, 2026, the buyer under that purchase and sale agreement exercised its right to terminate. On July 23, 2026, the Company entered into a purchase and sale agreement for Riverside Apartments (including related undeveloped land) with a new purchaser, which had previously submitted a proposal to acquire the property, for a contract sale price of $250.0 million, subject to certain customary adjustments and prorations. This new purchase and sale agreement is subject to an ongoing inspection period, as well as satisfaction of customary closing conditions. The new purchase and sale agreement for Riverside Apartments provides that, subject to completion of the inspection period and the satisfaction of the closing conditions, the sale of Riverside Apartments will close no later than September 14, 2026.

Given the Plan of Sale and Liquidation, our efforts are focused on selling the remaining properties, winding down the Company's affairs and, when appropriate and in the Board's discretion, distributing the net proceeds to our shareholders subject to the creation of necessary reserves for, and payment or other satisfaction of, the Company's expenses and other liabilities and obligations.

If we have not sold all of our remaining properties and paid all of our liabilities within 24 months after shareholder approval of the Plan of Sale and Liquidation, which was received on October 30, 2025, or if the Board otherwise determines that it is advantageous to do so earlier, we may transfer our remaining assets and liabilities to a liquidating trust and distribute interests in the liquidating trust to our shareholders or otherwise convert Elme to a liquidating limited liability company, partnership, or trust. We cannot predict the exact amount to be distributed or the timing of the completion of the liquidation and termination of Elme's existence.

Initial Liquidating Distribution

In accordance with the Plan of Sale and Liquidation, following completion of the Portfolio Sale Transaction in November 2025, the Board approved a special liquidating distribution of $14.67 per common share of the Company's shares of beneficial interest, par value $0.01 per share ("common shares") to its shareholders of record as of the close of business on December 22, 2025. The special liquidating distribution was paid on January 7, 2026.

Disposition Activity

During the first quarter of 2026, we completed the sale of four of the Remaining Company Properties, Elme Sandy Springs, Elme Marietta, Elme Conyers and Watergate 600, comprising approximately 1,000 residential apartment homes and 300,000 square feet of commercial space, for aggregate gross proceeds of approximately $199.0 million. During the 2026 Quarter, we completed the sale of two of the Remaining Company Properties, Elme Germantown and Elme Watkins Mill, comprising 428 residential apartment homes, for aggregate gross proceeds of approximately $95.0 million. For each of these sales, a portion of the net proceeds was used to repay a portion of the Secured Term Loan, and those sold properties were released from the mortgages securing the Secured Term Loan.

As of June 30, 2026, our portfolio consisted of the following assets located in the Washington, DC metro region.

Properties	**Location**
Riverside Apartments (1)	Alexandria, VA
3801 Connecticut Avenue	Washington, DC
The Kenmore	Washington, DC
Elme Bethesda	Bethesda, MD

(1) Includes an undeveloped land parcel held for development adjacent to the Riverside Apartments.

In addition, during the 2026 Quarter, we entered into three separate purchase and sale agreements pursuant to which we expect to sell The Kenmore, 3801 Connecticut Avenue and Elme Bethesda. These three purchase and sale agreements, which provide for gross proceeds of approximately $168.0 million in the aggregate (subject to certain customary adjustments and prorations), are no longer subject to ongoing inspection periods, but remain subject to satisfaction of customary closing conditions including, in the case of the two DC properties, regulatory requirements related to TOPA. The closing of each DC property is expected to occur shortly after completion of its TOPA process, subject to satisfaction of other applicable closing conditions. The buyer of each DC property has commenced discussions with the property's tenant association, and, assuming no purchase rights are exercised or assigned to a party other than the contract buyer, Elme currently anticipates the TOPA process for both properties to be completed no later than the end of 2026. The Company has obtained the certificate of compliance from the Montgomery County Department of Housing and Community Affairs certifying compliance with Montgomery County's right of first refusal requirements with respect to Elme Bethesda, and, following such receipt, the parties to the purchase and sale agreement for Elme Bethesda have agreed to close the sale no later than August 11, 2026.

As previously disclosed, in May 2026 the Company had entered into a purchase and sale agreement for Riverside Apartments (including related undeveloped land) which was subject to an ongoing inspection period and, on June 17, 2026, the buyer under that purchase and sale agreement exercised its right to terminate. On July 23, 2026, the Company entered into a purchase and sale agreement for Riverside Apartments (including related undeveloped land) with a new purchaser, which had previously submitted a proposal to acquire the property, for a contract sale price of $250.0 million, subject to certain customary adjustments and prorations. This new purchase and sale agreement is subject to an ongoing inspection period, as well as satisfaction of customary closing conditions. The new purchase and sale agreement for Riverside Apartments provides that, subject to completion of the inspection period and the satisfaction of the closing conditions, the sale of Riverside Apartments will close no later than September 14, 2026.

Because the sales of Elme's remaining properties are subject to, as applicable, satisfactory completion of an inspection period with respect to Riverside Apartments, and satisfaction of closing conditions, including, with respect to the DC properties, regulatory requirements related to the TOPA, the exact timing of completing the sales of the unsold Remaining Company Properties cannot be determined at this time and no assurance can be given as to how long it will take to complete the sale of any or all of its unsold Remaining Company Properties.

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, the Company 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 Riverside Apartments and repayment of the Secured Term Loan, and – assuming completion of the property sales as described above – currently expects the NYSE delisting and Company dissolution process to occur in the fourth quarter of 2026. While the Board currently intends to take the actions as outlined above, consistent with the Plan of Sale and Liquidation, the timing of these actions remains subject to change, including as a result of any changes in the timing of property sale closings. In addition, the Board may modify or delay these actions if it determines that doing so is in the best interest of the Company and its shareholders.

Financing Activity

As of June 30, 2026 and July 30, 2026, the interest rate on the Secured Term Loan is 6.38%, which is based on the one-month term SOFR plus 2.75% applicable margin. $251.0 million of the principal under the Secured Term Loan remains outstanding as of July 30, 2026.

Recent Tax Legislation

Effective July 4, 2025, certain changes to U.S. tax law were approved that may impact us and our shareholders. Among other changes, this legislation (i) permanently extended the 20% deduction for "qualified REIT dividends" for individuals and other non-corporate taxpayers under Section 199A of the Code, (ii) increased the percentage limit under the REIT asset test applicable to taxable REIT subsidiaries ("TRSs") from 20% to 25% for taxable years beginning after December 31, 2025, and (iii) increased the base on which the 30% interest deduction limit under Section 163(j) of the Code applies by excluding depreciation, amortization and depletion from the definition of "adjusted taxable income" (i.e., based on EBITDA rather than EBIT) for taxable years beginning after December 31, 2024.

Results of Operations

As of June 30, 2026, we owned approximately 2,100 residential apartment homes in the Washington, DC metro region compared to 9,400 residential apartment homes in the Washington, DC and Atlanta metro regions as of June 30, 2025. We also owned and operated approximately 300,000 square feet of commercial space in the Washington, DC metro region as of June 30, 2025, which was sold during the first quarter of 2026.

Our revenues are derived primarily from the ownership and operation of income producing property. In light of the approval of the Plan of Sale and Liquidation on October 30, 2025, the adoption of the liquidation basis of accounting as of November 1, 2025, the sale of 19 assets in the Portfolio Sale Transaction in November 2025 for approximately gross proceeds of $1.6 billion, the sales during the first quarter of 2026 of Elme Sandy Springs, Elme Marietta, Elme Conyers and Watergate 600, comprising approximately 1,000 residential apartment homes and 300,000 square feet of commercial space, for aggregate gross proceeds of approximately $199.0 million, and the sales during the 2026 Quarter of Elme Germantown and Elme Watkins Mill, comprising approximately 400 residential apartment homes for aggregate gross proceeds of approximately $95.0 million, the results of operations for the 2026 Quarter and 2026 Period are not comparable to the 2025 Quarter or 2025 Period, respectively.

Operating Metrics

Average Occupancy is based on average daily occupied apartment homes as a percentage of total apartment homes. Ending Occupancy is calculated as occupied homes as a percentage of total homes as of the last day of that period.

Average Occupancy and Ending Occupancy for our four remaining residential properties for the 2026 Quarter was 93.3% and 93.5%, respectively, compared to 95.3% and 95.6%, respectively, for the same four properties for the 2025 Quarter.

Average Occupancy for our four remaining residential properties for the 2026 Period was 93.1% compared to 95.3% for the same four properties for the 2025 Period.

Liquidity and Capital Resources

As described in the “Overview” section, our Board and our shareholders approved the Plan of Sale and Liquidation. In accordance with the Plan of Sale and Liquidation, our objectives are to pursue an orderly liquidation of our Company by selling or otherwise disposing of our remaining assets, paying or otherwise settling our debts and our known liabilities, providing for the payment of unknown or contingent liabilities, when appropriate and in the Board’s discretion, distributing the net proceeds to our shareholders, subject to the creation of necessary reserves for, and payment or other satisfaction of, the Company’s expenses and other liabilities and obligations and winding up our operations and dissolving our company. On November 25, 2025, we announced a special liquidating distribution of $14.67 per common share which was paid on January 7, 2026 to shareholders of record at the close of business on December 22, 2025. We may pay one or more additional liquidating distribution(s) to our shareholders during the remainder of the liquidation process. It is the Company’s current expectation that, prior to delisting from the NYSE, the Company would make an additional liquidating distribution in an amount to be determined by the Board. However, as noted above, the amount and timing of all additional liquidating distributions remain subject to the Board’s discretion.

We expect to pay the final liquidating distribution after we sell all of our assets, pay or provide for all of our known liabilities and obligations and provide for unknown liabilities and obligations. We expect to complete these activities within 24 months of October 30, 2025, the day we received shareholder approval of the Plan of Sale and Liquidation. A final liquidating distribution to our shareholders may not be paid until all of our liabilities have been satisfied.

Our expectations about the amount of liquidating distributions that we will pay and when we will pay them are based on many estimates and assumptions, one or more of which may prove to be incorrect. As a result, the actual amount of the remaining liquidating distributions we pay to our shareholders may be more or less than we estimate and the remaining liquidating distributions may be paid later than we predict. We intend to maintain adequate cash reserves for liquidity, debt repayments and other future capital needs.

We expect our principal demands for funds during the liquidation period are and will be for the payment of operating expenses, principal and interest payments on our Secured Term Loan, general and administrative expenses, including expenses in connection with the Plan of Sale and Liquidation, transaction costs related to asset sales and payments of distributions to shareholders pursuant to the Plan of Sale and Liquidation. We expect to use our cash on hand and net sales proceeds from the sale of our assets as our primary source of liquidity. We believe we will have adequate liquidity to operate our business and to meet our cash requirements, including meeting our debt obligations, through the wind-down of the Company’s business and affairs and the termination of the Company’s existence by voluntary dissolution. To the extent available, we also intend to use cash flow generated by our real estate assets; however, asset sales will further reduce cash flow from these sources.

As of June 30, 2026, our cash and cash equivalents were approximately $41.3 million and we had $17.3 million of restricted cash (funds held by the Lender in lender-controlled reserve accounts under the Secured Term Loan, including reserves for property taxes and insurance premiums, capital expenditures and certain other approved operating expenses and capital items).

Liquidating Distributions

On July 24, 2026, the Company announced that its current estimate of the total amount of remaining liquidating distributions to be funded from the net proceeds of sales of the Remaining Company Properties was estimated to be between $1.74 and $1.94 per share. Based on this updated estimate, the total amount of liquidating distributions (including the initial $14.67 per common share liquidating distribution paid in January 2026) was estimated to be between $16.41 and $16.61 per share. The Company’s estimate of the ranges of liquidating distributions were derived from a number of assumptions and estimates, including the estimated range of gross asset sales proceeds for the Remaining Company Properties, many of which are outside the Company’s control and may not prove to be accurate, which could cause actual liquidating distributions to be less or more than the estimated ranges. For more information regarding the estimates and assumptions, and various risks associated with such estimates and assumptions, see the risk factor previously disclosed in “Part I - Item 1A. Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2025, titled “We cannot determine at this time the amount or timing of the remaining liquidating distributions, if any, to our shareholders in connection with the Plan of Sale and Liquidation because there are many factors that could affect the amount or timing of any such liquidating distributions, if any, some of which are not within our control.”

Debt Financing

Aside from the Secured Term Loan described in the “Overview” section, the Company does not have any other outstanding debt obligations as of June 30, 2026.

Debt Covenants

As of June 30, 2026, we were in compliance with the covenants related to the Secured Term Loan, including those covenants with respect to maintenance of insurance, single-purpose bankruptcy, remote entity requirements, reporting requirements and restrictions on property and equity transfers and the granting of liens.

Common Equity

We have authorized for issuance 150.0 million common shares, of which 88.9 million shares were outstanding at June 30, 2026.

On February 20, 2024, we entered into an equity distribution agreement (the "Equity Distribution Agreement") with Wells Fargo Securities, LLC, BNY Mellon Capital Markets, LLC, Citigroup Global Markets Inc., Goldman Sachs & Co. LLC, KeyBanc Capital Markets Inc., TD Securities (USA) LLC and Truist Securities, Inc. as agents and forward sellers, as applicable, (collectively, the "Agents" or "Forward Sellers", as applicable), and Wells Fargo Bank, National Association, The Bank of New York Mellon, Citibank, N.A., Goldman Sachs & Co. LLC, KeyBanc Capital Markets Inc., The Toronto-Dominion Bank and Truist Bank as forward purchasers pursuant to which up to an aggregate gross sales price of $350.0 million of the Company's common shares, may be offered and sold from time to time through the Agents, acting as the Company's sales agents or, if applicable, the Forward Sellers, or directly to the Agents as principals for their own accounts.

We did not issue common shares under the Equity Distribution Agreement during the 2026 Period or 2025 Period and we terminated the Equity Distribution Agreement during the first quarter of 2026.

We previously had a dividend reinvestment program, whereby shareholders were able to use their dividends and optional cash payments to purchase common shares, which was suspended in September 2025. Prior to the suspension, the common shares sold under this program were either common shares issued by us or common shares purchased in the open market. During the suspension period, dividend payments were not automatically reinvested in additional shares of our common shares of beneficial interest and participants in the dividend reinvestment program were not able to purchase shares of our common shares of beneficial interest through optional cash investments under the dividend reinvestment program. No common shares were issued under the dividend reinvestment program during the 2026 Period or 2025 Period. The dividend reinvestment program was formally terminated during the 2026 Quarter.

Preferred Equity

Our Board can, at its discretion, authorize the issuance of up to 10.0 million preferred shares. The ability to issue preferred equity provides Elme an additional financing tool that may be used to raise capital for business purposes. As of June 30, 2026, no preferred shares were issued and outstanding.

Contractual Obligations

We owed $251.0 million as of June 30, 2026 on our Secured Term Loan.

We currently lease and occupy office space for our corporate headquarters. The corporate office lease has an expiration date of September 30, 2033 and we would expect to incur approximately $3.2 million in prepayment penalties if we terminate the lease during 2026. We are actively exploring alternatives to reduce the total cost of our corporate headquarters.

We have and will continue to incur severance, retention and benefit obligations in association with our Plan of Sale and Liquidation. As of June 30, 2026, we estimate that remaining payments in 2026 related to such obligations will total approximately $14.4 million.

In addition to our Secured Term Loan, office lease and severance obligations, we have various standing or renewable contracts with vendors. The majority of these contracts can be canceled with immaterial or no cancellation penalties, with the exception of our elevator maintenance agreements and our electricity and gas purchase agreements. Contract terms on leases that can be canceled are generally one year or less.

Historical Cash Flows

Cash provided by operating activities was $46.0 million for the 2025 Period.

Cash used in investing activities was $14.5 million for the 2025 Period, primarily due to capital improvement expenditures at our residential communities.

Cash used in financing activities was $33.1 million for the 2025 Period, primarily due to the payment of quarterly dividends.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements as of June 30, 2026 that are reasonably likely to have a current or future material effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Critical Accounting Estimates

We base the discussion and analysis of our financial condition and results of operations upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. There were no changes made by management to the critical accounting policies in the three and six months ended June 30, 2026. We discuss the most critical estimates in our Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC on February 27, 2026.

ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The principal material financial market risk to which we are exposed is interest rate risk.

The table below presents principal, interest and related weighted average interest rates by year of maturity, with respect to debt outstanding, which consists exclusively of the Secured Term Loan on June 30, 2026 (in thousands):

	2026	2027	2028	2029	2030	Thereafter	Total	Fair Value
Secured variable rate debt								
Principal	$ 251,042	$ —	$ —	$ —	$ —	$ —	$ 251,042	$ 251,042
Variable interest rate on debt maturities	6.4 %						6.4 %	

The Company has purchased an interest rate cap that effectively caps term SOFR with respect to the Secured Term Loan at 5.00% per annum.

ITEM 4: CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Securities Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, who also serves as our Chief Administrative Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level.

There have not been any changes in Elme's internal control over financial reporting (as defined by Rule 13a-15(f)) that occurred during the period covered by the report that have materially affected, or are reasonably likely to materially affect, Elme's internal control over financial reporting.

PART II
OTHER INFORMATION

ITEM 1: LEGAL PROCEEDINGS

We are involved from time to time in various legal proceedings, lawsuits, examinations by various tax authorities and claims that have arisen in the ordinary course of business. Management believes that the resolution of any such current matters will not have a material adverse effect on our financial condition or results of operations. Matters that arise out of allegations of bodily injury, property damage and employment practices are generally covered by insurance. One such matter, Madusou Cherif, et al. v. Elme Communities Inc., et al., Civ. No. 24EV006232 (State Court of Fulton County, Georgia), relates to a drowning event that occurred at one of the Company's properties, which was sold earlier this year. Consistent with the foregoing, Management expects that this matter will be covered by insurance and does not believe the resolution of this matter will have a material adverse effect on our financial condition or results of operations. However, if the Company did incur liability and costs in excess of available insurance limits, that could have a material adverse effect on our financial condition or results of operations.

ITEM 1A: RISK FACTORS

There have been no material changes from the risk factors previously disclosed in response to "Part I - Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2025.

ITEM 2: UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3: DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4: MINE SAFETY DISCLOSURES

None.

ITEM 5: OTHER INFORMATION

Trading Arrangements

During the three months ended June 30, 2026, no trustee or officer of Elmeadopted, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6: EXHIBITS

Exhibit Number	Exhibit Description	Incorporated by Reference: Form	File Number	Exhibit	Filing Date	Filed Herewith
2.1	Purchase and Sale Agreement, dated August 1, 2025, by and among Elme Communities, WashREIT OP LLC, Echo Sub LLC, CEVF VI Capital Holdings, LLC and CEVF VI Co-Invest I Venture, LLC	8-K	001-06622	2.1	8/4/2025	
2.2	Plan of Sale and Liquidation	8-K	001-06622	2.2	8/4/2025	
3.1	Articles of Amendment and Restatement of Declaration of Trust of the Company, as amended	10-K	001-06622	3.1	2/17/2023	
3.2	Articles Supplementary of Elme Communities	8-K	001-06622	3.1	3/20/2025	
3.3	Amended and Restated Bylaws of Elme Communities, as amended	8-K	001-06622	3.1	9/20/2023	
10.1*§	Purchase and Sale Agreement, dated May 27, 2026 between Elme Bethesda Owner LLC and CAPREIT Acquisition Corporation					X
10.2	First Amendment to Purchase and Sale Agreement, dated June 3, 2026 between Elme Bethesda Owner LLC and CAPREIT Acquisition Corporation					X
10.3	Second Amendment to Purchase and Sale Agreement, dated June 4, 2026 between Elme Bethesda Owner LLC and CAPREIT Acquisition Corporation					X
10.4	Third Amendment to Purchase and Sale Agreement, dated July 23, 2026 between Elme Bethesda Owner LLC and Tilden Bethesda Hill Apartments, LLC, as assignee of CAPREIT Acquisition Corporation					X
10.5*§	Purchase and Sale, dated May 8, 2026 between Elme Riverside Apartments LLC and Riverside Apartments VA LLC					X
10.6	First Amendment to Agreement of Purchase and Sale, dated June 1, 2026 between Elme Riverside Apartments LLC and Riverside Apartments VA LLC					X
10.7	Second Amendment to Agreement of Purchase and Sale, dated June 12, 2026 between Elme Riverside Apartments LLC and Riverside Apartments VA LLC					X
10.8*§	Purchase and Sale, dated July 23, 2026 between Elme Riverside Apartments LLC and FPA Multifamily, LLC					X
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended (“the Exchange Act”)					X
31.2	Certification of the Chief Financial Officer and Chief Administrative Officer pursuant to Rule 13a-14(a) of the Exchange Act					X
32	Certification of the Chief Executive Officer and the Chief Financial Officer and Chief Administrative Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X

101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	X
104	Cover Page Interactive Data File (embedded within the Inline XBRL document and contained in Exhibit 101)	

* Certain exhibits and schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule or exhibit will be furnished to the Securities and Exchange Commission upon request.

§ Certain portions of this exhibit (indicated by "[***]") have been redacted pursuant to Regulation S-K Item 601(a)(6).

SIGNATURES

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

ELME COMMUNITIES

/s/ Paul T. McDermott

Paul T. McDermott
President and Chief Executive Officer
(Principal Executive Officer)

/s/ W. Drew Hammond

W. Drew Hammond
Executive Vice President, Chief Financial Officer, Chief Administrative Officer and Treasurer
(Principal Financial and Accounting Officer)

DATE: July 31, 2026

PURCHASE AND SALE AGREEMENT

BETWEEN

ELME BETHESDA OWNER LLC,

a Delaware limited liability company

AS SELLER,

AND

CAPREIT ACQUISITION CORPORATION,
a Maryland corporation

AS PURCHASER

As of May 27, 2026

5114 Dudley Lane

Bethesda, Maryland 20814

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PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT is made as of the 27th day of May, 2026 (the "Effective Date"), by and between ELME BETHESDA OWNER LLC, a Delaware limited liability company ("Seller"), and CAPREIT ACQUISITION CORPORATION, a Maryland corporation ("Purchaser").

W I T N E S S E T H:

ARTICLE I

DEFINED TERMS

1.1. Defined Terms. The capitalized terms used herein have the following meanings.

"Additional Earnest Money" means the sum of Five Hundred Thousand and No/100 Dollars ($500,000.00), subject to Section 2.6.

"Agreement" means this Purchase and Sale Agreement, together with the exhibits and schedules attached hereto, as the same may be amended, restated, supplemented or otherwise modified.

"Anti-Money Laundering Laws" has the meaning assigned thereto in Section 6.5(e).

"Assignment and Assumption" has the meaning assigned thereto in Section 5.2(c).

"Assumed Service Contracts" has the meaning assigned thereto in Section 2.1(e).

"Business Day" means any day other than a Saturday, Sunday, or legal holiday in the State in which the Property is located.

"Certificate of Compliance" has the meaning assigned thereto in Section 11.27(c).

"Certificate of Compliance Outside Date" has the meaning assigned thereto in Section 11.27(d).

"Claims" means any and all claims, damages, losses, liabilities, costs and liens of any kind or nature, including causes of action, interest and penalties and reasonable attorneys' fees.

"Closing" has the meaning assigned thereto in Section 5.1.

"Closing Date" has the meaning assigned thereto in Section 5.1.

"Closing Statement" has the meaning assigned thereto in Section 2.8(d).

"Code" has the meaning assigned thereto in Section 2.8(e).

“Condominium” has the meaning assigned thereto in Section 2.2(b).

“Condominium Bylaws” means the Bylaws of Council of Unit Owners of Bethesda Hill Condominium attached as Exhibit B to the Condominium Declaration.

“Condominium Declaration” has the meaning assigned thereto in Section 2.1(a).

“Condominium Documents” has the meaning assigned thereto in Section 2.2(b).

“Condominium Plat” means those certain condominium plats recorded in Condominium Plat Book No. 36 at Plats 3790, et. seq. and in Condominium Plat Book 40 at Plats 4172, et. seq. of the Land Records of Montgomery County, Maryland.

“Condominium Units” has the meaning assigned thereto in Section 2.1(a).

“Council of Unit Owners” has the meaning assigned thereto in Section 2.2(b).

“Confidential Information” has the meaning assigned thereto in Section 11.1(a).

“Deed” has the meaning assigned thereto in Section 5.2(a).

“Designated Representative” has the meaning assigned thereto in Section 6.2.

“DHCA” has the meaning assigned thereto in Section 11.27(a).

“Due Diligence Materials” has the meaning assigned thereto in Section 4.1(a).

“Earnest Money” means the Initial Earnest Money and, if made, the Additional Earnest Money, subject to Section 2.6.

“Effective Date” means the date of execution and delivery of this Agreement by the parties hereto, which date shall be entered into the opening paragraph of this Agreement.

“Elme” means Elme Communities, a Maryland real estate investment trust, the parent of Seller.

“ERISA” has the meaning assigned thereto in Section 6.5(c).

“Escrow Agent” means Chicago Title Insurance Company, having its office at 2121 K Street, NW, Suite 1020, Washington, DC 20037, Attention: Dianne E. Boyle.

“Excluded Information” has the meaning assigned thereto in Section 4.1(a).

“Existing Survey” has the meaning assigned thereto in Section 3.2.

“Existing Title Commitment” has the meaning assigned thereto in Section 3.1.

“Fraud” means actual and intentional common law fraud under Maryland law, with the element of scienter, in the making of the representations and warranties expressly set forth in Section 6.1 and not with respect to any other matters, which resulted in the Purchaser acting in reasonable reliance on such representation or warranty; provided, that “Fraud” shall not include equitable fraud, constructive fraud, promissory fraud, unfair dealings fraud, unjust enrichment, or any torts (including fraud) or other claim based on negligence or recklessness (including based on constructive knowledge or negligent misrepresentation) or any other similar theory or equitable claim.

“HOC” has the meaning assigned thereto in Section 11.27(a).

“Improvements” has the meaning assigned thereto in Section 2.1(b).

“Independent Contract Consideration” has the meaning assigned thereto in Section 2.7.

Initial Earnest Money” means the sum of Five Hundred Thousand and No/100 Dollars ($500,000.00), subject to Section 2.6.

“Inspection Period” means the period beginning upon the Effective Date and ending at 5:00 p.m. (local time at the Property) on June 3, 2026.

“Inspections” has the meaning assigned thereto in Section 4.1(a).

“Intangibles” has the meaning assigned thereto in Section 2.1(e).

“Interest Rate” means the Prime Rate reported in the Wall Street Journal plus four percent (4%).

“Leases” has the meaning assigned thereto in Section 2.1(d).

“Maryland Notice Date” has the meaning assigned thereto in Section 11.27(b).

“Maryland ROFR” has the meaning assigned thereto in Section 11.27(a).

“Maryland ROFR Closing” has the meaning assigned thereto in Section 11.27(d).

“Maryland ROFR Code” has the meaning assigned thereto in Section 11.27(a).

“Montgomery County” has the meaning assigned thereto in Section 11.27(a).

“New Title Exceptions” has the meaning assigned thereto in Section 3.5.

“OFAC” has the meaning assigned thereto in Section 6.1(h).

“Permitted Assignee” has the meaning assigned thereto in Section 11.4.

"Permitted Exceptions" has the meaning assigned thereto in Section 2.2(a).

"Personal Property" has the meaning assigned thereto in Section 2.1(c).

"Property" has the meaning assigned thereto in Section 2.2(a).

"Purchase Price" has the meaning assigned thereto in Section 2.4.

"Purchaser's Personnel" means Purchaser's agents, employees, consultants, inspectors, appraisers, engineers and contractors.

"Purchaser" has the meaning assigned thereto in the Preamble to this Agreement.

"Rent Roll" has the meaning assigned thereto in Section 2.1(d)

"R&W Insurance Policy" means the buy-side representations and warranties insurance policy issued by the R&W Insurer or its affiliates, which provides coverage for the benefit of Purchaser (or its Permitted Assignee pursuant to Section 11.4) as the named insured for breaches of certain of the representations and warranties set forth in Section 6.1.

"R&W Insurance Policy Costs" means all costs and expenses required to obtain the R&W Insurance Policy, including the total premium, underwriting costs, brokerage commissions, and other fees and expenses of such policy, provided that the foregoing shall not include any legal or other advisor fees incurred in diligence or underwriting the R&W Insurance Policy.

"R&W Insurer" means Atlantic Global Risk LLC.

"Seller" has the meaning assigned thereto in the Preamble to this Agreement.

"Seller Parties" means Seller, Elme, Seller's partners, members, affiliates, and their respective officers, directors, agents, employees and representatives.

"Seller Provided Reports" has the meaning assigned thereto in Section 4.1(a).

"Seller's Broker" means, collectively, CBRE, Inc., Jones Lang LaSalle Americas, Inc. and Goldman Sachs.

"Seller's County Notice" has the meaning assigned thereto in Section 11.27(b).

"Seller's Tenant Notice" has the meaning assigned thereto in Section 11.27(b).

"Service Contracts" means all agreements related to the upkeep, repair, maintenance or operation of the Land, Improvements or Personal Property, including specifically, without limitation, all equipment leases.

"Service Contracts Schedule" has the meaning assigned thereto in Section 2.1(e).

“Special Rent” has the meaning assigned thereto in Section 5.4(b)(vi).

“Successor Entity” has the meaning assigned thereto in Section 11.4.

“Survey” has the meaning assigned thereto in Section 3.2.

“Tenant Inducement Costs” means (i) any out-of-pocket payments required under a Lease to be paid by the landlord thereunder to or for the benefit of the tenant thereunder which is in the nature of a tenant inducement, including specifically, without limitation, tenant improvement costs, lease buyout costs, and moving, design, refurbishment and club membership allowances, and reasonable attorneys’ fees and (ii) the value of any free rent periods or rental abatements under a Lease.

“Title Company” means Chicago Title Insurance Company, having its office at 2121 K Street, NW, Suite 1020, Washington, DC 20037, Attention: Dianne E. Boyle.

“Title Commitment” has the meaning assigned thereto in Section 3.1.

“Title Exam Deadline” has the meaning assigned thereto in Section 3.3.

“Title Policy” has the meaning assigned thereto in Section 3.4.

ARTICLE II

PURCHASE AND SALE

2.1. Agreement of Purchase and Sale

. Subject to the terms and conditions of this Agreement, Seller agrees to sell and convey, and Purchaser agrees to purchase the following:

(a) that certain real property located in the County of Montgomery, State of Maryland owned by Seller more particularly described on Exhibit A attached hereto and made a part hereof, consisting of those certain condominium units listed on Exhibit A and established by and described in that certain Condominium Declaration for Bethesda Hill Condominium recorded in Liber 6606 at Folio 327 of the Land Records of Montgomery County, Maryland, as amended by Supplementary Declaration recorded in Liber 6689 at Folio 255 of the Land Records of Montgomery County, Maryland, Supplementary Declaration recorded in Liber 6865 at Folio 420 of the Land Records of Montgomery County, Maryland and Supplementary Declaration recorded in Liber 6958 at Folio 332 of the Land Records of Montgomery County, Maryland (collectively, the “Condominium Declaration”), as further described in and depicted on the Condominium Plat, together with (i) an undivided Percentage Interest in the Common Elements (as such terms are defined in the Condominium Declaration) appurtenant to such condominium units pursuant to the Condominium Declaration, the Condominium Bylaws and the

Condominium Plat; (ii) all easements, rights of way, privileges, appurtenances and other rights, if any, pertaining thereto; and (iii) all development rights, air rights, water, water rights relating thereto (the property described in clause (a) of this Section 2.1 being referred to collectively as the "Condominium Units");

(b) the buildings, structures, fixtures and other improvements comprising the Condominium Units, including specifically, without limitation, those certain multi-family buildings known as Elme Bethesda and having a street address of 5114 Dudley Lane, Bethesda, Maryland, and containing approximately one hundred ninety-three (193) apartment units, plus the club house unit and the fitness center unit , subject to the terms and conditions of the Condominium Declaration and the Condominium Bylaws (the property described in clause (b) of this Section 2.1 being herein referred to collectively as the "Improvements");

(c) all of Seller's right, title and interest in and to all tangible personal property within or exclusively serving the Condominium Units specifically including, without limitation, appliances, furniture, carpeting, draperies and curtains, tools and supplies, and other items of personal property (excluding cash) located within the Condominium Units or used exclusively in connection with the operation of the Condominium Units (the property described in clause (c) of this Section 2.1 being herein referred to collectively as the "Personal Property");

(d) all of Seller's right, title and interest in and to all agreements with the tenants listed on Schedule 2.1(d) (the "Rent Roll") attached hereto and made a part hereof, together with all unforfeited security deposits relating thereto, and any new lease entered into in accordance with Section 6.4(b) (the property described in clause ((d)) of this Section 2.1 being herein referred to collectively as the "Leases"); and

(e) all of Seller's right, title and interest in and to (i) all assignable contracts and agreements listed and described on Schedule 2.1(e) (the "Service Contracts Schedule") attached hereto and made a part hereof, relating to the upkeep, repair, maintenance or operation of the Condominium Units, Improvements or Personal Property including specifically, without limitation, all assignable equipment leases, that Purchaser has elected to assume or is required to assume in accordance with the terms of Section 6.7 (collectively, the "Assumed Service Contracts"), (ii) all of Seller's rights as the owner of the Condominium Units arising pursuant to the Condominium Documents, including, without limitation, all appurtenant rights, easements, licenses, privileges and interests relating to or benefiting the Condominium Units in and to the Common Elements and any Limited Common Elements (whether exclusive or non-exclusive) allocated or appurtenant to the Condominium Units, and (iii) all assignable existing warranties and guaranties (expressed or implied) issued to Seller in connection with the Condominium Units, Improvements or the Personal Property, but expressly excluding the names

"Elme," "Elme Communities," "Washington REIT," and "Washington Real Estate Investment Trust," and all related trademarks, service marks, logos, trade dress, domain names and other source or business identifiers (in each case whether or not registered), and any registration, application, renewal and extensions of, any common law rights in, and all goodwill associated with, each of the foregoing, all of which are expressly retained by Seller or its parent entities (the property described in clause (e) of this Section 2.1 being sometimes herein referred to collectively as the "Intangibles").

2.2. Property Defined

; Condominium Documents.

(a) The Condominium Units, the Improvements, the Personal Property, the Leases and the Intangibles are hereinafter sometimes referred to collectively as the "Property."

(b) The Condominium Units are a part of, and constitute all of the condominium units of, the Bethesda Hill Condominium (together with all common elements, the "Condominium") which is a condominium regime constituted and established by the Condominium Declaration, the Condominium Plat and the Condominium Bylaws (collectively, the "Condominium Documents"), and is governed by the Council of Unit Owners (as defined in the Declaration) (the "Council of Unit Owners").

2.3. Permitted Exceptions

. The Property shall be conveyed subject only to the matters which are, or are deemed to be, Permitted Exceptions pursuant to Article III hereof (herein referred to collectively as the "Permitted Exceptions").

2.4. Purchase Price

. Seller is to sell and Purchaser is to purchase the Property for a total of FIFTY NINE MILLION AND NO/100 DOLLARS ($59,000,000.00) (the "Purchase Price"), all cash with no financing requirement or financing contingency.

(a) Allocation of Purchase Price. The Purchase Price shall be allocated among the various items constituting the real property, the Personal Property and other customary items (the "**Allocation**"), as shall be reasonably determined jointly by Seller and Purchaser. In the event that the parties cannot jointly agree upon such Allocation, each of the parties shall use its own allocation for purposes of this Section 1(g), except that the allocation proposed by Seller shall be used in connection with the determination of any conveyance, transfer or sales tax.

2.5. Payment of Purchase Price

. The Purchase Price, as increased or decreased by prorations and adjustments as herein provided, shall be payable in full at Closing in cash by wire transfer of immediately available federal funds to a bank account designated by Escrow Agent in writing to Purchaser prior to the Closing.

2.6. Earnest Money

. No later than 5:00 p.m. (Eastern time) on the second (2nd) Business Day following the Effective Date, Purchaser shall deposit with Escrow Agent the Initial Earnest Money in good funds, either by certified bank or cashier's check or by federal wire transfer of immediately available funds. If Purchaser does not exercise the right to terminate this Agreement in accordance with Section 3.3 or Section 4.2 hereof, Purchaser shall, within two (2) Business Days following the expiration of the Inspection Period, deposit with the Escrow Agent the Additional Earnest Money in good funds, either by certified bank or cashier's check or by federal wire transfer as an additional deposit under this Agreement. Escrow Agent shall hold the Earnest Money in an interest-bearing account in accordance with the terms and conditions of this Agreement. All interest accruing on such sum shall become a part of the Earnest Money and shall be distributed as Earnest Money in accordance with the terms of this Agreement. If Purchaser fails to deliver the Initial Earnest Money or the Additional Earnest Money to Escrow Agent within the applicable time period specified above, at Seller's option this Agreement shall terminate on written notice to Purchaser furnished before the Initial Earnest Money or Additional Earnest Money (as applicable) is delivered, the Initial Earnest Money (if deposited) shall be refunded to Purchaser, and neither party shall have any further rights, obligations or liabilities hereunder except to the extent that any right, obligation or liability set forth herein expressly survives termination of this Agreement. Time is of the essence for the delivery of the Initial Earnest Money and Additional Earnest Money under this Agreement. In the event of termination of this Agreement prior to Closing, Escrow Agent shall disburse the Earnest Money in accordance with the provisions of this Agreement governing such termination.

2.7. Independent Contract Consideration

. Seller and Purchaser acknowledge and agree that in all events One Hundred Dollars ($100) of the Earnest Money shall be paid to Seller if this Agreement is terminated for any reason (the "Independent Contract Consideration"). Seller and Purchaser acknowledge and agree that the Independent Contract Consideration has been bargained for and agreed to as additional consideration for Seller's execution and delivery of this Agreement. At the Closing, the Earnest Money (including, without limitation, the Independent Contract Consideration) shall be applied to the Purchase Price.

2.8. Escrow Agent

.

(a) Escrow Agent shall hold and disburse the Earnest Money in accordance with the terms of this Agreement. Seller and Purchaser agree that the duties of Escrow

Agent hereunder are purely ministerial in nature and shall be expressly limited to the safekeeping and disposition of the Earnest Money in accordance with this Agreement. Escrow Agent shall not be liable for any damage, liability or loss arising out of its services pursuant to this Agreement, except for damage, liability or loss resulting from the willful or grossly negligent conduct of Escrow Agent or any of its officers or employees. In the event of any dispute between Seller and Purchaser regarding the disbursement of the Earnest Money, or in the event Escrow Agent shall receive conflicting demands or instructions with respect thereto, Escrow Agent shall withhold disbursement of the Earnest Money until such dispute is resolved. Alternatively, Escrow Agent shall be entitled to deposit the Earnest Money into a court of general jurisdiction in the State in which the Real Property is located, and to interplead Seller and Purchaser in connection therewith.

(b) Escrow Agent shall not be responsible for any interest on any portion of the Earnest Money except as is actually earned, or for the loss of any interest resulting from the withdrawal of all or any portion the Earnest Money prior to the date interest is posted thereon. Escrow Agent may commingle funds received by it in escrow with escrow funds of others, and may, without limitation, deposit such funds in its custodial or escrow accounts with any reputable trust company, bank, savings bank, savings association, or other financial services entity. All checks, money orders or drafts will be processed for collection in the normal course of business. Purchaser will execute the appropriate Internal Revenue Service documentation for the giving of taxpayer identification information relating to the account in which the Earnest Money is held.

(c) Seller and Purchaser shall pay or reimburse Escrow Agent for all expenses, disbursements and advances, including, without limitation, reasonable attorney's fees, incurred or paid in connection with carrying out its duties under this Agreement.

(d) Escrow Agent shall prepare the closing statement for the transaction contemplated by this Agreement (the "Closing Statement"), which closing statement shall include the credits and pro-rations to be made by the parties in accordance with Section 5.4 and the allocations of closing costs set forth in Section 5.5.

(e) Seller, Purchaser and Escrow Agent hereby agree and acknowledge that Escrow Agent shall act as "the real estate reporting person" with respect to the transaction which is the subject of this Agreement pursuant to Section 6045(e) of the Internal Revenue Code of 1986, as amended (the "Code"), and shall prepare and file all informational returns, including, without limitation, IRS Form 1099-S, and shall otherwise comply with the provisions of Section 6045(e) of the Code. Escrow Agent shall also remit to the proper authorities all state and local transfer taxes required in connection with the transaction which is the subject of this Agreement. Purchaser and Seller shall reasonably cooperate in connection with such filings.

(f) Escrow Agent shall execute this Agreement solely for the purpose of being bound by the provisions of Section 2.6, this Section 2.8, and Section 11.5.

ARTICLE III

TITLE AND SURVEY

3.1. Title Examination; Commitment for Title Insurance

. Seller has provided to Purchaser that certain title commitment for the Property dated March 27, 2025 (Commitment No. 202500579MD) (the "Existing Title Commitment") issued by the Title Company. During the Inspection Period, Purchaser shall have the right to obtain from the Title Company an update of the Existing Title Commitment, at Purchaser's expense (the Existing Title Commitment or, if obtained, such update thereof, the "Title Commitment"). Purchaser shall instruct the Title Company to deliver to Purchaser, Seller and the surveyor preparing the Survey copies of any such update of the Title Commitment and copies of all instruments referenced therein.

3.2. Survey

. Seller has provided Purchaser with a copy of that certain survey with respect to the Property dated November 6, 2025, prepared by CBRE Land Surveying (the "Existing Survey"). During the Inspection Period, Purchaser shall have the right to, at Purchaser's expense, arrange for the preparation of one or more updates of the Existing Survey or a new ALTA survey (the Existing Survey, or, if obtained, such update, or new survey, the "Survey"). Purchaser shall make a copy of any updates to the Existing Survey or new ALTA survey available to Seller and the Title Company promptly upon Purchaser's receipt thereof.

3.3. Title Objections; Cure of Title Objections

. The "Title Exam Deadline" is 6:00 p.m. (local time at the Property) on the fifth (5th) Business Day prior to the expiration of the Inspection Period. Purchaser shall have until the Title Exam Deadline to notify Seller, in writing, of such objections as Purchaser may have to anything contained in the Title Commitment or the Existing Survey. Any item contained in the Title Commitment or any matter shown on the Existing Survey to which Purchaser does not object prior to the Title Exam Deadline shall be deemed a Permitted Exception. In the event Purchaser shall notify Seller of objections to title or to matters shown on the Survey prior to the Title Exam Deadline, Seller shall have the right, but not the obligation, to cure such objections; provided, however, that Seller shall, at its sole cost and expense, and at its sole option, either remove or have the Title Company insure over or otherwise satisfy, by payment or other appropriate measure of satisfaction, (i) any mortgages, deeds of trust, or deeds to secure debt; (ii) any mechanics or materialmen's liens for work done by or on behalf of Seller; and (iii) any real property tax liens (except for any taxes not yet due and payable) against Seller, (which liens described in the foregoing clauses (i), (ii), and (iii) shall be deemed to be excluded from the term "Permitted Exceptions"). Within three (3) Business Days after receipt of Purchaser's notice of objections, Seller shall notify Purchaser in writing whether Seller elects to attempt to cure such objections. If Seller fails to give Purchaser such notice of election, then Seller shall be deemed to have elected not to attempt to cure the matter. If Seller elects to attempt to cure, and provided that Purchaser shall not have terminated this Agreement in accordance with Section 4.2, Seller shall have until the date of Closing to attempt to remove, satisfy or cure the same and for this purpose Seller shall be entitled to a reasonable adjournment of the Closing if additional time is reasonably required, but in no event shall the adjournment exceed five (5) Business Days after the date of Closing set forth in Section 5.1. If Seller elects not to cure any objections specified in Purchaser's notice, or if Seller is unable to effect a cure prior to the Closing (or any date to which the Closing has been adjourned), Purchaser shall have the following options: (i) to accept a conveyance of the Property subject to the Permitted Exceptions, specifically including any matter objected to by Purchaser which Seller is unwilling or unable to cure, and without reduction of the Purchase Price; or (ii) to terminate this Agreement by sending written notice thereof to Seller within the time period set forth in the immediately following sentence, and upon delivery of such notice of termination, this Agreement shall terminate and the Earnest Money shall be returned to Purchaser, and thereafter neither party hereto shall have any further rights, obligations or liabilities hereunder except to the extent that any right, obligation or liability set forth herein expressly survives termination of this Agreement. If Seller notifies (or is deemed to have notified) Purchaser that Seller does not intend to attempt to cure any title objection, or if, having commenced attempts to cure any objection, Seller later notifies Purchaser that Seller will be unable to effect a cure thereof, Purchaser shall, no later than the earlier to occur of the Closing Date or two (2) Business Days after such notice has been given (or deemed given), notify Seller in writing whether Purchaser shall elect to accept the conveyance under clause (i) or to terminate this Agreement under clause (ii). In the event Purchaser does not so timely notify Seller, then Purchaser shall be deemed to have elected to accept the conveyance under clause (i).

3.4. Conveyance of Title

. At Closing, Seller shall convey and transfer to Purchaser such title to the Property as will enable the Title Company to issue to Purchaser, at Purchaser's expense, a standard coverage ALTA Owner's Policy of Title Insurance (the " Title Policy") covering the Property, in the full amount of the Purchase Price. Notwithstanding anything contained herein to the contrary, the Property shall be conveyed subject only to the following specific matters, which shall be deemed to be Permitted Exceptions:

(a) the rights of tenants, as tenants only, under the Leases and any new Leases entered into between the Effective Date and Closing and, where required, approved (or deemed approved) by Purchaser in accordance with the terms of this Agreement;

(b) the lien of all ad valorem real estate taxes and assessments not yet due and payable as of the date of Closing, subject to adjustment as herein provided;

(c) local, state and federal laws, ordinances or governmental regulations, including but not limited to, building and zoning laws, ordinances and regulations, now or hereafter in effect relating to the Property;

(d) items appearing of record or shown on the Survey and, in either case, not objected to by Purchaser or waived or deemed waived by Purchaser in accordance with Sections 3.3 or 3.5;

(e) all matters which arise out of the actions of Purchaser or its agents, representatives or contractors; and

(f) all matters that the Title Company is willing to insure over without additional premium or indemnity from Purchaser.

3.5. Pre-Closing "Gap" Title Defects

. Whether or not Purchaser shall have furnished to Seller any notice of title objections pursuant to the foregoing provisions of this Agreement, Purchaser may, no later than the earlier to occur of the Closing Date or five (5) days after receipt of such New Title Exceptions, notify Seller in writing of any objections to title first raised by the Title Company or the Surveyor between (a) the date which is the earlier of (i) the effective date of the Title Commitment or the Existing Survey (as applicable) referred to above or (ii) the expiration of the Inspection Period, and (b) the date on which the transaction contemplated herein is scheduled to close ("New Title Exceptions"). With respect to any objections to title set forth in such notice, Seller shall have the same option to cure and Purchaser shall have the same option to accept title subject to such matters or to terminate this Agreement as those which apply to any notice of objections made by Purchaser before the Title Exam Deadline. To the extent necessary, the Closing shall be extended to afford the parties the full notice and response periods set forth in Section 3.3 with respect to New Title Exceptions. If Seller elects to attempt to cure (or is required to cure) any such matters, Seller shall have the right to extend the Closing by a reasonable additional time to effect a cure, but in no event shall the extension exceed five (5) Business Days after the date of Closing set forth in Section 5.1.

ARTICLE IV

INSPECTION PERIOD

4.1. Right of Inspection

. During the Inspection Period, Purchaser and Purchaser's Personnel shall have a limited, non-exclusive license to (1) make such non-invasive physical investigations, inspections, analyses, evaluations, studies and tests on, of and relating to the Property as Purchaser reasonably deems necessary (collectively, the "Inspections"), and (2) examine the Due Diligence Materials.

(a) Within two (2) Business Days after the Effective Date, Seller shall make available for examination by Purchaser and Purchaser's Personnel in an electronic data room created by or on behalf of Seller, (i) the Existing Title Commitment, the Existing Survey, and the most recent version of any environmental report, zoning report, property condition report and other recent reports and studies obtained by Seller with respect to the Property (collectively, the "Seller Provided Reports"), (ii) certain other documents and information maintained by and in the possession or control of Seller or its property manager in connection with the current leasing, maintenance, and management of the Property, including, without limitation, the Leases and the Service Contracts, (iii) all documents creating or governing the Bethesda Hill Condominium, including, without limitation, the condominium declaration, plats, bylaws, amendments, rules and regulations; and (iv) certain other documents and information customarily maintained by and in the possession or control of Seller or its property manager in connection with the current leasing, maintenance, and management of the Property (collectively, the items listed in clauses (i) through (iv), the "Due Diligence Materials"), but excluding materials not directly related to the current leasing, maintenance and management of the Property such as, without limitation, Seller's acquisition materials, internal memoranda or analyses, financial projections, budgets, appraisals, accounting and tax records and similar proprietary or confidential information (collectively, the "Excluded Information"). In the event Purchaser receives any Excluded Information, Purchaser shall promptly return same to Seller upon discovery of such Excluded Information and Purchaser shall not retain any copies (in any form) of such Excluded Information. Notwithstanding the foregoing sentence, Purchaser and Purchaser's Personnel may retain copies of Excluded Information in electronic form pursuant to its electronic backup processes, so long as such information is not accessible in the ordinary course of business and Purchaser or Purchaser's Personnel, as applicable, continues to maintain the confidentiality of such retained Excluded Information pursuant to the requirements of Section 11.1, and if such information does become accessible it will be destroyed or returned in accordance with this Section 4.2. The receipt by Purchaser of any Excluded Information shall not constitute (or be deemed to constitute) a waiver of any confidentiality or privilege applicable to such Excluded Information and Seller may assert at any time such confidentiality or privilege with respect to such information notwithstanding that Purchaser received such Excluded Information. Purchaser and Purchaser's Personnel shall use all Due Diligence Materials solely for the purpose of evaluating the suitability of the purchase of the Property from Seller by Purchaser and Purchaser's Personnel.

(b) Purchaser's rights of entry and inspection hereunder shall be subject to the following terms and conditions:

(i) All Inspections of the Property shall be subject to Seller's prior approval, shall be conducted in a manner reasonably acceptable to Seller, shall be conducted upon at least one (1) Business Day's prior written notice to Seller, (which notice shall include the names, work addresses and scope of work for each consultant, contractor and agent who will be conducting inspections at the Property), and shall be performed at such reasonable times as may be agreed by Seller and Purchaser, and, at Seller's option, in the presence of Seller or its representative (notwithstanding the provisions of Section 11.5 to the contrary, the notice to be given pursuant to this Section 4.1(a) may be given via e-mail to Tiffany Butcher at [***]). Notwithstanding anything to the contrary contained elsewhere herein, in the event any such Inspection requires access to an occupied apartment unit, the notice required under this Section 4.1(b)(i) must be given at least three (3) Business Days in advance.

(ii) Such Inspections shall not interfere with the use, occupancy, management or operation of the Property or any portion thereof by Seller, its property manager or its tenants and licensees nor shall Purchaser's Inspections damage the Property in any material manner;

(iii) Such Inspections shall not be invasive in any respect (unless Purchaser obtains Seller's prior written consent in Seller's sole discretion), and in any event shall be subject to the rights of tenants under their leases and shall be conducted in accordance with standards customarily employed in the industry and in compliance with all governmental laws, rules and regulations, including, without limitation, any quarantine, "shelter in place," "stay at home," workforce reduction mandates, social distancing, shutdown, closure, sequester or any other law, order, directive, guidelines or recommendations issues or promulgated by any governmental authority in connection with or in response to any global, national or local pandemic, epidemic or other public health emergency;

(iv) Purchaser shall not contact (either directly, indirectly or through intermediaries) the Property's management employees, the holder of any financing encumbering the Property, the Property's tenants, or any governmental or quasi-governmental authorities regarding the Property, or any Seller Parties, without the prior consent of Seller, which consent may be withheld in Seller's sole discretion, except that without such consent Purchaser may contact applicable governmental authorities solely to the extent necessary to obtain customary diligence information that is of record or in the files of such authority regarding the Property's compliance with zoning and other laws, provided that in no event shall Purchaser or any of its agents or consultants request or otherwise initiate any inspection of the Property by a governmental or quasi-governmental authority. Seller shall have the right to be present during any meetings with any Property management employees or governmental or quasi-governmental authorities;

(v) Following each entry by Purchaser or Purchaser's Personnel with respect to Inspections on the Property, Purchaser shall restore the Property to a condition which is substantially the same as its original condition as existed prior to any such Inspections. If Purchaser fails to so restore the Property, Seller may but shall not be obligated to do so and Purchaser shall reimburse and indemnify Seller for all costs and expenses relating thereto plus interest at the Interest Rate until fully paid;

(vi) All Inspections shall be conducted at Purchaser's sole expense and Purchaser covenants and agrees to pay in full for all Inspections undertaken by Purchaser or Purchaser's Personnel and to pay in full all persons who perform labor on the Property with respect to such Inspections, and not to permit or suffer any mechanic's or materialman's lien of any kind or nature to be filed against the Property in connection with any Inspections. Should any such liens be filed or attached, Purchaser shall cause them to be removed of record and fully discharged at Purchaser's sole cost and expense within ten (10) Business Days following notice thereof to Purchaser. If Purchaser fails to so remove and discharge such liens, Seller may but shall not be obligated to do so and Purchaser shall reimburse and indemnify Seller for all costs and expenses relating thereto plus interest at the Interest Rate until fully paid;

(vii) Purchaser hereby agrees to indemnify, defend and hold harmless Seller and the other Seller Parties against and from, any and all Claims arising from the Inspections, or the presence on the Property by Purchaser or Purchaser's Personnel, provided that the foregoing indemnity shall not include Claims arising from the mere discovery of any matter or condition related to the Property to the extent same is not exacerbated by Purchaser or Purchaser's Personnel; and

(viii) As a condition of Purchaser's and Purchaser's Personnel's right of access to the Property, Purchaser shall obtain for itself, and obtain or require from each of agents, consultants, inspectors, appraisers, engineers and contractors engaged to perform any Inspections, insurance coverage as described below, for any and all claims, damages, losses, liabilities, costs and expenses, arising in connection with or incident to the inspection of the Property, or the presence thereon, by Purchaser or the Purchaser's Personnel, commercial general liability insurance naming Seller, Seller's property manager, and Elme as additional insureds with combined limits of not less than $1,000,000 for personal injury and death and property damage per occurrence and $2,000,000 in the aggregate (Umbrella/Excess coverage can be used in combination with primary general liability to satisfy this requirement), with all such policies. All insurance companies issuing such insurance policies must be authorized to do business in the state in which the Property is located and must be rated A or better, with a financial rating of VII or better, in the most recent A.M. Best's Rating Guide. The liability insurance required to be carried by Purchaser shall (1) contain a waiver of subrogation in favor of Seller, (2) shall contain broad form contractual liability insurance coverage insuring Purchaser's indemnity obligations to Seller under this Agreement, and (3) contain a provision that the coverage afforded under such policies will not be canceled or modified until at least thirty (30) days' prior written notice has been given to Seller. Before any entry onto the Property by Purchaser or any of Purchaser's Personnel, Purchaser shall provide Seller with one or more certificates of insurance evidencing the insurance required to be maintained hereunder.

The provisions of Section 4.1(b)(v) through Section 4.1(b)(vii) shall survive any termination of this Agreement and the provisions of Section 4.1(b)(vii) shall survive Closing.

4.2. Right of Termination

. In the event Purchaser determines (such determination to be made in Purchaser's sole discretion) that the Property is not suitable for its purposes, or for any other reason or no reason, Purchaser shall have the right to terminate this Agreement by giving written notice thereof to Seller prior to the expiration of the Inspection Period. If Purchaser gives such notice of termination to Seller prior to the expiration of the Inspection Period, this Agreement shall terminate and the Earnest Money shall be returned to Purchaser, Purchaser shall (A) promptly (and in any case within five (5) Business Days) permanently destroy (with written confirmation of such destruction, which may be by email) or return all originals, copies, reproductions and summaries of the Due Diligence Materials, without retaining any copy, extract, or other reproduction (in whole or in part) of such Due Diligence Materials and will require that Purchaser's Personnel do the same, and (B) upon Seller's request, shall promptly deliver to Seller true and complete copies of all test results and studies relating to the physical condition of the Property (excluding, by way of example, legal and lender reports) which were obtained or commissioned by or on behalf of Purchaser (which obligations shall survive any termination of this Agreement), provided that Seller shall reimburse Purchaser for fifty percent (50%) of the actual out-of-pocket costs incurred by Purchaser for such reports prior to delivery to Seller. Notwithstanding the foregoing sentence, Purchaser and Purchaser's Personnel may retain copies of Due Diligence Materials in electronic form pursuant to its electronic backup processes, so long as such information is not accessible in the ordinary course of business and Purchaser or Purchaser's Personnel, as applicable, continues to maintain the confidentiality of such retained Due Diligence Materials pursuant to the requirements of Section 11.1, and if such information does become accessible it will be destroyed or returned in accordance with this Section 4.2. Time is of the essence with respect to the provisions of this Section 4.2. If Purchaser fails to give Seller a notice of termination prior to the expiration of the Inspection Period, Purchaser shall no longer have any right to terminate this Agreement under this Section 4.2.

ARTICLE V

CLOSING

5.1. Time and Manner

. Subject to Section 11.26, the consummation of the transaction contemplated hereby ("Closing") shall occur no later than 2:00 p.m. (Eastern time) on the last to occur of (i) July 9, 2026, and (ii) the tenth (10^{th}) Business Day following the date on which the Certificate of Compliance has been obtained from DHCA (such date, as may be postponed or adjourned as expressly permitted by this Agreement, the "Closing Date"), provided that all conditions to Closing have been fully satisfied or waived in writing. On or prior to the Closing Date, Seller and Purchaser shall make the deliveries and perform the obligations set forth in, respectively, Section 5.2 and Section 5.3. At Closing, (A) Seller shall authorize and direct Escrow Agent to release and deliver to Purchaser the documents required to be delivered to Escrow Agent by Seller pursuant to Section 5.2 and (B) Purchaser shall authorize and direct Escrow Agent to release and deliver to Seller the documents required to be delivered to Escrow Agent by Purchaser pursuant to Section 5.3, the performance of which obligations shall be concurrent obligations and conditions. The Closing shall occur with all deliveries required hereunder being made to Escrow Agent in accordance with escrow instructions consistent with the terms and conditions of this Agreement given by or on behalf of Seller and Purchaser, respectively; whereby escrow arrangements mutually acceptable to Seller and Purchaser shall allow Seller, Purchaser and their respective attorneys to consummate the Closing without being physically present and to exchange closing documents through such escrow. TIME SHALL BE OF THE ESSENCE with respect to each party's obligation to effectuate the Closing on the Closing Date.

5.2. Seller's Obligations at Closing

. On or before the Closing Date, Seller shall:

(a) deliver to Escrow Agent a duly executed special warranty deed in the form attached hereto as Exhibit B (the "Deed");

(b) deliver to Escrow Agent a duly executed bill of sale in the form attached hereto as Exhibit C;

(c) deliver to Escrow Agent a duly executed assignment and assumption agreement in the form attached hereto as Exhibit D (the "Assignment and Assumption") pursuant to which Seller shall assign to Purchaser, and Purchaser shall assume, the landlord/lessor interest in and to the Leases and Seller's interest in the Assumed Service Contracts and the other Intangibles;

(d) deliver to Escrow Agent (i) a notice in the form of Exhibit E attached hereto which Purchaser shall send to each tenant under each of the Leases informing such tenant of the sale of the Property and of the assignment to Purchaser of Seller's interest in, and obligations under, the Leases (including, if applicable any security deposits) and directing that all rent and other sums payable after the Closing under each such Lease shall be paid as set forth in the notice, and (ii) a notice in the form of Exhibit F attached hereto which Purchaser shall send to each vendor under each of the Assumed Service Contracts assumed by Purchaser at Closing informing such vendor of the sale of the Property and of the assignment to Purchaser of Seller's interest in, and obligations under, such Assumed Service Contracts and directing that all sums payable after the Closing under each such Assumed Service Contract shall be paid as set forth in the notice;

(e) deliver to Escrow Agent a certificate in the form of Exhibit G attached hereto, dated as of the date of Closing and executed on behalf of Seller, stating that the representations and warranties of Seller contained in Section 6.1 are true and correct in all material respects as of the date of Closing (with appropriate modifications of those representations and warranties made in Section 6.1 to reflect any changes therein including without limitation any changes resulting from actions under Section 6.4) or identifying any representation or warranty which is not, or no longer is, true and correct and explaining the state of facts giving rise to the change. In no event shall Seller be liable to Purchaser for, or be deemed to be in default hereunder by reason of, any breach of representation or warranty which results from any change that (i) occurs between the Effective Date and the date of Closing and (ii) is permitted under the terms of this Agreement or is beyond the reasonable control of Seller to prevent; provided, however, that the occurrence of a change which is not permitted hereunder or is beyond the reasonable control of Seller to prevent shall, if materially adverse to Purchaser, constitute the non-fulfillment of the condition set forth in Section 5.6(b) (unless such change was known to Purchaser prior to the expiration of the Inspection Period); if, despite changes or other matters described in such certificate, the Closing occurs, Seller's representations and warranties set forth in this Agreement shall be deemed to have been modified by all statements made in such certificate;

(f) deliver to the Title Company such evidence as the Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of Seller;

(g) deliver to Escrow Agent an executed FIRPTA Certificate in the form of Exhibit H attached hereto;

(h) deliver to the Title Company an owner's affidavit in the form of Exhibit I attached hereto, duly executed by Seller;

(i) deliver to Purchaser (which may occur by leaving such items at the Property) (a) the Leases, (b) the Assumed Service Contracts, (c) the licenses and permits, if any, in the possession of Seller, and (d) the leasing and property files and records which are material in connection with the continued operation, leasing and maintenance of the Property;

(j) deliver to Purchaser possession and occupancy of the Property, subject only to the Permitted Exceptions;

(k) deliver to Escrow Agent the Closing Statement in form and content satisfactory to Seller and Purchaser; and

(l) deliver to Escrow Agent such additional documents as shall be reasonably required by the Title Company to consummate the transaction expressly contemplated by this Agreement, which additional documents may include transfer and recordation tax declarations.

5.3. Purchaser's Obligations at Closing

. On or before the Closing Date, Purchaser shall:

(a) deliver to Escrow Agent the full amount of the Purchase Price, as increased or decreased by prorations and adjustments as herein provided, in immediately available wire transferred federal funds pursuant to Section 2.5 above, it being agreed that at Closing the Earnest Money (including, without limitation, the Independent Contract Consideration) shall be delivered to Seller and applied towards payment of the Purchase Price;

(b) deliver to Escrow Agent a duly executed Assignment and Assumption and duly executed counterparts of the documents described in Section 5.2(d) above;

(c) deliver to Escrow Agent a certificate duly executed by Purchaser, confirming that Purchaser's representations and warranties set forth in Section 6.5 are true and correct in all material respects as of the date of Closing;

(d) deliver to the Title Company such evidence as the Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of Purchaser;

(e) deliver to Escrow Agent the Closing Statement in form and content satisfactory to Seller and Purchaser;

(f) deliver to Seller the Assignment of Purchase Agreement (as defined in Section 11.4 below), if applicable; and

(g) deliver to Escrow Agent such additional documents as shall be reasonably required to consummate the transaction contemplated by this Agreement, which additional documents may include transfer and recordation tax declarations.

5.4. Credits and Prorations

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(a) The following shall be apportioned with respect to the Property as of 12:01 a.m. (Eastern time) on the day of Closing, as if Purchaser were vested with title to the Property during the entire day upon which Closing occurs:

(i) rents, if any, as and when collected (the term “rents” as used in this Agreement includes all payments due and payable by tenants under the Leases);

(ii) taxes (including personal property taxes on the Personal Property) and assessments levied against the Property;

(iii) payments under the Assumed Service Contracts to be assumed by Purchaser at Closing;

(iv) gas, electricity and other utility charges for which Seller is liable, if any, such charges to be apportioned at Closing on the basis of the most recent meter reading occurring prior to Closing;

(v) Assessments for common charges against the Condominium Units pursuant to the Condominium Bylaws and any other costs and expenses under the Condominium Documents for which the owner of the Condominium Units is responsible pursuant to the Condominium Documents or action of the Council of Unit Owners undertaken in accordance with the Condominium Documents; and

(vi) any other operating income, expenses or other items pertaining to the Property which are customarily prorated between a purchaser and a seller in the area in which the Property is located.

(b) Notwithstanding anything contained in the foregoing provisions:

(i) At Closing, (A) Seller shall, at Seller’s option, either deliver to Purchaser any refundable security deposits and accrued statutory interest thereon actually held by Seller pursuant to the Leases or credit to the account of Purchaser the amount of such refundable security deposits and accrued statutory interest thereon (to the extent such security deposits are not applied against delinquent rents or otherwise as provided in the Leases); and (B) Purchaser shall credit to the account of Seller all refundable cash or other deposits posted with utility companies serving the Property, if any, or, at Seller’s option, Seller shall be entitled to receive and retain such refundable cash and deposits.

(ii) Any taxes paid at or prior to Closing shall be prorated based upon the amounts actually paid. If taxes and assessments for the current year have not been paid before Closing, Seller shall be charged at Closing an amount equal to that portion of such taxes and assessments which relates to the period before Closing and Purchaser shall pay the taxes and assessments prior to their becoming delinquent. Any such apportionment made with respect to a tax year for which the tax rate or assessed valuation, or both, have not yet been fixed shall be based upon the tax rate and/or assessed valuation last fixed. In the event that any tax appeals are pending as of Closing (i) Seller shall be entitled to continue the prosecution of such appeals with respect to any tax year prior to the tax year in which Closing occurs and shall be entitled to receive all proceeds of such appeal, (ii) Purchaser shall be entitled to, from and after Closing, continue the prosecution of such appeals with respect to the tax year in which Closing occurs and all costs, expenses and proceeds thereof shall be prorated between the parties based on their respective periods of ownership during such year, and (iii) Purchaser shall be entitled to continue the prosecution of such appeals with respect to any tax year following the tax year in which Closing occurs and shall be entitled to receive all proceeds thereof.

(iii) Charges referred to in Section 5.4(a) above which are payable by any tenant to a third party shall not be apportioned hereunder, and Purchaser shall accept title subject to any of such charges unpaid and Purchaser shall look solely to the tenant responsible therefor for the payment of the same. If Seller shall have paid any of such charges on behalf of any tenant, and shall not have been reimbursed therefor by the time of Closing, Purchaser shall credit to Seller an amount equal to all such charges so paid by Seller.

(iv) Seller shall receive the entire advantage of any discounts for the prepayment by it of any taxes, water rates or sewer rents for the time periods for which Seller is liable for such taxes, water rates or sewer rates.

(v) As to gas, electricity and other utility charges referred to in Section 5.4(a)(iv) above, Seller may on notice to Purchaser elect to pay one or more of all of said items accrued to the date hereinabove fixed for apportionment directly to the person or entity entitled thereto, and to the extent Seller so elects, such item shall not be apportioned hereunder, and Seller's obligation to pay such item directly in such case shall survive the Closing.

(vi) Unpaid and delinquent rent and any other income (including, without limitation, reimbursements due from tenants) of the Property collected by Seller and Purchaser after the date of Closing shall be delivered as follows: (a) if Seller collects any unpaid or delinquent rent or other income for the Property, Seller shall, within fifteen (15) days after the receipt thereof, deliver to Purchaser any such rent or other income which Purchaser is entitled to hereunder relating to the date of Closing and any period thereafter, and (b) if Purchaser collects any unpaid or delinquent rent or other income from the Property, Purchaser shall, within fifteen (15) days after the receipt thereof, deliver to Seller any such rent or other income which Seller is entitled to hereunder relating to the period prior to the date of Closing. Seller and Purchaser agree that all rent received after the date of Closing (other than Special Rent) shall be applied first to current rentals and then to delinquent rentals, if any, in inverse order of maturity. Purchaser will make a good faith effort after Closing to collect all rents and other income in the usual course of Purchaser's operation of the Property, but Purchaser will not be obligated to institute any lawsuit or other collection procedures to collect delinquent rents or other income. With respect to any delinquent rents existing as of Closing, Purchaser shall timely prepare and file with any surety or similar company providing security for the payment of same such documents as may be required to make a claim and obtain payment of such security, and to the extent Purchaser receives such payment with respect to delinquent rents applicable to the period prior to Closing, Purchaser shall promptly deliver same to Seller. Notwithstanding the foregoing provisions of this Section 5.4(b)(vi), Seller shall have the right, but not the obligation, to pursue payment of delinquent or unpaid rents, reimbursements and other charges from former tenants of the Property by any and all legal means. In the event that there shall be any rents or other charges (including, without limitation, utility expense and renter's insurance reimbursements) under any Lease which, although relating to a period prior to Closing, do not become due and payable until after Closing or are paid prior to Closing but are subject to adjustment after Closing, such as year-end common area expense reimbursements and the like (which rents or other charges are sometimes referred to herein collectively as "Special Rent"), then Seller shall provide Seller's best estimate, supported by appropriate documentation, of all Special Rent that is applicable to the period prior to Closing and uncollected as of Closing and Seller shall receive a credit at Closing for all such estimated uncollected Special Rent applicable to the period prior to Closing.

(vii) All leasing commissions incurred by or on behalf of the landlord in connection with the particular lease transaction which become due and payable (after Closing) as a result of (1) any renewals, extensions or expansions of existing Leases entered into between the Effective Date and the date of Closing, and (2) under any new Leases entered into between the Effective Date and the date of Closing, shall be prorated between Seller and Purchaser based upon their respective periods of ownership of the Property. With respect to free rent periods and rent abatements under leases, Seller shall bear the loss resulting from same until the date of Closing and Purchaser shall bear such loss from and after the date of Closing.

(viii) To the extent that there are any vacant residential units at the Property that are not in rent ready condition on the Closing Date (the "Non-Rentable Units"), Purchaser shall receive a credit against the Purchase Price in the amount of $1,000.00 for every such Non-Rentable Unit (the "Rent Ready Credit Amount"). For the avoidance of doubt, such credit shall apply to all vacant units that are not in rent ready condition as of the Closing Date, regardless of when such unit became vacant. The parties shall reasonably cooperate and use their good faith efforts to determine and agree upon the Rent Ready Credit Amount immediately before Closing. As used in this Section 5.4(b)(viii), the term "rent ready condition" means that the applicable vacant unit shall have been cleaned, painted and prepared for immediate tenant occupancy and that all appliances and electrical, plumbing and heating systems shall be in working order.

(ix) At Closing, Purchaser shall receive a credit against the Purchase Price in the amount of $63,705.00 as an aggregate credit for certain sprinkler heads at the Property that are not in good working order.

(x) At Closing, Purchaser shall receive a credit against the Purchase Price in the amount of $38,600.00 as an aggregate credit

(xi) to enable Purchaser to complete required drawings and perform the work necessary to correct the floor slope issue at Apartment Unit No. 9817-301 within the Property.

(c) Not less than five (5) Business Days prior to the scheduled Closing Date, Seller shall deliver to Purchaser Seller's calculations of the credits and pro-rations to be made pursuant to this Section 5.4, together with reasonable supporting documentation to the extent not previously provided to Purchaser as part of the Due Diligence Materials, for Purchaser's review and reasonable approval. Seller and Purchaser shall work together in good faith to agree upon and finalize such credits and pro-rations prior to Closing. The final credits and pro-rations as agreed upon by Seller and Purchaser shall be provided to Escrow Agent for inclusion on the Closing Statement.

(d) The credits and prorations to be apportioned pursuant to this Section 5.4 shall be made by the parties on the basis of the best information available to them as of the Closing Date. To the extent that there are any credits and prorations that are based on estimates as of the Closing Date and the actual amount differs from the amount apportioned at Closing, the parties shall make all necessary adjustments by appropriate payments between themselves on the sixtieth (60th) day following Closing, and shall make final adjustments no later than the one hundred twentieth (120th) day following Closing, and same shall otherwise be final and unappealable; provided, however, that if after the Closing, Purchaser shall receive any rents or other income (including reimbursements from tenants) that are applicable to the period prior to the Closing, Purchaser shall promptly pay such rents or other income to Seller with a reasonably detailed accounting thereof. This Section 5.4(d) shall survive the Closing for a period of one hundred twenty (120) days.

5.5. <u>Closing Costs</u>

. Seller shall pay: (A) the fees of any counsel representing it in connection with this transaction; (B) one-half (1/2) of the escrow fee and closing fee charged by Escrow Agent or Title Company; (C) one-half (1/2) of any transfer tax, recordation tax, grantor's tax, documentary stamp tax or similar tax which becomes payable by reason of the transfer of the Property; (D) the fees for recording any documents required of Seller to be recorded in order for Seller to satisfy its obligations under Article III of this Agreement; and (E) the amount of Thirty Thousand and No/100 Dollars ($30,000.00) towards the R&W Insurance Policy Costs if Purchaser obtains the R&W Insurance Policy. Purchaser shall pay or reimburse Seller for, as applicable: (1) the fees of any counsel representing Purchaser in connection with this transaction; (2) the fee for the title examination and the Title Commitment, and pay the premium for the Owner's Policy of Title Insurance to be issued to Purchaser by the Title Company at Closing; (3) the cost of the Existing Survey and any update thereof or a new survey; (4) the fees for recording the Deed; (5) one-half (1/2) of any transfer tax, recordation tax, documentary stamp tax or similar tax which becomes payable by reason of the transfer of the Property; (6) one-half (1/2) of the escrow fee and closing fee charged by Escrow Agent or Title Company; and (7) all R&W Insurance Policy Costs that are in excess of Seller's payment pursuant to clause (E) above if Purchaser obtains the R&W Insurance Policy. All other costs and expenses incident to this transaction and the closing thereof shall be paid by the party incurring such costs and expenses. The provisions of this Section 5.5 shall survive the Closing or any early termination of this Agreement.

5.6. Conditions Precedent to Obligation of Purchaser

. The obligation of Purchaser to consummate the transaction hereunder shall be subject to the fulfillment on or before the date of Closing of all of the following conditions, any or all of which may be waived by Purchaser in its sole discretion:

(a) Seller shall have delivered to Escrow Agent or Title Company all of the items required to be delivered by Seller pursuant to the terms of this Agreement, including but not limited to, those provided for in Section 5.2.

(b) All of the representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects as of the date of Closing (with appropriate modifications permitted under Section 5.2(e) of this Agreement or not materially adverse to Purchaser).

(c) Seller shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Seller as of the date of Closing.

(d) The Bristol Square Statement (defined below) shall have been obtained and delivered to Purchaser.

In the event that any condition in this Section 5.6 has not been satisfied (or waived in writing by Purchaser) prior to the Closing Date, Seller shall be entitled to a reasonable adjournment of the Closing Date to satisfy such failed condition, but in no event shall such adjournment exceed two (2) Business Days.

5.7. Conditions Precedent to Obligation of Seller

. The obligation of Seller to consummate the transaction hereunder shall be subject to the fulfillment on or before the date of Closing of all of the following conditions, any or all of which may be waived by Seller in its sole discretion:

(a) Seller shall have received the Purchase Price as adjusted pursuant to and payable in the manner provided for in this Agreement.

(b) Purchaser shall have delivered to Escrow Agent or Title Company all of the items required to be delivered by Purchaser pursuant to the terms of this Agreement, including but not limited to, those provided for in Section 5.3.

(c) All of the representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects as of the date of Closing.

(d) Purchaser shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Purchaser as of the date of Closing.

(e) The Certificate of Compliance has been received from DHCA.

ARTICLE VI

REPRESENTATIONS, WARRANTIES AND COVENANTS

6.1. Representations and Warranties of Seller

. Seller hereby makes the following representations and warranties to Purchaser as of the Effective Date:

(a) Organization and Authority. Seller has been duly organized and is validly existing under the laws of the state of its formation. Seller has the full right and authority to enter into this Agreement and to transfer all of the Property to be conveyed by Seller pursuant hereto and to consummate or cause to be consummated the transactions contemplated herein to be made by Seller. The person signing this Agreement on behalf of Seller is authorized to do so.

(b) Pending Actions. Except as set forth on Schedule 6.1(b), there is no action, suit, arbitration, unsatisfied order or judgment, governmental investigation or proceeding pending and served on, or, to Seller's knowledge, threatened in writing against Seller in connection with the Property or the transaction contemplated by this Agreement, which, if adversely determined, could individually or in the aggregate have a material adverse effect on title to, or the use and operation of, the Property or any portion thereof or which could in any material way interfere with the consummation by Seller of the transaction contemplated by this Agreement or which is not covered by insurance; provided, however, that for purposes of this Section, any actions or proceedings that are (i) threatened in writing by tenants of the Property, and (ii) arise in the ordinary course of business (including, without limitation, disputes relating to rent, security deposits, habitability claims or other customary landlord-tenant matters) shall be excluded from the foregoing representation unless such matter would reasonably be expected to result in a material adverse effect on the Property or materially interfere with the consummation of the transaction contemplated hereby.

(c) Leases. Seller is the lessor or landlord or the successor lessor or landlord under the Leases. Except as set forth on Schedule 6.1(c) or the Rent Roll, (i) to Seller's knowledge, no material default, delinquency or breach exists on the part of any tenant, and (ii) there are no material defaults or breaches existing on the part of the landlord under any Lease. Notwithstanding anything to the contrary contained in this Agreement, Seller does not represent or warrant that any particular Lease will be in force or effect at Closing or that the tenants under the Leases will have performed their obligations thereunder. The non-performance of any obligations by any tenant under a Lease or the expiration or termination of any Lease prior to Closing shall not affect the obligations of Purchaser under this Agreement in any manner or entitle Purchaser to an abatement of or credit against the Purchase Price or give rise to any other claim on the part of Purchaser.

(d) Lease Brokerage. There are no lease brokerage agreements, leasing commission agreements or other agreements entered into by Seller providing for payments of any amounts for leasing activities or procuring tenants with respect to the Property which will become due and payable after Closing other than as disclosed in Schedule 6.1(d).

(e) Service Contracts. Subject to Section 6.4(c) and Section 6.7, the Assumed Service Contracts listed on the Service Contracts Schedule constitute all of the Service Contracts executed or assumed in writing by Seller that will be binding on Purchaser following Closing. Seller has not delivered or received any written notice of a default under or with respect to any Assumed Service Contract that has not been resolved.

(f) No Violations. Except as set forth on Schedule 6.1(f), Seller has not received prior to the Effective Date any written notification from any governmental or public authority that the Property is in violation of any applicable fire, health, building, use, occupancy or zoning laws, where such violation remains outstanding and, if unaddressed, would have a material adverse effect on the operation or use of the Property as currently operated and used.

(g) Condemnation. Except as set forth on Schedule 6.1(g), no condemnation proceedings relating to the Property are pending or, to Seller's knowledge, threatened.

(h) Condominium Matters. The Condominium Documents constitute the entire agreement of the declarant thereunder relating to the subject matter thereof. Seller has delivered or made available to Purchaser an accurate and complete copy of the Condominium Documents. The Condominium Documents (i) are in full force and effect, and (ii) other than as set forth therein, to Seller's knowledge, have not been amended or modified. The transactions contemplated under this Agreement constitute the sale of all of the condominium units that comprise the "Bethesda Hill Condominium" (as defined in the Condominium Documents"). No Condominium Units have been sold individually to separate purchasers by Seller, and the Condominium has always been managed and operated as a single, multifamily rental apartment community by Seller during Seller's period of ownership of the Property.

(i) Antiterrorism Matters; CFIUS; Anti-Money Laundering Laws. Neither Seller nor to Seller's knowledge any individual or entity having an interest in Seller: (i) is named or is acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order, including without limitation Executive Order 13224, or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enacted, enforced or administered by OFAC; (ii) is engaged in this transaction, directly or indirectly, for or on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity or nation; (iii) is under investigation by any governmental authority for, or has been charged with, or convicted of, money laundering, drug trafficking, terrorist related activities, any crimes which in the United States would be predicate crimes to money laundering or any violation of any Anti-Money Laundering Laws (as defined below); (iv) has been assessed civil or criminal penalties under any Anti-Money Laundering Laws; or (v) has had any of its funds seized or forfeited in any action under any Anti-Money Laundering Laws. Purchaser is not a "foreign person" as that term is defined in 31 C.F.R. § 802.221 for purposes of the regulations governing the Committee on Foreign Investment in the United States ("CFIUS").

(j) Bankruptcy. Seller has not (a) commenced a voluntary case with respect to it or its assets, or to Seller's knowledge, had entered against it a petition, for relief under any federal bankruptcy act or any similar petition, order or decree under any federal or state law or statute relative to bankruptcy, insolvency or other relief for debtors, (b) caused, suffered or consented to the appointment of a receiver, trustee, administrator, conservator, liquidator, or similar official in any federal, state, or foreign judicial or non-judicial proceeding, to hold, administer and/or liquidate all or substantially all of its assets, or (c) made a general assignment for the benefit of creditors.

(k) Environmental Matters. Except as set forth in any environmental report delivered by or on behalf of Seller to Purchaser or otherwise obtained by Purchaser, to Seller's knowledge, Seller has not received written notice from any governmental authority or agency of any material violation of Environmental Laws at the Property, where such violation remains outstanding. Notwithstanding the above, Purchaser must perform its own due diligence investigations concerning the Property. As used herein, the term "Environmental Laws" means any and all laws, rules, regulations, orders and directives, whether federal, state or local, applicable to the Property or any part thereof with respect to (i) the environmental condition of the Property, or (ii) any activities conducted on or at the Property, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42

U.S.C. §9061 et seq.; the Hazardous Materials Transportation Act, as amended, 49 U.S.C. §1801 et seq.; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. §6901 et seq.; and the Federal Water Pollution Control Act, as amended, 33 U.S.C. §1251 et seq.

(l) Seller Leasing Reports / Rent Roll. The (i) Seller Leasing Reports (as defined herein) and (ii) rent rolls provided to Purchaser in connection with this Agreement, including the rent roll attached as Schedule 2.1(d), are the same Seller Leasing Reports and rent rolls (as the case may be) used by Seller in the ordinary course of its business in operating the Property or in reporting the financial performance of the Property.

6.2. Knowledge Defined

. References to the "knowledge" of Seller shall refer only to the actual knowledge of [***] and [***] (collectively, the "Designated Representatives"), and shall not be construed, by imputation or otherwise, to refer to the knowledge of Seller or any affiliate of Seller, to any property manager, or to any other officer, agent, manager, representative or employee of Seller any affiliate of Seller or to impose upon such Designated Representatives any duty to investigate the matter to which such actual knowledge, or the absence thereof, pertains. Purchaser acknowledges that the Designated Representatives are named solely for the purpose of defining the scope of Seller's knowledge and not for the purpose of imposing any liability on the Designated Representatives. The provisions of this Section 6.2 shall survive the Closing.

6.3. Survival of Seller's Representations and Warranties

; R&W Insurance.

(a) The representations and warranties of Seller set forth in this Agreement shall terminate at Closing and shall not survive Closing, provided that this Section 6.3(a) does not limit the liability of Seller for Seller's Fraud.

(b) Purchaser shall have the right to obtain the R&W Insurance Policy from the R&W Insurer. If Purchaser elects to obtain the R&W Insurance Policy, promptly following the Effective Date, Purchaser shall use commercially reasonable efforts to obtain and bind the R&W Insurance Policy and, as soon as practicable after the Closing, Purchaser shall deliver to Seller a true and complete copy of the final R&W Insurance Policy. Seller shall reasonably cooperate with Purchaser's efforts and provide commercially reasonable assistance as reasonably requested by Purchaser to obtain and bind the R&W Insurance Policy including by providing information and documents in Seller's possession reasonably requested by the R&W Insurer. Purchaser acknowledges and agrees that the obtaining of the R&W Insurance Policy is not a condition to Closing and Purchaser shall remain obligated to consummate the Closing in accordance with this Agreement if Purchaser is unable to obtain the R&W Insurance Policy. The R&W Insurance Policy shall expressly provide that the insurer thereunder shall have no right of subrogation, contribution, or otherwise to make or bring any action or proceeding against any of the Seller Parties, except in the case of Fraud. The Seller Parties shall be express third party beneficiaries of the foregoing provision. Neither Purchaser nor any of its affiliates shall amend the foregoing subrogation provision or third-party beneficiary language in any manner adverse to the Seller Parties without the prior written consent of Seller which consent may be given or withheld in Seller's sole discretion. Seller shall contribute the amount of Thirty Thousand and No/100 Dollars ($30,000.00) towards the R&W Insurance Policy Costs and the remainder of the R&W Insurance Policy Costs shall be paid by Purchaser.

(c) The provisions of this Section 6.3 shall survive Closing.

6.4. Covenants of Seller

. Seller hereby covenants with Purchaser as follows:

(a) From the Effective Date hereof until the Closing or earlier termination of this Agreement, Seller shall use reasonable efforts to operate and maintain the Property in a manner generally consistent with the manner in which Seller has operated and maintained the Property prior to the date hereof (including maintaining the same levels of insurance coverage in effect with respect to the Property as of the Effective Date), provided that Seller shall not obligated to make any capital improvements in connection therewith other than capital improvements (i) to the extent necessary to comply with applicable law, (ii) required under the Leases, or (iii) reasonably necessary to address emergency conditions.

(b) From the Effective Date hereof until the Closing or earlier termination of this Agreement, Seller, without Purchaser's consent, may enter into new leases with residential tenants and may enter into renewals, extensions and terminations of existing Leases with residential tenants, in the ordinary course of Seller's operation of the Property, and any related Tenant Inducement Costs and leasing commissions shall be prorated pursuant to the terms and conditions of Section 5.4(b)(vii) of this Agreement.

(c) From the Effective Date hereof until the Closing or earlier termination of this Agreement, Seller may, without the prior consent of Purchaser, enter into any new Service Contracts in the normal course of business which by their terms are terminable upon thirty (30) days or less notice without payment of a fee or penalty, provided that Seller shall provide Purchaser written notice thereof and a copy of any such new Service Contracts the term of which shall extend after Closing.

(d) From the Effective Date hereof until the Closing or earlier termination of this Agreement, Seller shall not enter into any amendments to the Condominium Documents without Purchaser's prior consent, which consent shall not be unreasonably withheld prior to the expiration of the Inspection Period and may thereafter be given or withheld in Purchaser's sole and absolution discretion.

(e) From the Effective Date hereof until the Closing or earlier termination of the Agreement, from time to time at Purchaser's reasonable request, provide an updated Rent Roll, market survey, box scores, loss-to-lease report, accounts receivable report, and any other leasing reports pertaining to the Property's performance that are in Seller's possession or reasonably available at no additional cost or expense to Seller ("Seller Leasing Reports").

6.5. Representations and Warranties of Purchaser

. Purchaser hereby represents and warrants to Seller:

(a) Organization and Authority. Purchaser is validly existing and in good standing under the laws of the state of its formation. Purchaser has the full right, power and authority to purchase the Property as provided in this Agreement and to carry out Purchaser's obligations hereunder, and all requisite action necessary to authorize Purchaser to enter into this Agreement and to carry out its obligations hereunder have been taken. The person signing this Agreement on behalf of Purchaser is authorized to do so.

(b) Pending Actions. There is no action, suit, arbitration, unsatisfied order or judgment, government investigation or proceeding pending against Purchaser which, if adversely determined, could individually or in the aggregate materially interfere with the consummation by Purchaser of the transaction contemplated by this Agreement.

(c) ERISA. Purchaser is not, and is not acquiring the Property on behalf of, (i) an "employee benefit plan" (within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") subject to Title I of ERISA, (ii) a "plan" (within the meaning of Section 4975(e)(1) of the Code) subject to Section 4975 of the Code or (iii) an entity the underlying assets of which are treated as "plan assets" under Department of Labor Regulation 29 CFR Section 2510.3-101, as modified by Section 3(42) of ERISA, or otherwise for purposes of Title I of ERISA or Section 4975 of the Code. Purchaser is not a "governmental plan" within the meaning of Section 3(32) of ERISA, and none of Purchaser's assets are subject to state statutes regulating investments with respect to governmental plans.

(d) Sufficient Funds. Purchaser (i) will have on the Closing Date sufficient cash on hand to pay the Purchase Price and all related expenses required to be paid by Purchaser, and there is not, and there will not be on the Closing Date, any restriction on the use of such cash for such purpose and (ii) will have on the Closing Date the resources and capabilities (financial or otherwise) to perform and satisfy the obligations of Purchaser set forth in this Agreement, including in connection with the transactions contemplated by this Agreement, in the case of each of clauses (i) and (ii), on the terms and conditions contained in this Agreement, and has not incurred, and as of the Closing Date will not have incurred, any obligation, commitment, restriction or liability of any kind that would impair or adversely affect such resources and capabilities. Purchaser acknowledges that the obligations of Purchaser hereunder are not subject to any conditions regarding the ability of Purchaser to obtain financing for the consummation of the transactions contemplated by this Agreement or otherwise.

(e) Antiterrorism Matters; CFIUS; Anti-Money Laundering Laws. Neither Purchaser nor to Purchaser's knowledge any individual or entity having an interest in Purchaser: (i) is named or is acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order, including without limitation Executive Order 13224, or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enacted, enforced or administered by OFAC; (ii) is engaged in this transaction, directly or indirectly, for or on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity or nation; (iii) is under investigation by any governmental authority for, or has been charged with, or convicted of, money laundering, drug trafficking, terrorist related activities, any crimes which in the United States would be predicate crimes to money laundering or any violation of any Anti-Money Laundering Laws (as defined below); (iv) has been assessed civil or criminal penalties under any Anti-Money Laundering Laws; or (v) has had any of its funds seized or forfeited in any action under any Anti-Money Laundering Laws. Purchaser is not a "foreign person" as that term is defined in 31 C.F.R. § 802.221 for purposes of the regulations governing the Committee on Foreign Investment in the United States ("CFIUS"). None of the proceeds used to pay the Purchase Price have been or will be derived from a "specified unlawful activity" as defined in, and Purchaser is not otherwise in violation of, the Money Laundering Control Act of 1986, as amended, or any other Anti-Money Laundering Laws. For purposes of this Agreement, the term "Anti-Money Laundering Laws" shall mean laws, regulations and sanctions, state and federal, criminal and civil, that (1) limit the use of and/or seek the forfeiture of proceeds from illegal transactions; (2) limit commercial transactions with designated countries or individuals believed to be terrorists, narcotics dealers or otherwise engaged in activities contrary to the interests of the United States; (3) require identification and documentation of the parties with whom a Financial Institution conducts business; or (4) are designed to disrupt the flow of funds to terrorist organizations. Such laws, regulations and sanctions shall be deemed to include the USA PATRIOT Act of 2001, Pub. L. No. 107-56, the Bank Secrecy Act, 31 U.S.C. Section 5311 et. seq., the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et. seq., the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et. seq., and the sanction regulations promulgated pursuant thereto by the OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Section 1956 and 1957.

(f) Bankruptcy. Purchaser has not (a) commenced a voluntary case with respect to it or its assets, or to Purchaser's knowledge, had entered against it a petition, for relief under any federal bankruptcy act or any similar petition, order or decree under any federal or state law or statute relative to bankruptcy, insolvency or other relief for debtors, (b) caused, suffered or consented to the appointment of a receiver, trustee, administrator, conservator, liquidator, or similar official in any federal, state, or foreign judicial or non-judicial proceeding, to hold, administer and/or liquidate all or substantially all of its assets, or (c) made a general assignment for the benefit of creditors.

6.6. Survival of Purchaser's Representations and Warranties

. The representations and warranties of Purchaser set forth in Section 6.5 shall survive Closing for a period of six (6) months.

6.7. Service Contracts

. On or prior to the expiration of the Inspection Period, Purchaser will advise Seller in writing of which Service Contracts it will assume and for which Service Contracts Purchaser requests that Seller deliver written termination at or prior to Closing, provided that Seller shall have no obligation to terminate, and Purchaser shall be obligated to assume, the Service Contracts listed on Schedule 6.7 attached hereto, unless such Service Contracts can be terminated with the payment of a termination charge and Purchaser agrees to pay such termination charge. If Purchaser does not exercise its right to terminate this Agreement prior to the expiration of the Inspection Period, Seller shall give notice of termination of all Service Contract(s) (or otherwise make such Service Contracts inapplicable to the Property) that are not Assumed Service Contracts to the applicable vendor(s).

6.8. Bristol Square Easement Agreement

. The Property is encumbered by that certain (i) Declaration of Easements dated April 25, 1984, between Linden Development Corporation ("Linden"), predecessor to Seller, and The Council of Unit Owners of Bristol Square Condominium, Inc. ("Bristol Square"), recorded in Liber 6382 at Folio 597 among the land records of Montgomery County, Maryland, as amended by that certain Amendment to Declaration of Easements dated April 25, 1984, between Linden and Bristol Square, recorded in Liber 6382 at Folio 609 among the land records of Montgomery County, Maryland, and that certain First Amendment to Declaration of Easements dated August 2, 2007, between WRIT Limited Partnership ("WRIT"), as predecessor to Seller, and Bristol Square, recorded in Liber 34941 at Folio 646 (collectively, the "Swimming Pool Easement Agreement"), and (ii) that certain Declaration of Easements dated April 25, 1984, between Linden and Bristol Square, recorded in Liber 6382 at Folio 614, as amended by that certain First Amendment to Declaration of Easements dated August 2, 2017, between WRIT and Bristol Square, recorded in Liber 34941 at Folio 631 among the land records of Montgomery County, Maryland (collectively, the "Road Easement Agreement" and together with the Swimming Pool Easement Agreement, the "Easement Agreements"). Pursuant to the Easement Agreements, Seller (and its successors) has the right to use the swimming pool and certain roads located on the property owned by Bristol Square, Bristol Square has the obligation to maintain the swimming pool and the roads, and Seller (and its successors) has the obligation to share in the costs of such maintenance of the swimming pool and roads, all as more particularly set forth in the Easement Agreements. Bristol Square has claimed that Seller owes certain amounts to Bristol Square with respect to Seller's pro rata share of such maintenance costs and Seller claims that Bristol Square has overcharged Seller for such costs and is obligated to reimburse Seller for same (the "Bristol Square Dispute"). Seller shall use commercially reasonable efforts to obtain from Bristol Square no less than five (5) Business Days prior to Closing a written statement of account or other statement signed by Bristol Square stating that no amounts are owed by Seller with respect to the Easement Agreements (the "Bristol Square Statement"). Notwithstanding the foregoing, Seller shall not enter into any amendment or modification of the Easement Agreements without Purchaser's prior written consent, which consent shall not be unreasonably withheld, conditioned, or delayed. In no event shall Seller be deemed in default hereunder for failure to obtain the Bristol Square Statement, but such failure shall constitute the failure of the condition set forth in Section 5.6(d). Notwithstanding anything to the contrary contained elsewhere herein, in the event Seller does not obtain the Bristol Square Statement within the time specified in this Section 6.8, Purchaser shall have the right to terminate this Agreement upon written notice to Seller, whereupon the Earnest Money shall be promptly returned to Purchaser, and neither party shall have any further liability hereunder, except for those obligations that expressly survive termination.

ARTICLE VII

FAILURE TO CLOSE

7.1. By Purchaser

. In the event that Purchaser fails to consummate this Agreement for any reason other than Seller's default or the permitted termination of this Agreement by either Seller or Purchaser as herein expressly provided, Seller shall be entitled, as its sole remedy, to terminate this Agreement and receive the Earnest Money as liquidated damages for the breach of this Agreement, it being agreed between the parties hereto that the actual damages to Seller in the event of such breach are impractical to ascertain and the amount of the Earnest Money is a reasonable estimate thereof. The foregoing liquidated damages provision of this Section shall not: (a) apply to Purchaser's obligations under Section 11.1, nor shall Purchaser be entitled to credit or offset the Earnest Money or any portion thereof against any damages suffered by Seller by reason of Purchaser's default with respect thereto; (b) be deemed to limit Purchaser's liability under any indemnity or breach of any covenant under this Agreement that is expressly stated to survive the Closing or early termination of this Agreement; (c) apply to any of Purchaser's survival obligations specified in Section 11.20 or elsewhere in this Agreement; or (d) apply to Purchaser's obligations specified in Section 11.24.

7.2. By Seller

. In the event that Seller fails to consummate this Agreement for any reason other than Purchaser's default or the permitted termination of this Agreement by Seller or Purchaser as herein expressly provided, Purchaser shall be entitled, as its sole remedy, either (a) to receive the return of the Earnest Money and to recover from Seller all of Purchaser's actual, documented, out-of-pocket expenses incurred in connection with the transaction contemplated by this Agreement to the date of such termination (including, without limitation, Purchaser's out-of-pocket due diligence expenses, nonrefundable loan fees or deposits and reasonable attorneys' fees and expenses) (collectively, "Purchaser's Pursuit Costs"), not to exceed a total of One Hundred Thousand Dollars ($100,000.00) (the "Pursuit Costs Cap"), which return of the Earnest Money and delivery of Purchaser's Pursuit Costs shall operate to terminate this Agreement and release Seller from any and all liability hereunder, or (b) to enforce specific performance of Seller's obligation to consummate the Closing pursuant to the terms and conditions of this Agreement, it being understood and agreed that the remedy of specific performance shall not be available to enforce any other obligation of Seller hereunder. Except as otherwise expressly provided herein in this Section 7.2, Purchaser expressly waives its rights to seek damages of any kind, including, without limitation, ordinary, consequential, exemplary or punitive damages, in the event of Seller's default or failure to close hereunder. Purchaser shall be deemed to have elected to terminate this Agreement and receive back the Earnest Money and payment of Purchaser's Pursuit Costs not to exceed the Pursuit Costs Cap in accordance with the foregoing clause (a) if Purchaser fails to file suit for specific performance against Seller in a court having jurisdiction in the City or County and State in which the Real Property is located, on or before thirty (30) days following the date upon which Closing was to have occurred.

ARTICLE VIII

RISK OF LOSS

8.1. Minor Damage

. In the event of loss or damage to the Property or any portion thereof which is not "major" (as hereinafter defined), this Agreement shall remain in full force and effect provided Seller performs any necessary repairs or, at Seller's option, assigns to Purchaser all of Seller's right, title and interest to any claims and proceeds Seller may have with respect to any casualty insurance policies or condemnation awards relating to the premises in question, less the costs and expenses incurred by Seller in effectuating any repairs to the Property and, with respect to a condemnation only, the costs and expenses incurred by Seller in settling and obtaining the condemnation award. In the event that Seller elects to perform repairs upon the Property, Seller shall cause such repair work to be performed (a) in a good and workmanlike manner, (b) in compliance with all applicable laws, and (c) by a reputable, experienced, duly licensed, insured and bonded general contractor having demonstrable experience in performing similar work and the ability to assist in the coordination with insurance carriers and adjusters in connection with the adjustment and payment of the applicable casualty claim (the "Repair Work Standard of Care"). Seller shall use reasonable efforts to complete such repairs promptly and to the extent any such repairs are not completed as of Closing, at Closing, Seller shall (i) assign to Purchaser the contract(s) governing such work as part of the Assumed Service Contracts, (ii) provide a credit against the Purchase Price in an amount equal to the insurance proceeds related to the applicable casualty received by Seller prior to Closing and not used for the payment of the repair and restoration work performed by Seller, and (iii) assign to Purchaser such Seller's right, title and interest in and to all claims and rights under the insurance policy applicable to such loss and insurance proceeds applicable to the casualty and not received by Seller prior to Closing. If Seller elects to assign a casualty claim to Purchaser, Purchaser shall receive a credit against the Purchase Price in an amount equal to the deductible amount under Seller's insurance policy. Upon Closing, full risk of loss with respect to the Property shall pass to Purchaser.

8.2. Major Damage

. In the event of a "major" loss or damage, either Seller or Purchaser may terminate this Agreement by written notice to the other party, in which event the Earnest Money shall be returned to Purchaser. If neither Seller nor Purchaser elects to terminate this Agreement within ten (10) days after Seller sends Purchaser written notice of the occurrence of major loss or damage (and the Closing shall be extended if and to the extent necessary to afford such 10 day period), then Seller and Purchaser shall be deemed to have elected to proceed with Closing, in which event Seller shall, at Seller's option, either (a) perform any necessary repairs, or (b) assign to Purchaser all of Seller's right, title and interest to any claims and proceeds Seller may have with respect to any casualty insurance policies or condemnation awards relating to the premises in question, less the costs and expenses incurred by Seller in effectuating any repairs to the Property and, with respect to a condemnation only, the costs and expenses incurred by Seller in settling and obtaining the condemnation award. In the event that Seller elects to perform repairs upon the Property, Seller shall cause such repair work to be performed to the Repair Work Standard of Care. Seller shall use reasonable efforts to complete such repairs promptly and to the extent any such repairs are not completed as of Closing, at Closing, Seller shall (i) assign to Purchaser the contract(s) governing such work as part of the Assumed Service Contracts, (ii) provide a credit against the Purchase Price in an amount equal to the insurance proceeds related to the applicable casualty received by Seller prior to Closing and not used for the payment of the repair and restoration work performed by Seller, and (iii) assign to Purchaser such Seller's right, title and interest in and to all claims and rights under the insurance policy applicable to such loss and insurance proceeds applicable to the casualty and not received by Seller prior to Closing. If Seller elects to assign a casualty claim to Purchaser, Purchaser shall receive a credit against the Purchase Price in an amount equal to the deductible amount under Seller's insurance policy. Upon Closing, full risk of loss with respect to the Property shall pass to Purchaser.

8.3. Definition of "Major" Loss or Damage

. For purposes of Sections 8.1 and 8.2, "major" loss or damage refers to the following: (i) loss or damage to the Property or any portion thereof such that the cost of repairing or restoring the premises in question to a condition substantially identical to that of the premises in question prior to the event of damage would be, in the opinion of an engineer or architect selected by Seller and reasonably approved by Purchaser, equal to or greater than One Million Five Hundred Thousand Dollars ($1,500,000.00), and (ii) any loss due to a condemnation which permanently and materially impairs the current use of the Property, permanently results in any portion of the Property not complying with applicable zoning laws (including, without limitation, a permanent reduction in parking spaces below the number of parking spaces required by zoning laws). If Purchaser does not give notice to Seller of Purchaser's reasons for disapproving an engineer or architect within five (5) Business Days after receipt of notice of the proposed architect, Purchaser shall be deemed to have approved the architect selected by Seller.

ARTICLE IX

COMMISSIONS

9.1. Brokerage Commissions

. In the event the transaction contemplated by this Agreement is consummated, but not otherwise, Seller agrees to pay to Seller's Broker at Closing a brokerage commission pursuant to a separate written agreement between Seller and Seller's Broker. Each party agrees that should any claim be made for brokerage commissions or finder's fees by any broker or finder other than Seller's Broker by, through or on account of any acts of said party or its representatives, said party will indemnify and hold the other party free and harmless from and against any and all loss, liability, cost, damage and expense in connection therewith. The provisions of this Section 9.1 shall survive Closing or earlier termination of this Agreement.

ARTICLE X

DISCLAIMERS AND WAIVERS

10.1. No Reliance on Documents

. Except as expressly stated herein, Seller makes no representation or warranty as to the truth, accuracy or completeness of any materials, data or information delivered by Seller to Purchaser in connection with the transaction contemplated hereby. Purchaser acknowledges and agrees that, except to the extent expressly stated to the contrary elsewhere in this Agreement or in any closing document executed by Seller and delivered to Purchaser at Closing, all materials, data and information delivered by Seller to Purchaser in connection with the transaction contemplated hereby are provided to Purchaser as a convenience only and that any reliance on or use of such materials, data or information by Purchaser shall be at the sole risk of Purchaser. Without limiting the generality of the foregoing provisions, Purchaser acknowledges and agrees that (a) any environmental or other report with respect to the Property which is delivered by Seller to Purchaser shall be for general informational purposes only, (b) Purchaser shall not have any right to rely on any such report delivered by Seller to Purchaser, but rather will rely on its own inspections and investigations of the Property and any reports commissioned by Purchaser with respect thereto, and (c) neither Seller, any affiliate of Seller nor the person or entity which prepared any such report delivered by Seller to Purchaser shall have any liability to Purchaser for any inaccuracy in or omission from any such report.

10.2. DISCLAIMERS

. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT AND IN ANY DOCUMENT EXECUTED BY SELLER AS PART OF CLOSING, IT IS UNDERSTOOD AND AGREED THAT SELLER IS NOT MAKING AND HAS NOT AT ANY TIME MADE ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESSED OR IMPLIED, WITH RESPECT TO THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OR REPRESENTATIONS AS TO HABITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE (OTHER THAN SELLER'S LIMITED WARRANTY OF TITLE TO BE SET FORTH IN THE DEED), ZONING, TAX CONSEQUENCES, LATENT OR PATENT PHYSICAL OR ENVIRONMENTAL CONDITION, UTILITIES, OPERATING HISTORY OR PROJECTIONS, VALUATION, GOVERNMENTAL APPROVALS, THE COMPLIANCE OF THE PROPERTY WITH GOVERNMENTAL LAWS, THE TRUTH, ACCURACY OR COMPLETENESS OF ANY DOCUMENTS OR ANY OTHER INFORMATION PROVIDED BY OR ON BEHALF OF SELLER TO PURCHASER, OR ANY OTHER MATTER OR THING REGARDING THE PROPERTY. PURCHASER ACKNOWLEDGES AND AGREES THAT UPON CLOSING SELLER SHALL SELL AND CONVEY TO PURCHASER AND PURCHASER SHALL ACCEPT THE PROPERTY "AS IS, WHERE IS, WITH ALL FAULTS". PURCHASER HAS NOT RELIED AND WILL NOT RELY ON, AND SELLER IS NOT LIABLE FOR OR BOUND BY, ANY EXPRESSED OR IMPLIED WARRANTIES, GUARANTIES, STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY OR RELATING THERETO (INCLUDING SPECIFICALLY, WITHOUT LIMITATION, THE DUE DILIGENCE MATERIALS AND PROPERTY INFORMATION PACKAGES DISTRIBUTED WITH RESPECT TO THE PROPERTY) MADE OR FURNISHED BY SELLER, THE MANAGER OF THE PROPERTY, OR ANY REAL ESTATE BROKER OR AGENT REPRESENTING OR PURPORTING TO REPRESENT SELLER, TO WHOMEVER MADE OR GIVEN, DIRECTLY OR INDIRECTLY, ORALLY OR IN WRITING, UNLESS SPECIFICALLY SET FORTH IN THIS AGREEMENT AND IN ANY DOCUMENT EXECUTED BY SELLER AS PART OF CLOSING. PURCHASER REPRESENTS TO SELLER THAT PURCHASER HAS CONDUCTED, OR WILL CONDUCT PRIOR TO CLOSING, SUCH INVESTIGATIONS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AS PURCHASER DEEMS NECESSARY TO SATISFY ITSELF AS TO THE CONDITION OF THE PROPERTY AND THE EXISTENCE OR NONEXISTENCE OR CURATIVE ACTION TO BE TAKEN WITH RESPECT TO ANY HAZARDOUS OR TOXIC SUBSTANCES ON OR DISCHARGED FROM THE PROPERTY, AND, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT AND IN ANY DOCUMENT EXECUTED BY SELLER AS PART OF CLOSING, WILL RELY SOLELY UPON SAME AND NOT UPON ANY INFORMATION PROVIDED BY OR ON BEHALF OF SELLER OR ITS AGENTS OR EMPLOYEES WITH RESPECT THERETO. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT AND IN ANY DOCUMENT EXECUTED BY SELLER AS PART OF CLOSING, UPON CLOSING, PURCHASER SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING BUT NOT LIMITED TO, CONSTRUCTION DEFECTS AND ADVERSE PHYSICAL AND ENVIRONMENTAL

CONDITIONS (INCLUDING HAZARDOUS OR TOXIC SUBSTANCES), MAY NOT HAVE BEEN REVEALED BY PURCHASER'S INVESTIGATIONS, AND PURCHASER, UPON CLOSING, SHALL BE DEEMED TO HAVE WAIVED, RELINQUISHED AND RELEASED SELLER AND THE OTHER SELLER PARTIES FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION (INCLUDING CAUSES OF ACTION IN TORT), LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES AND COURT COSTS) OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, WHICH PURCHASER MIGHT HAVE ASSERTED OR ALLEGED AGAINST SELLER OR THE OTHER SELLER PARTIES AT ANY TIME BY REASON OF OR ARISING OUT OF ANY LATENT OR PATENT CONSTRUCTION DEFECTS OR PHYSICAL CONDITIONS, VIOLATIONS OF ANY APPLICABLE LAWS (INCLUDING, WITHOUT LIMITATION, ANY ENVIRONMENTAL LAWS) AND ANY AND ALL OTHER ACTS, OMISSIONS, EVENTS, CIRCUMSTANCES OR MATTERS REGARDING THE PROPERTY. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT AND IN ANY DOCUMENT EXECUTED BY SELLER AS PART OF CLOSING, PURCHASER AGREES THAT SHOULD ANY CLEANUP, REMEDIATION OR REMOVAL OF HAZARDOUS OR TOXIC SUBSTANCES OR OTHER ENVIRONMENTAL CONDITIONS ON THE PROPERTY BE REQUIRED AFTER THE DATE OF CLOSING, NEITHER SELLER NOR THE OTHER SELLER PARTIES SHALL BE RESPONSIBLE SUCH CLEAN UP, REMOVAL OR REMEDIATION OR FOR ANY COSTS AND EXPENSES RELATED THERETO.

10.3. Effect and Survival of Disclaimers

. Seller and Purchaser acknowledge that the compensation to be paid to Seller for the Property has taken into account that the Property is being sold subject to the provisions of this Article X. Seller and Purchaser agree that the provisions of this Article X shall survive Closing.

ARTICLE XI

MISCELLANEOUS

11.1. Confidentiality

.

(a) As used in this Agreement, the term "Confidential Information" means all Due Diligence Information and all other information concerning the Property, Seller, or Elme furnished to or otherwise made available to Purchaser or Purchaser's Personnel by Seller's Broker, Seller, Elme or any other Seller Parties, including any documents, files, studies, reports, test results, brochures, offering materials, photographs, leases, rent rolls, surveys, title reports and commitments, legal documents, financial information, computer output and other materials and information relating to the Property and all analyses, compilations, forecasts, projections and other documents prepared based upon such materials and information, whether the same are in electronic, pictorial, written or other form, and whether oral, written or electronic. Confidential Information shall not include information that Purchaser can conclusively establish: (i) is or subsequently becomes generally available to the public without Purchaser's or Purchaser's Personnel's breach of any of the terms of this Agreement; (ii) was in the possession of Purchaser on a non-confidential basis prior to Seller's Broker, Seller's, Elme's or any other Seller Parties', disclosure of such information to Purchaser (and is not subject to any pre-existing or prior confidentiality agreement in favor of Seller or any Seller Parties, including Elme, and/or Seller's Broker); (iii) became known to Purchaser from a source other than Seller's Broker, Seller, Elme or any other Seller Parties who, to the knowledge of Purchaser or Purchaser's Personnel, is not subject to any confidentiality agreement regarding such information; or (iv) is independently developed by Purchaser without use of or reliance on the Confidential Information.

(b) Purchaser shall maintain strictly confidential all Confidential Information and not disclose any Confidential Information (including information pertaining to the terms or existence of this Agreement, the fact that Seller has made the Confidential Information available to Purchaser or any other parties) to any third parties (except as otherwise expressly permitted by the terms of this Agreement). Confidential Information may be disclosed, reproduced, summarized or distributed only as expressly provided hereunder and shall be used solely and exclusively for evaluating the Property, and for no other purpose whatsoever. Without limiting the generality of the foregoing provisions of this Section 11.1(b), Purchaser shall take the same degree of care (but not less than reasonable care) as it takes with its own confidential information to safeguard the Confidential Information. If any court or governmental authority requires Purchaser to disclose any portion of the Confidential Information, Purchaser shall, to the extent permitted by law, (i) provide Seller with prompt written notice of such requirement, (ii) delay such disclosure consistent with applicable law in a manner that provides Seller with a reasonable opportunity to obtain a judicial protective order or other relief, and (iii) cooperate with Seller and the other Seller Parties in a commercially reasonable manner in obtaining any protective order or other remedy sought by Seller with respect to such requirement. If no such protective order or other remedy is obtained, then Purchaser may disclose only that portion of the Confidential Information that in the reasonable opinion of its legal counsel is legally required to be disclosed, and shall exercise all commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded the Confidential Information.

(c) Purchaser may disclose Confidential Information only to Purchaser's Personnel on a need-to-know basis. Purchaser's Personnel shall be informed by Purchaser of the confidential nature of the Confidential Information, shall be provided a copy of this Section 11.1, and shall be directed by Purchaser to keep all Confidential Information confidential in accordance with the requirements of this Section 11.1 and otherwise comply with this Section 11.1.

(d) Purchaser shall notify Seller promptly upon discovery of any unauthorized use or disclosure of Confidential Information, or any other breach of this Section 11.1 by Purchaser or Purchaser's Personnel, and will reasonably cooperate with Seller to regain possession of the Confidential Information and prevent its further unauthorized use. In any event, Purchaser shall be responsible for any unauthorized disclosure or use of the Confidential Information by Purchaser's Personnel (including any action taken by any of Purchaser's Personnel that, if taken by Purchaser, would constitute a breach of this Agreement) or any other parties that receive the Confidential Information from Purchaser and/or Purchaser's Personnel.

(e) Upon termination of this Agreement, Purchaser shall promptly (and in any case within five (5) Business Days) permanently destroy (with written confirmation of such destruction, which may be by email) or return all originals, copies, reproductions and summaries of Confidential Information, without retaining any copy, extract, or other reproduction (in whole or in part) of such Confidential Information and will require that Purchaser's Personnel do the same. Notwithstanding the foregoing, Purchaser and Purchaser's Personnel may retain Confidential Information in electronic form pursuant to its electronic backup processes, so long as such information is not accessible in the ordinary course of business and Purchaser or such Purchaser's Personnel continues to maintain the confidentiality of such retained Confidential Information, and if such information does become accessible it will be destroyed or returned in accordance with this Section 11.1(e).

(f) In the event that Purchaser or any of Purchaser's Personnel fails to comply with the terms and conditions of this Section 11.1, Purchaser and such Purchaser's Personnel shall be liable to Seller and the Seller Parties, including Elme, for such breach, and Seller and the Seller Parties, including Elme, shall be entitled to exercise any right, power, or remedy available at law or in equity for such breach. Without prejudice to any other rights or remedies that Seller and the Seller Parties, including Elme, may have with respect to any breach by Purchaser and/or any of Purchaser's Personnel, Purchaser on behalf of itself and Purchaser's Personnel, hereby acknowledges and agrees that (a) damages may not be an adequate remedy for any breach of the terms of this Agreement by Purchaser and/or any of Purchaser's Personnel, and (b) Seller and the Seller Parties, including Elme, shall be entitled to seek injunctive relief or other equitable relief without proof of special damages or the requirement to post a bond for the enforcement of the terms of this Section 11.1. Purchaser shall indemnify, save harmless and defend Seller and the Seller Parties, including Elme, against all losses directly or indirectly caused by Purchaser of any of Purchaser's Personnel of this Agreement. The failure or delay by Seller or any of the Seller Parties, including Elme, in exercising any right or remedy under this Section 11.1 will not operate as a waiver of such right or remedy. The Seller Parties, including Elme, are intended third party beneficiaries of the provisions of this Section 11.1.

(g) The provisions of this Section 11.1 shall survive any termination of this Agreement.

11.2. Public Disclosure; No Recordation

. Any release to the public of information with respect to the sale contemplated herein or any matters set forth in this Agreement will be made only in the form mutually approved by Seller and Purchaser. Notwithstanding the foregoing provisions of this Section 11.2, Purchaser, Seller and Seller Parties may make such disclosures (including press releases) as required by law, court order, or regulatory requirements (including the applicable rules of any stock exchange). Neither Purchaser nor its agents or representatives shall record or file this Agreement or any notice or memorandum hereof in any public records. The provisions of this Section shall survive Closing or any early termination of this Agreement.

11.3. Discharge of Obligations

. The acceptance of the Deed by Purchaser shall be deemed to be a full performance and discharge of every representation and warranty made by Seller herein and every agreement and obligation on the part of Seller to be performed pursuant to the provisions of this Agreement or with respect to the Property (it being understood that Seller shall have no liability to Purchaser with respect to the Property whether arising before or after the Closing). The provisions of this Section shall survive Closing.

11.4. Assignment

. Purchaser may not assign this Agreement or its rights under this Agreement without first obtaining Seller's written approval, which approval may be given or withheld in Seller's sole discretion. Notwithstanding the foregoing, but subject to the conditions set forth in this Section 11.4, Purchaser may assign its rights under this Agreement at Closing to (i) an entity that directly or indirectly controls, is controlled by or is under common control with Purchaser or (ii) an entity that is, directly or indirectly, owned by a joint venture, partnership, limited liability company, or other similar investment vehicle ("JV") which is controlled, directly or indirectly, by Purchaser (or an affiliate of Purchaser) and in which Purchaser (or an affiliate of Purchaser) holds, directly or indirectly, an equity ownership interest (a "Permitted Assignee") without the prior written consent of, but with the notice specified below to, Seller. Any transfer, directly or indirectly of any controlling ownership interest in Purchaser to anyone other than a Permitted Assignee without Seller's written approval, which approval may be given or withheld in Seller's sole discretion, shall constitute an assignment prohibited by this Section 11.4. In the event that Purchaser desires to assign its rights under this Agreement to a Permitted Assignee, Purchaser shall send written notice to Seller at least five (5) Business Days prior to the Closing Date stating the name and, if applicable, the constituent persons or entities of the Permitted Assignee. Such assignment shall not become effective until such Permitted Assignee executes an instrument reasonably satisfactory to Seller in form and substance whereby the Permitted Assignee expressly assumes each of the obligations of Purchaser under this Agreement, including specifically, without limitation, all obligations concerning the Earnest Money, and under all other documents and certificates required to be delivered by Purchaser hereunder, which instrument (the "Assignment of Purchase Agreement") shall be an additional document to be delivered by Purchaser at, or prior to, Closing. No assignment shall release or otherwise relieve Purchaser from any obligations hereunder. Notwithstanding anything to the contrary contained elsewhere in this Agreement, Seller shall have no right to assign this Agreement except as follows: (a) Seller may assign this Agreement to a Successor Entity (defined below) that expressly assumes the obligations of Seller under this Agreement in writing, in which event the named Seller herein shall be released from all obligations hereunder; or (b) one or more of the entities that hold direct or indirect ownership interests in Seller may assign such direct or indirect ownership interests to a Successor Entity. As used herein, the term "Successor Entity" means an affiliate of Seller or a liquidating trust or other liquidating entity established by Seller, an affiliate of Seller, Elme, or the Board of Trustees of Elme for the purpose of making provision for the post-liquidation obligations and liabilities of Seller or Elme and to which affiliate, trust, or entity all of the assets of Elme (and its liquidating subsidiaries) existing as of the time of such assignment, and all of the obligations and liabilities of Seller existing as of the time of such assignment, are also transferred or, with respect to the foregoing clause (b), are otherwise held, directly or indirectly, by such affiliate, trust, or entity. Seller shall provide Purchaser and Escrow Agent with written notice of any such assignment promptly following the occurrence of same.

11.5. Notices

. Any notice pursuant to this Agreement shall be given in writing by (a) personal delivery, or (b) reputable overnight delivery service with proof of delivery, or (c) legible e-mail transmission sent to the intended addressee at the address set forth below, or to such other address or to the attention of such other person as the addressee shall have designated by written notice sent in accordance herewith, and shall be deemed to have been given either at the time of personal delivery or refusal of delivery, or, in the case of expedited delivery service on the first Business Day following delivery to such service, or, in the case of e-mail transmission, as of the date of the transmission if given prior to 6:00 p.m. (Eastern time) on a Business Day. Any notice given by e-mail transmission after 6:00 p.m. (Eastern time) or not on a Business Day shall be deemed given on the next following Business Day. Any notice to be given by any party hereto may be given by the counsel for such party. Unless changed in accordance with the preceding sentence, the addresses for notices given pursuant to this Agreement shall be as follows:

If to Seller:	c/o Elme Communities 7550 Wisconsin Avenue, Suite 900 Bethesda, MD 20814 Attention: W. Drew Hammond E-mail: [***]
with a copy to:	Hogan Lovells US LLP 555 13th Street, NW Washington, DC 20004 Attention: Jeffrey R. Keitelman E-mail: [***]
If to Purchaser:	CAPREIT Acquisition Corporation c/o CAPREIT, Inc. 6116 Executive Blvd., Ste. 100 North Bethesda, MD 20852 Attention: Rick J. Band; Christopher R. McParland, Esq. E-mail: [***]
If To Escrow Agent or Title Company:	Chicago Title Insurance Company 2121 K Street. NW, Suite 1020 Washington, DC 20037 Attn: Dianne E. Boyle E-Mail: [***]

11.6. Modifications

. This Agreement cannot be changed orally, and no executory agreement shall be effective to waive, change, modify or discharge it in whole or in part, unless such executory agreement is in writing and is signed by the parties against whom enforcement of any waiver, change, modification or discharge is sought.

11.7. Exclusivity. This Agreement constitutes an exclusive arrangement between Seller and Purchaser. As long as this Agreement remains in effect, Seller covenants that it shall not (and shall direct its agents, representatives and employees to not) negotiate for the sale or transfer (or potential sale or transfer) of the Property (or any interest therein or portion thereof), with any person, company or entity other than Purchaser or its Permitted Assignee. For the sake of clarity, the immediately preceding sentence shall not serve to prohibit Seller from exercising its rights and performing its obligations pursuant to Section 6.4.

11.8. Time is of the Essence; Calculation of Time Periods

. Time is of the essence with respect to all provisions of this Agreement. Unless otherwise specified, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is not a Business Day, in which event the period shall run until the end of the next Business Day. Unless otherwise set forth herein, the final day of any such period shall be deemed to end at 6:00 p.m. (Eastern time).

11.9. Successors and Assigns

. Subject to Section 11.4, the terms and provisions of this Agreement are binding upon the parties hereto and are to apply to and bind the successors and assigns of the parties hereto.

11.10. Entire Agreement

. This Agreement, including the Exhibits, contains the entire agreement between the parties pertaining to the subject matter hereof and fully supersedes all prior written or oral agreements and understandings between the parties pertaining to such subject matter.

11.11. Further Assurances

. Each party agrees that it will without further consideration execute and deliver such other documents and take such other action, whether prior or subsequent to Closing, as may be reasonably requested by the other party to consummate the Closing (it being understood that Seller shall have no post-Closing liability to Purchaser except with respect to Seller's obligations pursuant to Section 5.4(d) and this Section 11.11). Without limiting the generality of the foregoing, Purchaser shall, if requested by Seller, execute acknowledgments of receipt with respect to any materials delivered by Seller to Purchaser with respect to the Property. The provisions of this Section 11.11 shall survive Closing.

11.12. Counterparts; Electronic Signature

. This Agreement may be executed in counterparts, and all such executed counterparts shall constitute the same agreement. It shall be necessary to account for only one such counterpart in proving this Agreement. To facilitate the execution and delivery of this Agreement, the parties may execute and exchange counterparts of the signature pages by email transmission or electronic signature (e.g., DocuSign®), and the signature page of either party to any counterpart may be appended to any other counterpart. This Agreement, the documents to be delivered by Seller at Closing set forth in Section 5.2 (except for the Deed, any original tax or recording form required to record the Deed, and any other document executed by Seller to be recorded at Closing) and the documents to be delivered by Purchaser at Closing set forth in Section 5.3 (except for any original tax or recording form required to record the Deed) may be signed by Seller or Purchaser (as applicable) with an electronic signature (e.g., DocuSign®) or signature stamp which electronic signature or signature stamp shall have the same binding effect as if it were an original signature.

11.13. Severability

. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall nonetheless remain in full force and effect.

11.14. Applicable Law

. THIS AGREEMENT IS PERFORMABLE IN THE STATE IN WHICH THE PROPERTY IS LOCATED AND SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE SUBSTANTIVE FEDERAL LAWS OF THE UNITED STATES AND THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED. SELLER AND PURCHASER HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT SITTING IN THE STATE IN WHICH THE PROPERTY IS LOCATED IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND HEREBY IRREVOCABLY AGREE THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING SHALL BE HEARD AND DETERMINED IN A STATE OR FEDERAL COURT SITTING IN THE STATE IN WHICH THE PROPERTY IS LOCATED. PURCHASER AND SELLER AGREE THAT THE PROVISIONS OF THIS SECTION 11.14 SHALL SURVIVE THE CLOSING OF THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT OR THE EARLY TERMINATION OF THIS AGREEMENT.

11.15. No Third-Party Beneficiary

. Except as set forth in Section 11.1, the provisions of this Agreement and of the documents to be executed and delivered at Closing are and will be for the benefit of Seller and Purchaser only and are not for the benefit of any third party, and accordingly, no third party shall have the right to enforce the provisions of this Agreement or of the documents to be executed and delivered at Closing.

11.16. Exhibits and Schedules

. All schedules and exhibits attached to this Agreement shall be deemed to be an integral part of this Agreement.

11.17. Captions

. The section headings appearing in this Agreement are for convenience of reference only and are not intended, to any extent and for any purpose, to limit or define the text of any section or any subsection hereof.

11.18. Construction

. The parties acknowledge that the parties and their counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

11.19. Termination of Agreement

. It is understood and agreed that if either Purchaser or Seller terminates this Agreement pursuant to a right of termination granted hereunder, such termination shall operate to relieve Seller and Purchaser from all obligations under this Agreement, except for such obligations as are specifically stated herein to survive the termination of this Agreement.

11.20. Survival

. The provisions of the following Sections of this Agreement shall survive Closing and shall not be merged into the execution and delivery of the Deed: Sections 4.1(b)(vii); 5.4(d) (subject to the limitations on survival set forth therein); 6.2; 6.3; 6.5; 6.6; 6.7; 9.1; Article X and this Article XI. The foregoing is in addition to and not in exclusion of any survival provisions that may elsewhere be set forth in this Agreement.

11.21. No Waiver

. No waiver of any provision or condition of this Agreement by any party shall be valid unless in writing and signed by such party. No waiver of a provision shall be taken as a waiver of any other or similar provision or of any future event, act or default. Any provision, condition or term hereof established primarily for the benefit of one party hereto may be waived by such party with or without notice, which waiver may be made retroactively.

11.22. Limitation on Liability

. No present or future partner, member, director, officer, shareholder, employee, advisor, affiliate or agent of or in Purchaser or Seller or any affiliate of Purchaser or Seller (including, with respect to Seller, Elme) shall have any personal liability, directly or indirectly, under or in connection with this Agreement or any agreement made or entered into under or in connection with the provisions of this Agreement or any amendment or amendments to the foregoing made at any time or times, heretofore or hereafter, and Seller and its successors and assigns (or, as applicable, Purchaser and its successors and assigns) and, without limitation, all other persons and entities, shall look solely to Purchaser's assets (or, as applicable, Seller's assets) for the payment of any claim or for any performance, and Seller and Purchaser hereby waive any and all such personal liability. In no event or circumstances shall Purchaser or Seller ever be entitled to seek or recover consequential damages (except with respect to a breach of Section 11.1), punitive damages, or "special" damages from the other party. The limitations of liability contained in this Section are in addition to, and not in limitation of, any limitation on liability applicable to

Purchaser or Seller provided elsewhere in this Agreement or by law or by any other contract, agreement or instrument. The provisions of this Section shall survive the Closing or any earlier termination of this Agreement.

11.23. Waiver of Jury Trial

. TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, THE PARTIES HEREBY IRREVOCABLY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE CLOSING OR ANY EARLIER TERMINATION OF THIS AGREEMENT.

11.24. Attorneys' Fees

. If either party commences legal proceedings for any relief against the other party arising out of this Agreement or any documents, agreements, exhibits or certificates contemplated hereby, the losing party shall pay the prevailing party's reasonable attorney's fees upon final settlement, judgment or appeal thereof.

11.25. Lead-Based Paint Disclosure

The Improvements were constructed after 1978.

11.26. Tenant Notification Letters; Vendor Notification Letters

11.26 Purchaser shall deliver (i) to each tenant of the Property under a Lease the letter described in Section 5.2(d)(i), and (ii) to each vendor of the Property under an Assumed Service Contract the letter described in Section 5.2(d)(ii). The provisions of this paragraph shall survive Closing.

11.27. Montgomery County Right of First Refusal.

(a) Seller and Purchaser acknowledge that the Montgomery County Department of Housing and Community Affairs ("DHCA"), the Housing Opportunities Commission of Montgomery County ("HOC") (DHCA and HOC are referred to herein collectively as "Montgomery County"), and a DHCA-certified tenant organization have a statutory right of first refusal ("Maryland ROFR") to purchase the Property pursuant to one or more of Chapters 11A, 11C and 53A of the Montgomery County Code, as amended (collectively, including all regulations referenced therein, the "Maryland ROFR Code"). Seller and Purchaser acknowledge that the sale of the Property triggers the Maryland ROFR and Seller acknowledges that its rights to sell the Property, and

Purchaser acknowledges that its rights to purchase the Property under this Agreement, are subject and subordinate to the purchase rights set forth in the Maryland ROFR Code.

(b) Within the applicable time periods set forth in the Maryland ROFR Code, Seller shall provide written notice to (i) Montgomery County ("Seller's County Notice"), and (ii) each tenant of the Property ("Seller's Tenant Notice"), of the existence of this Agreement. Seller's County Notice and Seller's Tenant Notice shall include all information necessary to comply with the requirements of the Maryland ROFR Code. The date Seller's County Notice is provided to the County is referred to herein as the "Maryland Notice Date". Seller shall send Purchaser a copy of the Seller's County Notice, which shall include a copy of the mailing labels for Seller's Tenant Notices showing the names and addresses to which such Seller's Tenant Notices were sent, promptly following Seller's transmittal to the County. Seller shall keep Purchaser reasonably apprised of any material written communications received from the County with regard to the ROFR.

(c) Seller shall use commercially reasonable efforts to promptly obtain from DHCA a certificate of compliance with respect to the Property in the form attached hereto as Exhibit J certifying compliance with the right of first refusal requirements of the Maryland ROFR Code (the "Certificate of Compliance"). Following Seller's receipt of the original Certificate of Compliance for the Property executed and notarized by DHCA, Seller shall deliver the same to the Title Company for recording at Closing and shall promptly provide a copy thereof to Purchaser. Each of Purchaser and Seller agree to cooperate with each other and take such actions as are reasonably necessary in the attempt to secure the Certificate of Compliance, but in no event shall such cooperation or action require either party to take actions that are not required by the Maryland ROFR Code.

(d) Notwithstanding anything in this Agreement to the contrary, if DHCA fails to issue a Certificate of Compliance for the Property on or before the date that is ninety (90) days following the Maryland Notice Date (the "Certificate of Compliance Outside Date"), Seller and Purchaser shall thereafter each have the right, but not the obligation, to terminate this Agreement upon five (5) Business Days' notice to the other, and the Earnest Money shall then be returned to Purchaser and neither party shall have any further rights, duties, liabilities or obligations under this Agreement, except with respect to any obligations that survive a termination by their terms. In the event that neither Seller nor Purchaser exercises its right to terminate this Agreement as set forth in this Section 11.27(d) and a Certificate of Compliance is subsequently issued, Seller's and Purchaser's termination rights under this Section 11.27(d) shall be extinguished and of no further force and effect. If DHCA, HOC, or a certified tenant organization exercises the Maryland ROFR and consummates the purchase of the Property (the "Maryland ROFR Closing"), this Agreement shall automatically terminate upon the Maryland ROFR Closing and the Earnest Money shall be returned to Purchaser and neither party shall have any further rights, duties, liabilities or obligations under this Agreement, except as otherwise set forth in this Agreement. Provided that Seller satisfies its obligations under the Maryland County Code and uses commercially reasonable efforts to obtain the Certificate of Compliance, failure to obtain the Certificate of Compliance shall not be deemed a default by Seller hereunder.

(e) Seller shall keep Purchaser reasonably apprised of all material matters pertaining to this Section.

11.28. Montgomery County Disclosures

. The following disclosures are made pursuant to applicable law in Montgomery County, Maryland, with respect to the Real Property:

(a) General/Master Plans. Purchaser acknowledges that Purchaser has been apprised of Purchaser's rights to review the applicable master plan and the municipal land use plan and any related amendments, including maps showing planned land uses, roads and highways, and the location and nature of proposed parks and other public facilities affecting the prior to the execution of this agreement. Purchaser acknowledges that Purchaser has reviewed said applicable plans prior to executing this Agreement or does hereby waive Purchaser's right to do so. Purchaser also acknowledges that Seller has advised Purchaser of the relative location of any airport or heliport existing within a five-mile radius of the Property. Purchaser acknowledges that Purchaser is aware that the applicable plan or general plan for Montgomery County is available at the Maryland-National Capital Park and Planning Commission and that at no time did Seller or the Company explain to Purchaser the intent or meaning of such a plan nor did Purchaser rely on any representations made by Seller or the Company pertaining to the applicable matter plan or general plan.

BY SIGNING BELOW, PURCHASER HEREBY ACKNOWLEDGES: (1) SELLER HAS OFFERED PURCHASER THE OPPORTUNITY TO REVIEW THE APPLICABLE MASTER PLAN AND MUNICIPAL LAND USE PLAN AND ANY ADOPTED AMENDMENT; (2) SELLER HAS INFORMED PURCHASER THAT AMENDMENTS AFFECTING THE PLAN MAY BE PENDING BEFORE THE PLANNING BOARD OR THE COUNTY COUNCIL OR A MUNICIPAL PLANNING BODY; (3) (A) PURCHASER HAS REVIEWED EACH PLAN AND ADOPTED AMENDMENT; OR (B) PURCHASER HAS WAIVED THE RIGHT TO REVIEW EACH PLAN AND ADOPTED AMENDMENT; AND (4) PURCHASER UNDERSTANDS THAT, TO STAY INFORMED OF FUTURE CHANGES IN COUNTY AND MUNICIPAL LAND USE PLANS, THE PURCHASER SHOULD CONSULT THE PLANNING BOARD AND THE APPROPRIATE MUNICIPAL PLANNING BODY.

Signature: /s/ Rick J. Band_

(b) Notice and Disclosure of Availability of Sewage Disposal System in Designated Areas.

(i) Notice is hereby given to Purchaser, pursuant to the Montgomery County Code, of the obligation of Seller, or Seller's duly authorized agent, to disclose to Purchaser, to the extent Seller knows, (1) whether the Property is connected to, or has been approved for connection to, a public water and sewer system, (2) if the Property is not connected to a public water and sewer system, (a) the source, if any, of potable water for the Property, and (b) whether an individual sewage disposal system has been constructed on the property or approved or disapproved for construction, and (3) (a) the water and sewer service area category or categories that currently apply to the Property, and a brief explanation of how each category affects the availability of water and sewer service, (b) any recommendations in the applicable master plan regarding water and sewer service to the property; and (c) the status of any pending water and sewer comprehensive plan amendments or service area category changes that would apply to the Property.

BY SIGNING BELOW, PURCHASER HEREBY INDICATES THAT (1) SELLER HAS INFORMED PURCHASER THAT SELLER DOES NOT KNOW THE INFORMATION REQUIRED TO BE PROVIDED TO PURCHASER AS DESCRIBED IN SUB-CLAUSE (i) ABOVE, AND (2) PURCHASER UNDERSTANDS THAT, TO STAY INFORMED OF FUTURE CHANGES IN COUNTY AND MUNICIPAL WATER AND SEWER PLANS, THE PURCHASER SHOULD CONSULT THE COUNTY PLANNING BOARD, THE WASHINGTON SUBURBAN SANITARY COMMISSION, THE COUNTY DEPARTMENT OF ENVIRONMENTAL PROTECTION, OR ANY APPROPRIATE MUNICIPAL PLANNING OR WATER AND SEWER BODY.

SIGNATURE: /s/ Rick J. Band

(c) Notice and Disclosure of Energy Performance Standards.

(i) Notice is hereby given to Purchaser, pursuant to the Montgomery County Code, of the obligation of Seller to (1) disclose to Purchaser that the buildings comprising a part of the Improvements are subject to building energy performance standards pursuant to Chapter 18A, Article 6 of the Montgomery County Code, (ii) transfer the following records to Purchaser: (A) the benchmarking property record from the benchmarking tool; (B) documentation of data verification; and (C) any other related records to maintain compliance with Chapter 18A, Article 6 of the Montgomery County Code; and (3) provide to Purchaser the following information: (A) performance baseline; (B) interim and final performance standards; and (C) building performance improvement plan.

(ii) BY SIGNING BELOW, PURCHASER HEREBY INDICATES THAT SELLER HAS MADE THE DISCLOSURES AND PROVIDED THE INFORMATION REQUIRED BY CLAUSE (i) ABOVE.

SIGNATURE: /s/ Rick J. Band

(d) Notice and Disclosure of Transportation-Related Facility Assessments.

(i) Notice is hereby given to Purchaser, pursuant to the Montgomery County Code, of the obligation of Seller to disclose to the Purchaser, the estimated or actual costs, if known, of any deferred costs attributable to the improvement or construction of any transportation-related facility, for which Purchaser shall become liable pursuant to an agreement with Montgomery County.

(ii) Seller herewith informs purchaser of the existence of deferred charges attributable to transportation-related facilities (for which Seller shall retain all liability) in the estimated amount of No Dollars ($0.00).

(e) Notice and Disclosure of Special Protection Area.

(i) Notice is hereby given to Purchaser, pursuant to the Montgomery County Code, of the obligation of Seller to disclose if the Property is located in an area designated as a special protection area under Section 19-62 of the Montgomery County Code. Seller hereby notifies Purchaser that the Property is not located in a special protection area.

BY SIGNING BELOW, PURCHASER HEREBY INDICATES THAT (1) SELLER HAS MADE THE DISCLOSURES AND PROVIDED THE INFORMATION REQUIRED BY CLAUSE (i) ABOVE, AND (2) PURCHASER UNDERSTANDS THAT SPECIAL WATER QUALITY MEASURES AND CERTAIN RESTRICTIONS ON LAND USES AND IMPERVIOUS SURFACES MAY APPLY TO THIS PROPERTY.

SIGNATURE: /s/ Rick J. Band

11.29. Maryland Condominium Act Notice

. Pursuant to Section 11-135 of the Maryland Condominium Act (Title 11 of the Real Property Article, Annotated Code of Maryland), Seller hereby notifies Purchaser as follows:

NOTICE

The seller is required by law to furnish to you not later than 15 days prior to closing certain information concerning the condominium which is described in §11-135 of the Maryland Condominium Act. This information must include at least the following:

(i) A copy of the declaration (other than the plats);

(ii) A copy of the bylaws;

(iii) A copy of the rules and regulations of the condominium;

(iv) A certificate containing:

1. **A statement disclosing the effect on the proposed conveyance of any right of first refusal or other restraint on the free alienability of the unit, other than any restraint created by the unit owner;**
2. **A statement setting forth the amount of the common expense assessment and any unpaid common expense or special assessment adopted by the council of unit owners that is due and payable from the selling unit owner;**
3. **A statement of any other fees payable by the unit owners to the council of unit owners;**
4. **A statement of any capital expenditures approved by the council of unit owners planned at the time of the conveyance which are not reflected in the current operating budget disclosed under item 6 below;**
5. **The most recently prepared balance sheet and income and expense statement, if any, of the condominium;**
6. **The current operating budget of the condominium, including details concerning the amount of the reserve fund for repair and replacement and its intended use, or a statement that there is no reserve fund;**
7. **A statement of any judgments against the condominium and the existence of any pending suits to which the council of unit owners is a party;**
8. **A statement generally describing any insurance policies provided for the benefit of the unit owners, a notice that the policies are available for inspection stating the location at which they are available, and a notice that the terms of the policy prevail over the general description;**
9. **A statement as to whether the council of unit owners has knowledge that any alteration or improvement to the unit or to the limited common elements assigned to the unit violates any provision of the declaration, bylaws, or rules or regulations;**
10. **A statement as to whether the council of unit owners has knowledge of any violation of the health or building codes with respect to the unit, the limited common elements assigned to the unit, or any other portion of the condominium;**
11. **A statement of the remaining term of any leasehold estate affecting the condominium and the provisions governing any extension or renewal of it;**
12. **A description of any recreational or other facilities which are to be used by the unit owners or maintained by them or the council of unit owners, and a statement as to whether or not they are to be a part of the common elements; and**

13. (A) A statement as to whether the council of unit owners has entered into any agreement that settles or releases the council of unit owners' claims related to common element warranties under §11-131 of this title; and

(B) A statement as to whether the board of directors has disclosed to the council of unit owners in accordance with §11-134.1(c)(2) of this title, the board's intention to enter into an agreement for the purpose of settling a disputed common element warranty claim under 11-131 of this title.

(v) A statement by the unit owner as to whether the unit owner has knowledge:

1. **That any alteration to the unit or to the limited common elements assigned to the unit violates any provision of the declaration, bylaws, or rules and regulations.**
2. **Of any violation of the health or building codes with respect to the unit or the limited common elements assigned to the unit.**
3. **That the unit is subject to an extended lease under § 11-137 of this title or under local law, and if so, a copy of the lease must be provided.**
4. **Of the presence of asbestos in the unit, including a description of the location of the asbestos, and whether abatement has been performed in the unit during the occupancy of the owner.**

You will have the right to cancel this contract without penalty, at any time within 7 days following delivery to you of all of this information. However, once the sale is closed, your right to cancel the contract is terminated.

BY SIGNING BELOW, PURCHASER HEREBY ACKNOWLEDGES AND AGREES THAT: (1) PURCHASER IS BEING AFFORDED AN OPPORTUNITY TO INSPECT THE PROPERTY AND ALL DOCUMENTS APPLICABLE THERETO DURING THE INSPECTION PERIOD; (2) SUCH OPPORTUNITY IS SUFFICIENT FOR PURCHASER TO GAIN A FULL UNDERSTANDING OF ALL MATTERS PERTAINING TO THE CONDOMINIUM REGIME APPLICABLE TO THE PROPERTY; AND (3) UPON PURCHASER'S RECEIPT OF THE CERTIFICATE AND ALL OF THE DOCUMENTS DESCRIBED IN THE "NOTICE" SET FORTH IN THS SECTION 11.29 PRIOR TO OR DURING THE INSPECTION PERIOD, PURCHASER WAIVES ONLY ITS STATUTORY RIGHT TO CANCEL OR TERMINATE THIS AGREEMENT PURSUANT TO THE MARYLAND CONDOMINIUM ACT; PROVIDED, HOWEVER, THAT NOTHING HEREIN SHALL BE DEEMED TO LIMIT, WAIVE OR OTHERWISE AFFECT ANY OTHER RIGHT OF PURCHASER TO TERMINATE THIS AGREEMENT PROVIDED ELSEWHERE IN THIS AGREEMENT OR ANOTHER

RIGHTS OR REMEDIES AVAILABLE TO PURCHASER PURSUANT TO THIS AGREEMENT.

SIGNATURE: /s/ Rick J. Band

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date.

SELLER:

ELME BETHESDA OWNER LLC,
a Delaware limited liability company

By: Elme Bethesda Holdings LLC,
a Delaware limited liability company

By: Elme Limited Partnership,
a Delaware limited partnership

By: Elme Communities,
a Maryland real estate investment trust,
its General Partner

By: /s/ Paul McDermott
Name: Paul McDermott
Title: President and Chief Executive Officer

PURCHASER:

CAPREIT ACQUISITION CORPORATION,
a Maryland corporation

By: /s/ Rick J. Band

Name: Rick J, Band
Title: Executive Director, Investments

The undersigned agrees to serve as Escrow Agent and to be bound by the provisions of Sections 2.6, 2.8, and 11.5 of this Agreement.

CHICAGO TITLE INSURANCE COMPANY

By: /s/ Dianne E. Boyle

Name: Dianne E. Boyle
Title: SUP and Counsel

Exhibit A

LEGAL DESCRIPTION

Exhibit B

FORM OF DEED

Attachment A

Legal Description

Exhibit C

FORM OF
BILL OF SALE AND ASSIGNMENT

Exhibit D

FORM OF
ASSIGNMENT AND ASSUMPTION OF CONTRACTS

Exhibit E

FORM OF TENANT NOTICE LETTER

Exhibit F

FORM OF VENDOR NOTICE LETTER

Exhibit G

FORM OF
SELLER'S CERTIFICATE

EXHIBIT H

FORM OF FIRPTA CERTIFICATE
CERTIFICATION OF NON-FOREIGN STATUS

Exhibit I

**FORM OF
OWNER'S AFFIDAVIT**

Exhibit J

FORM OF CERTIFICATE OF COMPLIANCE

FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT

THIS FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT (this "Amendment") is made and entered into as of June 3, 2026, by and between **ELME BETHESDA OWNER LLC**, a Delaware limited liability company ("Seller"), and **CAPREIT ACQUISITION CORPORATION**, a Maryland corporation ("Purchaser").

WHEREAS, Seller and Purchaser entered into that certain Purchase and Sale Agreement dated as of May 27, 2026 (the "Agreement") with respect to the purchase and sale of the property located at 5114 Dudley Lane, Bethesda, Maryland 20814 (the "Property"). Unless otherwise expressly provided herein, all defined terms used in this Amendment shall have the meanings set forth in the Agreement; and

WHEREAS, Seller and Purchaser now wish to amend the Agreement as set forth herein.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration (including, without limitation, the mutual covenants contained herein and in the Agreement), the receipt and sufficiency of which are hereby acknowledged, the Agreement is hereby amended as follows:

1. Recitals. The recitals set forth above are incorporated in this Section 1 and shall be deemed terms and provisions of this Amendment.

2. Inspection Period. The definition of Inspection Period set forth in Section 1.1 of the Agreement is hereby amended to provide that the Inspection Period shall end at 5:00 p.m. (local time at the Properties) on June 4, 2026.

3. Miscellaneous.

(a) Binding Effect. All provisions of the Agreement, as amended hereby, shall remain in full force and effect and unchanged, except as provided herein. If any provision of this Amendment conflicts with the Agreement, the provisions of this Amendment shall control. This Amendment is binding upon and shall inure to the benefit of Purchaser and Seller, and their respective successors and assigns.

(b) References. All references to the Agreement in any document, instrument, agreement, or writing delivered pursuant to the Agreement (as amended hereby) shall hereafter be deemed to refer to the Agreement as amended hereby.

(c) Execution. This Amendment may be executed in multiple counterparts, each of which, when assembled to include a signature by each party, shall constitute one (1) complete and fully executed Amendment. Counterparts to this Amendment may be executed and delivered by e-mail transmission, and/or executed using "DocuSign", "esign" or a similar electronic program.

(d) Headings. The headings in this Amendment are for reference only and shall not affect the interpretation of this Amendment.

[*signatures follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered as of the date first set forth above.

SELLER:

ELME BETHESDA OWNER LLC,
a Delaware limited liability company

By: Elme Bethesda Holdings LLC,
a Delaware limited liability company

By: Elme Limited Partnership,
a Delaware limited partnership

By: Elme Communities, a Maryland real estate investment trust, its General Partner

By: /s/ Paul McDermott
Name: Paul McDermott
Title: Authorized Officer

PURCHASER:

CAPREIT ACQUISITION CORPORATION,
a Maryland corporation

By: /s/ Rick J. Band
Name: Rick J, Band
Title: Executive Director, Investments

SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT

THIS SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT (this "Amendment") is made and entered into as of June 4, 2026, by and between **ELME BETHESDA OWNER LLC**, a Delaware limited liability company ("Seller"), and **CAPREIT ACQUISITION CORPORATION**, a Maryland corporation ("Purchaser").

WHEREAS, Seller and Purchaser entered into that certain Purchase and Sale Agreement dated as of May 27, 2026, as amended by that certain First Amendment to Purchase and Sale Agreement dated as of June 3, 2026 (collectively, the "Agreement"), with respect to the purchase and sale of the property located at 5114 Dudley Lane, Bethesda, Maryland 20814 (the "Property"). Unless otherwise expressly provided herein, all defined terms used in this Amendment shall have the meanings set forth in the Agreement; and

WHEREAS, Seller and Purchaser now wish to further amend the Agreement as set forth herein.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration (including, without limitation, the mutual covenants contained herein and in the Agreement), the receipt and sufficiency of which are hereby acknowledged, the Agreement is hereby amended as follows:

1. Recitals. The recitals set forth above are incorporated in this Section 1 and shall be deemed terms and provisions of this Amendment.

2. Purchase Price. Section 2.4 of the Agreement is hereby amended to provide that the Purchase Price shall be Fifty Eight Million and No/100 Dollars ($58,000,000.00).

3. Deletion of Certain Sections. The Agreement is hereby amended to delete Section 5.4(b)(ix) (regarding credit for certain sprinkler heads at the Property that are not in good working order) and Section 5.4(b)(x) (regarding aggregate credit to enable Purchaser to complete required drawings and perform the work necessary to correct the floor slope issue at Apartment Unit No. 9817-301 within the Property), without replacement.

4. Miscellaneous.

(a) Binding Effect. All provisions of the Agreement, as amended hereby, shall remain in full force and effect and unchanged, except as provided herein. If any provision of this Amendment conflicts with the Agreement, the provisions of this Amendment shall control. This Amendment is binding upon and shall inure to the benefit of Purchaser and Seller, and their respective successors and assigns.

(b) References. All references to the Agreement in any document, instrument, agreement, or writing delivered pursuant to the Agreement (as amended hereby) shall hereafter be deemed to refer to the Agreement as amended hereby.

(c) Execution. This Amendment may be executed in multiple counterparts, each of which, when assembled to include a signature by each party, shall constitute one (1) complete and fully executed Amendment. Counterparts to this Amendment may be executed and delivered by e-mail transmission, and/or executed using "DocuSign", "esign" or a similar electronic program.

(d) Headings. The headings in this Amendment are for reference only and shall not affect the interpretation of this Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered as of the date first set forth above.

SELLER:

ELME BETHESDA OWNER LLC,
a Delaware limited liability company

By: Elme Bethesda Holdings LLC,
a Delaware limited liability company

By: Elme Limited Partnership,
a Delaware limited partnership

By: Elme Communities,
a Maryland real estate investment trust, its General Partner

By: /s/ Paul McDermott
Name: Paul McDermott
Title: Authorized Officer

PURCHASER:

CAPREIT ACQUISITION CORPORATION,
a Maryland corporation

By: /s/ Jennifer K. Cassell
Name: Jennifer K. Cassell
Title: President

THIRD AMENDMENT TO PURCHASE AND SALE AGREEMENT

THIS THIRD AMENDMENT TO PURCHASE AND SALE AGREEMENT (this "Amendment") is made and entered into as of July 23, 2026, by and between **ELME BETHESDA OWNER LLC**, a Delaware limited liability company ("Seller"), and **TILDEN BETHESDA HILL APARTMENTS, LLC**, a Delaware limited liability company ("Purchaser").

WHEREAS, Seller and CAPREIT Acquisition Corporation, a Maryland corporation ("CAC") entered into that certain Purchase and Sale Agreement dated as of May 27, 2026, as amended by that certain First Amendment to Purchase and Sale Agreement dated as of June 3, 2026, as amended by that certain Second Amendment to Purchase and Sale Agreement dated as of June 4, 2026 (collectively, the "Agreement"), with respect to the purchase and sale of the property located at 5114 Dudley Lane, Bethesda, Maryland 20814 (the "Property"). Unless otherwise expressly provided herein, all defined terms used in this Amendment shall have the meanings set forth in the Agreement;

WHEREAS, prior to the date of this Amendment, CAC assigned all of its right, title and interest, as contract purchaser, in and to the Agreement to Purchaser; and

WHEREAS, Seller and Purchaser now wish to further amend the Agreement as set forth herein.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration (including, without limitation, the mutual covenants contained herein and in the Agreement), the receipt and sufficiency of which are hereby acknowledged, the Agreement is hereby amended as follows:

1. Recitals. The recitals set forth above are incorporated in this Section 1 and shall be deemed terms and provisions of this Amendment.

2. Closing Date. The first sentence of Section 5.1 of the Agreement shall be deleted in its entirety and replaced with the following:

"Subject to Section 11.26, the consummation of the transaction contemplated hereby ("Closing") shall occur no later than 2:00 p.m. (Eastern time) on August 11, 2026 (such date, as may be postponed or adjourned as expressly permitted by this Agreement, the "Closing Date"), provided that all conditions to Closing have been fully satisfied or waived in writing."

3. Miscellaneous.

(a) Binding Effect. All provisions of the Agreement, as amended hereby, shall remain in full force and effect and unchanged, except as provided herein. If any provision of this Amendment conflicts with the Agreement, the provisions of this Amendment shall control. This Amendment is binding upon and shall inure to the benefit of Purchaser and Seller, and their respective successors and assigns.

(b) References. All references to the Agreement in any document, instrument, agreement, or writing delivered pursuant to the Agreement (as amended hereby) shall hereafter be deemed to refer to the Agreement as amended hereby.

(c) Execution. This Amendment may be executed in multiple counterparts, each of which, when assembled to include a signature by each party, shall constitute one (1) complete and fully executed

Amendment. Counterparts to this Amendment may be executed and delivered by e-mail transmission, and/or executed using “DocuSign”, “esign” or a similar electronic program.

(d) Headings. The headings in this Amendment are for reference only and shall not affect the interpretation of this Amendment.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered as of the date first set forth above.

SELLER:

ELME BETHESDA OWNER LLC,
a Delaware limited liability company

By: Elme Bethesda Holdings LLC,
a Delaware limited liability company

By: Elme Limited Partnership,
a Delaware limited partnership

By: Elme Communities,
a Maryland real estate investment trust, its General Partner

By: /s/ Paul McDermott
Name: Paul McDermott
Title: Authorized Officer

PURCHASER:

TILDEN BETHESDA HILL APARTMENTS, LLC,
a Delaware limited liability company

By: /s/ Jennifer K. Cassell
Name: Jennifer K. Cassell
Title: President

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement is made as of May 8, 2026, between **ELME RIVERSIDE APARTMENTS LLC** , a Delaware limited liability company ("Seller"), and **RIVERSIDE APARTMENTS VA LLC**, a Delaware limited liability company ("Purchaser").

W I T N E S S E T H:

ARTICLE I

DEFINED TERMS

1.1. Defined Terms. The capitalized terms used herein have the following meanings.

(a) "Additional Earnest Money" means the sum of $3,000,000.00, subject to Section 2.6.

(b) "Agreement" means this Purchase and Sale Agreement, together with the exhibits and schedules attached hereto, as the same may be amended, restated, supplemented or otherwise modified.

(c) "Anti-Money Laundering Laws" has the meaning assigned thereto in Section 6.5(e).

(d) "Assignment and Assumption" has the meaning assigned thereto in Section 5.2(c).

(e) "Assumed Service Contracts" has the meaning assigned thereto in Section 2.1(e).

(f) "Business Day" means any day other than a Saturday, Sunday, or legal holiday in the State in which the Property is located.

(g) "Claims" means any and all claims, damages, losses, liabilities, costs and liens of any kind or nature, including causes of action, interest and penalties and reasonable attorneys' fees.

(h) "Closing" has the meaning assigned thereto in Section 5.1.

(i) "Closing Date" has the meaning assigned thereto in Section 5.1.

(j) "Closing Statement" has the meaning assigned thereto in Section 2.8(d).

(k) "Code" has the meaning assigned thereto in Section 2.8(e).

(l) "Confidential Information" has the meaning assigned thereto in Section 11.1(a).

(m) "Deed" has the meaning assigned thereto in Section 5.2(a).

(n) “Designated Representative” has the meaning assigned thereto in Section 6.2.

(o) “Due Diligence Materials” has the meaning assigned thereto in Section 4.1(a).

(p) “Earnest Money” means the Initial Earnest Money and, if made, the Additional Earnest Money, subject to Section 2.6.

(q) “Effective Date” means the date of execution and delivery of this Agreement by the parties hereto, which date shall be entered into the opening paragraph of this Agreement.

(r) “Elme” means Elme Communities, a Maryland real estate investment trust, the parent of Seller.

(s) “ERISA” has the meaning assigned thereto in Section 6.5(c).

“Escrow Agent” means First American Title Insurance Company, 400 International Parkway, Suite 380, Lake Mary, Florida 32746, Attn: Charity Berry.

(t) “Excluded Information” has the meaning assigned thereto in Section 4.1(a).

(u) “Existing Survey” has the meaning assigned thereto in Section 3.2.

(v) “Existing Title Commitment” has the meaning assigned thereto in Section 3.1.

(w) “Fairfax County” has the meaning assigned thereto in Section 6.8.

(x) “Fairfax County Easements” has the meaning assigned thereto in Section 6.8.

(y) “Fairfax County Property” has the meaning assigned thereto in Section 6.8.

(z) “Fraud” means actual and intentional common law fraud under Virginia law, with the element of scienter, in the making of the representations and warranties expressly set forth in Section 6.1 and not with respect to any other matters, which resulted in the Purchaser acting in reasonable reliance on such representation or warranty; provided, that “Fraud” shall not include equitable fraud, constructive fraud, promissory fraud, unfair dealings fraud, unjust enrichment, or any torts (including fraud) or other claim based on negligence or recklessness (including based on constructive knowledge or negligent misrepresentation) or any other similar theory or equitable claim.

(aa) “Improvements” has the meaning assigned thereto in Section 2.1(b).

(ab) “Independent Contract Consideration” has the meaning assigned thereto in Section 2.7.

(ac) “Initial Earnest Money” means the sum of $1,500,000.00, subject to Section 2.6.

(ad) "Inspection Period" means the period beginning upon the Effective Date and ending at 5:00 p.m. (local time at the Property) on June 4, 2026.

(ae) "Inspections" has the meaning assigned thereto in Section 4.1(a).

(af) "Intangibles" has the meaning assigned thereto in Section 2.1(e).

(ag) "Interest Rate" means the Prime Rate reported in the Wall Street Journal plus four percent (4%).

(ah) "Land" has the meaning assigned thereto in Section 2.1(a).

(ai) "Lease Schedule" has the meaning assigned thereto in Section 2.1(d)

(aj) "Leases" has the meaning assigned thereto in Section 2.1(d).

(ak) "New Title Exceptions" has the meaning assigned thereto in Section 3.5.

(al) "OFAC" has the meaning assigned thereto in Section 6.1(h)

(am) "Permitted Assignee" has the meaning assigned thereto in Section 11.4.

(an) "Permitted Exceptions" has the meaning assigned thereto in Section 2.3.

(ao) "Personal Property" has the meaning assigned thereto in Section 2.1(c).

(ap) "Pre-Closing Inspection" has the meaning assigned thereto in Section 5.4(b)(viii).

(aq) "Property" has the meaning assigned thereto in Section 2.2.

(ar) "Purchase Price" has the meaning assigned thereto in Section 2.4.

(as) "Purchaser's Personnel" means Purchaser's agents, employees consultants, inspectors, appraisers, engineers and contractors.

"Purchaser" has the meaning assigned thereto in the Preamble to this Agreement.

"R&W Insurance Policy" means the buy-side representations and warranties insurance policy issued by the R&W Insurer or its affiliates, which provides coverage for the benefit of Purchaser (or its permitted assignee pursuant to Section 11.4) as the named insured for breaches of certain of the representations and warranties set forth in Section 6.1.

"R&W Insurance Policy Costs" means all costs and expenses required to obtain the R&W Insurance Policy, including the total premium, underwriting costs, brokerage commissions, and other fees and expenses of such policy, provided that the foregoing shall not include any legal or other advisor fees incurred in diligence or underwriting the R&W Insurance Policy.

"R&W Insurer" means the company selected by Purchaser to furnish the R&W Insurance Policy.

"Seller" has the meaning assigned thereto in the Preamble to this Agreement.

(at) "Seller Parties" means Seller, Elme, Seller's partners, members, affiliates, and their respective officers, directors, agents, employees and representatives.

(au) "Seller Provided Reports" has the meaning assigned thereto in 4.1(a).

(av) "Seller's Broker" means, collectively, CBRE, Inc., Jones Lang LaSalle Americas, Inc. and Goldman Sachs.

(aw) "Service Contracts" means all agreements related to the upkeep, repair, maintenance or operation of the Land, Improvements or Personal Property, including specifically, without limitation, all equipment leases.

(ax) "Service Contracts Schedule" has the meaning assigned thereto in Section 2.1(e).

(ay) "Special Rent" has the meaning assigned thereto in Section 5.4(b)(vi).

(az) "Survey" has the meaning assigned thereto in Section 3.2.

(ba) "Tenant Inducement Costs" means (i) any out of pocket payments required under a Lease to be paid by the landlord thereunder to or for the benefit of the tenant thereunder which is in the nature of a tenant inducement, including specifically, without limitation, tenant improvement costs, lease buyout costs, and moving, design, refurbishment and club membership allowances, and reasonable attorneys' fees and (ii) the value of any free rent periods or rental abatements under a Lease.

(bb) "Title Company" means Infinity Land Services LLC, 2361 Nostrand Avenue, Suite 802, Brooklyn, New York 11210, Attention: Aron Hasenfeld, writing for Escrow Agent.

(bc) "Title Commitment" has the meaning assigned thereto in Section 3.1.

(bd) "Title Exam Deadline" has the meaning assigned thereto in Section 3.3.

(be) "Title Policy" has the meaning assigned thereto in Section 3.4.

ARTICLE II

PURCHASE AND SALE

2.1. Agreement of Purchase and Sale. Subject to the terms and conditions of this Agreement, Seller agrees to sell and convey, and Purchaser agrees to purchase the following:

(a) the tracts or parcels of land situated in Alexandria, Virginia described on Exhibit A attached hereto and made a part hereof, together with all and singular the rights and appurtenances pertaining to such property, including all development rights and related entitlements, and all right, title and interest of Seller in and to adjacent streets, alleys, and rights of way (the property described in clause a of this Section 2.1 being herein referred to collectively as the "Land");

(b) the buildings, structures, fixtures and other improvements on the Land, including specifically, without limitation, the multi-family building located thereon known as Riverside Apartments and having a street address of 5860 Cameron Run Terrace, Alexandria, Virginia 22303 (the property described in clause b of this Section 2.1 being herein referred to collectively as the "Improvements");

(c) all of Seller's right, title and interest in and to all tangible personal property upon the Land or within the Improvements, including specifically, without limitation, appliances, furniture, carpeting, draperies and curtains, floor and wall coverings, elevators, elevator cabs and related elevator equipment, tools and supplies, golf carts, fixtures, parts, equipment, inventory, computers, monitors, printers, security devices, office furnishings, leasing office, health club, conference room, childcare, yoga, business center, picnic area, and pool furnishings, life-safety devices, and equipment, and other items of personal property (excluding cash) located on the Land or within the Improvements and used exclusively in connection with the operation of the Land and the Improvements (the property described in clause c of this Section 2.1 being herein referred to collectively as the "Personal Property");

(d) all of Seller's right, title and interest in and to all agreements with the tenants listed on Schedule 2.1(d) (the "Rent Roll") attached hereto and made a part hereof, and any new lease entered into in accordance with Section 6.4.b), and all refundable security deposits and all refundable pet deposits (if any) paid or deposited by tenants (to the extent such deposits have not been returned or applied in accordance with the terms of the Leases prior to Closing) as well as all bonds and insurance products issued to tenants and benefitting Seller in lieu of cash deposits, if any (the property described in clause d of this Section 2.1 being herein referred to collectively as the "Leases"); and

(e) all of Seller's right, title and interest in and to (i) all assignable contracts and agreements listed and described on Schedule 2.1(e) (the "Service Contracts Schedule") attached hereto and made a part hereof, relating to the upkeep, repair, maintenance or operation of the Land, Improvements or Personal Property including specifically, without limitation, all assignable equipment leases, that Purchaser has elected to assume or is required to assume in accordance with the terms of Section 6.7 of this Agreement (collectively, the "Assumed Service Contracts"), and (ii) all assignable existing warranties and guaranties (expressed or implied) issued to Seller in connection with the Leases, Improvements, and the Personal Property, but expressly excluding the names "Elme," "Elme Communities," "Washington REIT," and "Washington Real Estate Investment Trust," and all related trademarks, service marks, logos, trade dress, domain names and other source or business identifiers (in each case whether or not registered), and any registration, application, renewal and extensions of, any common law rights in, and all goodwill associated with, each of the foregoing, all of which are expressly retained by Seller or its parent entities (the property described in clause (e) of this Section 2.1 being sometimes herein referred to collectively as the "Intangibles").

2.2. Property Defined. The Land, the Improvements, the Personal Property, the Leases and the Intangibles are hereinafter sometimes referred to collectively as the "Property."

2.3. Permitted Exceptions. The Property shall be conveyed subject to the matters which are, or are deemed to be, Permitted Exceptions pursuant to Article III hereof (herein referred to collectively as the "Permitted Exceptions").

2.4. Purchase Price. Seller is to sell and Purchaser is to purchase the Property for a total of $280,000,000.00 (the "Purchase Price"), all cash with no financing requirement or financing contingency.

2.5. Payment of Purchase Price. The Purchase Price, as increased or decreased by prorations and adjustments as herein provided, shall be payable in full at Closing in cash by wire transfer of immediately available federal funds to a bank account designated by Escrow Agent in writing to Purchaser prior to the Closing.

2.6. Earnest Money. No later than 5:00 p.m. (Eastern time) on the second Business Day following the Effective Date, Purchaser shall deposit with Escrow Agent the Initial Earnest Money in good funds, either by certified bank or cashier's check or by federal wire transfer of immediately available funds. If Purchaser does not exercise the right to terminate this Agreement in accordance with Section 3.3 or Section 4.2 hereof, Purchaser shall, on or before the first Business Day after expiration of the Inspection Period, deposit with the Escrow Agent the Additional Earnest Money in good funds, either by certified bank or cashier's check or by federal wire transfer as an additional deposit under this Agreement. Escrow Agent shall hold the Earnest Money in an interest-bearing account in accordance with the terms and conditions of this Agreement. All interest accruing on such sum shall become a part of the Earnest Money and shall be distributed as Earnest Money in accordance with the terms of this Agreement. If Purchaser fails to deliver the Initial Earnest Money or the Additional Earnest Money to Escrow Agent within the applicable time period specified above, at Seller's option this Agreement shall terminate on written notice to Purchaser furnished before the Initial Earnest Money or Additional Earnest Money (as applicable) is delivered, the Initial Earnest Money and Additional Earnest Money (as applicable) shall be refunded to Purchaser, and neither party shall have any further rights, obligations or liabilities hereunder except to the extent that any right, obligation or liability set forth herein expressly survives termination of this Agreement. Time is of the essence for the delivery of the Initial Earnest Money and Additional Earnest Money under this Agreement. In the event of termination of this Agreement prior to Closing, Escrow Agent shall disburse the Earnest Money in accordance with the provisions of this Agreement governing such termination.

2.7. Independent Contract Consideration. Seller and Purchaser agree that $100 of the Earnest Money shall be paid to Seller if this Agreement is terminated for any reason (the "Independent Contract Consideration"). Seller and Purchaser agree that the Independent Contract Consideration has been bargained for and agreed to as additional consideration for Seller's execution and delivery of this Agreement. At the Closing, the Earnest Money (including, without limitation, the Independent Contract Consideration) shall be applied to the Purchase Price.

2.8. Escrow Agent and Title Company.

(a) Escrow Agent shall hold and disburse the Earnest Money in accordance with the terms of this Agreement. Escrow Agent shall act only upon written instructions executed by both Seller and Purchaser, unless otherwise expressly authorized under this Agreement or by final court order. Seller and Purchaser agree that the duties of Escrow

Agent hereunder are purely ministerial in nature and shall be expressly limited to the safekeeping and disposition of the Earnest Money in accordance with this Agreement. Escrow Agent shall not be liable for any damage, liability or loss arising out of its services pursuant to this Agreement, except for damage, liability or loss resulting from the willful or grossly negligent conduct of Escrow Agent or any of its officers or employees. In the event of any dispute between Seller and Purchaser regarding the disbursement of the Earnest Money, or in the event Escrow Agent shall receive conflicting demands or instructions with respect thereto, Escrow Agent shall withhold disbursement of the Earnest Money until such dispute is resolved. Alternatively, Escrow Agent shall be entitled to deposit the Earnest Money into a court of general jurisdiction in the State in which the Real Property is located, and to interplead Seller and Purchaser in connection therewith.

(b) Escrow Agent shall not be responsible for any interest on any portion of the Earnest Money except as is actually earned, or for the loss of any interest resulting from the withdrawal of all or any portion the Earnest Money prior to the date interest is posted thereon. Escrow Agent may commingle funds received by it in escrow with escrow funds of others, and may, without limitation, deposit such funds in its custodial or escrow accounts with any reputable trust company, bank, savings bank, savings association, or other financial services entity. All checks, money orders or drafts will be processed for collection in the normal course of business. Purchaser will execute the appropriate Internal Revenue Service documentation for the giving of taxpayer identification information relating to the account in which the Earnest Money is held.

(c) Seller and Purchaser shall pay or reimburse Escrow Agent for all expenses, disbursements and advances, including, without limitation, reasonable attorney's fees, incurred or paid in connection with carrying out its duties under this Agreement.

(d) Title Company shall prepare the closing statement for the transaction contemplated by this Agreement (the "Closing Statement"), which closing statement shall include the credits and pro-rations to be made by the parties in accordance with Section 5.4 and the allocations of closing costs set forth in Section 5.5.

(e) Seller, Purchaser and Title Company agree that Title Company shall act as "the real estate reporting person" with respect to the transaction which is the subject of this Agreement pursuant to Section 6045(e) of the Internal Revenue Code of 1986, as amended (the "Code") and shall prepare and file all informational returns, including, without limitation, IRS Form 1099-S, and shall otherwise comply with the provisions of Section 6045(e) of the Code. Title Company shall also remit to the proper authorities all state and local transfer taxes required in connection with the transaction which is the subject of this Agreement. Purchaser and Seller shall reasonably cooperate in connection with such filings.

(f) Escrow Agent shall execute this Agreement solely for the purpose of being bound by the provisions of Section 2.6, this Section 2.8, and Section 11.5.

ARTICLE III

TITLE AND SURVEY

3.1. Title Examination; Commitment for Title Insurance. Seller has provided to Purchaser a title commitment for the Property dated March 20, 2025 (Commitment No. 202500584VA) (the "Existing Title Commitment") issued by Chicago Title Insurance Company.

During the Inspection Period, Purchaser shall have the right to obtain from the Title Company an update of the Existing Title Commitment, at Purchaser's expense (the Existing Title Commitment or, if obtained, such update thereof, the "Title Commitment"). Purchaser shall instruct the Title Company to deliver to Purchaser, Seller and the surveyor preparing the Survey copies of any such update of the Title Commitment and copies of all instruments referenced therein.

3.2. Survey. Seller has provided Purchaser a copy of a survey with respect to the Property dated November 4, 2025, prepared by MKA (the "Existing Survey"). During the Inspection Period, Purchaser shall have the right to, at Purchaser's expense, arrange for the preparation of one or more updates of the Existing Survey or a new ALTA survey (the Existing Survey, or, if obtained, such update, or new survey, the "Survey"). Purchaser shall make a copy of such Survey available to Seller and the Title Company promptly after Purchaser's receipt thereof.

3.3. Title Objections; Cure of Title Objections. The "Title Exam Deadline" shall be 5:00 p.m. (local time at the Property) on the seventh Business Day prior to the expiration of the Inspection Period. Purchaser shall have until the Title Exam Deadline to notify Seller, in writing, of such objections as Purchaser may have to anything contained in the Title Commitment or the Survey ("Initial Objections"). Any item contained in the Title Commitment or any matter shown on the Survey to which Purchaser does not object prior to the Title Exam Deadline shall be deemed a Permitted Exception. In the event Purchaser shall notify Seller of Initial Objections prior to the Title Exam Deadline, Seller shall have the right, but not the obligation, to cure such Initial Objections; *provided, however*, that Seller shall, at its sole cost and expense, and at its sole option, either remove or have the Title Company insure over or otherwise satisfy, by payment or other appropriate measure of satisfaction, (i) all mortgages, deeds of trust, and deeds to secure debt securing any financing; (ii) all mechanics and materialmen's liens for work done by or on behalf of Seller which remains unpaid; (iii) all real property tax liens (except for any taxes not yet due and payable) against Seller or the Property; and (iv) all judgment liens against Seller (which liens described in the foregoing clauses shall be deemed to be excluded from the term "Permitted Exceptions"). Within four Business Days after receipt of the Initial Objections, Seller shall notify Purchaser in writing whether Seller elects to attempt to cure such Initial Objections. If Seller fails to give Purchaser such notice of election, then Seller shall be deemed to have elected not to attempt to cure the matter. If Seller elects to attempt to cure, and provided that Purchaser shall not have terminated this Agreement in accordance with Section 4.2, Seller shall have until the date of Closing to attempt to remove, satisfy or cure the same. If Seller elects not to cure any objections specified in Purchaser's notice, or if Seller is unable to effect a cure prior to Closing, Purchaser shall have the following options: (i) to accept a conveyance of the Property subject to the Permitted Exceptions, specifically including any matter objected to by Purchaser which Seller is unwilling or unable to cure, and without reduction of the Purchase Price; or (ii) to terminate this Agreement by sending written notice thereof to Seller within the time period set forth in the immediately following sentence, and upon delivery of such notice of termination, this Agreement shall terminate and the Earnest Money shall be returned to Purchaser, and thereafter neither party hereto shall have any further rights, obligations or liabilities hereunder except to the extent that any right, obligation or liability set forth herein expressly survives termination of this Agreement. If Seller notifies (or is deemed to have notified) Purchaser that Seller does not intend to attempt to cure any title objection, or if, having commenced attempts to cure any objection, Seller later notifies Purchaser that Seller will be unable to effect a cure thereof, Purchaser shall, no later than the earlier to occur of the Closing Date or three Business Days after such notice has been given (or deemed given) notify Seller in writing whether Purchaser shall elect to accept the conveyance under clause (i) or to terminate this Agreement under clause (ii). In the event Purchaser does not so timely notify Seller, then Purchaser shall be deemed to have elected to accept the conveyance under clause (i).

3.4. Conveyance of Title. At Closing, Seller shall convey and transfer to Purchaser such title to the Property as will enable the Title Company to issue to Purchaser, at Purchaser's expense, a standard coverage ALTA Owner's Policy of Title Insurance (the " Title Policy") covering the Property, in the full amount of the Purchase Price. *Notwithstanding anything contained herein to the contrary*, the Property shall be conveyed subject to the following specific matters, which shall be deemed to be Permitted Exceptions:

(a) the rights of tenants, as tenants only, under the Leases and any new Leases entered into between the Effective Date and Closing and, where required, approved (or deemed approved) by Purchaser in accordance with the terms of this Agreement, but without rights or options to purchase any portion of the Property;

(b) the lien of all ad valorem real estate taxes and assessments not yet due and payable as of the date of Closing, subject to adjustment as herein provided;

(c) local, state and federal laws, ordinances or governmental regulations, including but not limited to, building and zoning laws, ordinances and regulations, now or hereafter in effect relating to the Property;

(d) items appearing of record or shown on the Survey and, in either case, not objected to by Purchaser or waived or deemed waived by Purchaser in accordance with Sections 3.3 or 3.5;

(e) the Fairfax County Easements;

(f) all matters, whether or not of record, which arise out of the actions of Purchaser or its agents, representatives or contractors; and

(g) all matters that the Title Company is willing to insure over without additional premium or indemnity from Purchaser.

3.5. Pre-Closing "Gap" Title Defects. Whether or not Purchaser shall have furnished to Seller any notice of Initial Objections pursuant to the foregoing provisions of this Agreement, Purchaser may, no later than the earlier to occur of the Closing Date or five days after receipt of New Title Exceptions (hereafter defined), notify Seller in writing of any objections to title first raised by the Title Company after the effective date of the Existing Title Commitment or first raised by the Surveyor after the date of the Existing Survey ("New Title Exceptions"), provided that Purchaser may not object to the Fairfax County Easements. With respect to any objections to title set forth in such notice, Seller shall have the same option to cure and Purchaser shall have the same option to accept title subject to such matters or to terminate this Agreement as those which apply to any notice of objections made by Purchaser before the Title Exam Deadline. To the extent necessary, the Closing shall be extended not more than 10 days to afford the parties the full notice and response periods set forth in Section 3.3 with respect to any New Title Exceptions. If Seller elects to cure (or is required to cure) any New Title Exceptions, Seller shall have the right to extend Closing by the time reasonably necessary to effect such cure, but in no event shall the extension exceed five Business Days after the date for Closing set forth in Section 5.1.

ARTICLE IV

INSPECTION PERIOD

4.1. Right of Inspection. During the Inspection Period and continuing through the Closing Date, Purchaser and Purchaser's Personnel shall have a limited, non-exclusive and revocable license to (1) make such non-invasive physical investigations, inspections, analyses, evaluations, studies and tests on, of and relating to the Property as Purchaser reasonably deems necessary (collectively, the "Inspections"), and (2) examine the Due Diligence Materials.

(a) During the Inspection Period, Seller shall make available for examination by Purchaser and Purchaser's Personnel in an electronic data room created by or on behalf of Seller, (i) the Existing Title Commitment, the Existing Survey, and recent environmental, zoning, property condition and other recent reports and studies obtained by Seller with respect to the Property (collectively, the "Seller Provided Reports"), and (ii) other documents and information maintained by and in the possession or control of Seller or its property manager in connection with the current leasing, maintenance, and management of the Property, including, without limitation, the Leases and the Service Contracts and the documents identified in Schedule 4.1(a) attached hereto, to the extent such documents are in the possession or control of Seller or its property manager (collectively, the items listed in clauses (i) and (ii), the "Due Diligence Materials"), but excluding materials not directly related to the current leasing, maintenance and management of the Property such as, without limitation, Seller's acquisition materials and reports, internal memoranda, financial projections, budgets, appraisals, accounting and tax records and similar proprietary, elective or confidential information (collectively, the "Excluded Information"). In the event Purchaser receives any Excluded Information, Purchaser shall promptly return same to Seller upon discovery of such Excluded Information and Purchaser shall not retain any copies (in any form) of such Excluded Information. The receipt by Purchaser of any Excluded Information shall not constitute (or be deemed to constitute) a waiver of any confidentiality or privilege applicable to such Excluded Information and Seller may assert at any time such confidentiality or privilege with respect to such information notwithstanding that Purchaser received such Excluded Information. Purchaser and Purchaser's Personnel shall use all Due Diligence Materials solely for the purpose of evaluating the suitability of the purchase of the Property from Seller by Purchaser and Purchaser's Personnel.

(b) Purchaser's rights of entry and inspection hereunder shall be subject to the following terms and conditions:

(i) All Inspections of the Property shall be subject to Seller's prior approval, shall be conducted in a manner reasonably acceptable to Seller, shall be conducted upon at least one Business Days' prior written notice to Seller, provided that if any such Inspection requires access to an occupied apartment unit, such notice must be given at least three Business Days in advance (which notice shall include the names, addresses and scope of work for each consultant, contractor and agent who will be conducting inspections at the Property), and shall be performed at such reasonable times as may be agreed by Seller and Purchaser, and, at Seller's option, in the presence of Seller or its representative (notwithstanding the provisions of Section 11.5 to the contrary, the notice to be given pursuant to this Section 4.1.a) may be given via e-mail to Tiffany Butcher at [***]).

(ii) Such Inspections shall not interfere with the use, occupancy, management or operation of the Property or any portion thereof by Seller, its property manager or its tenants and licensees nor shall Purchaser's Inspections damage the Property in any respect;

(iii) Such Inspections shall not be invasive in any respect (unless Purchaser obtains Seller's prior written consent in Seller's sole discretion), and in any event shall be subject to the rights of tenants under their leases and shall be conducted in accordance with standards customarily employed in the industry and in compliance with all governmental laws, rules and regulations, including, without limitation, any quarantine, "shelter in place," "stay at home," workforce reduction mandates, social distancing, shutdown, closure, sequester or any other law, order, directive, guidelines or recommendations issues or promulgated by any governmental authority in connection with or in response to any global, national or local pandemic, epidemic or other public health emergency. Notwithstanding the foregoing, routine radon and Phase One environmental testing shall not be deemed violative of the provisions of this Agreement, and Seller shall not unreasonably withhold its consent to routine surface sampling for lead, mold, and asbestos;

(iv) Purchaser shall not contact (either directly, indirectly or through intermediaries) the Property's management employees, the holder of any financing encumbering the Property, the Property's tenants, or any governmental or quasi-governmental authorities regarding the Property, or any Seller Parties, without the prior consent of Seller, which consent may be withheld in Seller's sole discretion, except that without such consent Purchaser may contact applicable governmental authorities solely to the extent necessary to obtain customary diligence information that is of record or in the files of such authority regarding the Property's compliance with zoning and other laws, provided that in no event shall Purchaser or any of its agents or consultants request or otherwise initiate any inspection of the Property by a governmental or quasi-governmental authority. Seller shall have the right to be present during any meetings with any Property management employees or governmental or quasi-governmental authorities;

(v) Following each entry by Purchaser or Purchaser's Personnel with respect to Inspections on the Property, Purchaser shall restore the Property to a condition which is substantially the same as its original condition as existed prior to any such Inspections. If Purchaser fails to so restore the Property, Seller may but shall not be obligated to do so and Purchaser shall reimburse and indemnify Seller for all costs and expenses relating thereto plus interest at the Interest Rate until fully paid;

(vi) All Inspections shall be conducted at Purchaser's sole expense and Purchaser covenants and agrees to pay in full for all Inspections undertaken by Purchaser or Purchaser's Personnel and to pay in full all persons who perform labor on the Property with respect to such Inspections, and not to permit or suffer any mechanic's or materialman's lien of any kind or nature to be filed against the Property in connection with any Inspections. Should any such liens be filed or attached, Purchaser shall cause them to be removed of record and fully discharged at Purchaser's sole cost and expense within 10 days following notice thereof to Purchaser. If Purchaser fails to so remove and discharge such liens, Seller may but shall not be obligated to do so and Purchaser shall reimburse and indemnify Seller for all costs and expenses relating thereto plus interest at the Interest Rate until fully paid;

(vii) Purchaser agrees to indemnify, defend and hold harmless Seller and the other Seller Parties against and from, any and all Claims arising in connection with or incident to the Inspections, or the presence on the Property by Purchaser or Purchaser's Personnel, provided that the foregoing indemnity shall not include Claims arising from the mere discovery of any matter or condition related to the Property to the extent same is not exacerbated by Purchaser or Purchaser's Personnel; and

(viii) As a condition of Purchaser's and Purchaser's Personnel's right of access to the Property, Purchaser shall obtain for itself, and obtain or require from each of agents, consultants, inspectors, appraisers, engineers and contractors engaged to perform any Inspections, insurance coverage as described below, for any and all claims, damages, losses, liabilities, costs and expenses, arising in connection with or incident to the inspection of the Property, or the presence thereon, by Purchaser or the Purchaser's Personnel, commercial general liability insurance naming Seller, Seller's property manager, and Elme as additional insureds with combined limits of not less than $2,000,000 for personal injury and death and property damage per occurrence and $2,000,000 in the aggregate (Umbrella/Excess coverage can be used in combination with primary general liability to satisfy this requirement), with all such policies. All insurance companies issuing such insurance policies must be authorized to do business in the state in which the Property is located and must be rated A or better, with a financial rating of VII or better, in the most recent A.M. Best's Rating Guide. The liability insurance required to be carried by Purchaser shall (1) contain a waiver of subrogation in favor of Seller, (2) shall contain broad form contractual liability insurance coverage insuring Purchaser's indemnity obligations to Seller under this Agreement, and (3) contain a provision that the coverage afforded under such policies will not be canceled or modified until at least thirty (30) days' prior written notice has been given to Seller. Before any entry onto the Property by Purchaser or any of Purchaser's Personnel, Purchaser shall provide Seller with one or more certificates of insurance evidencing the insurance required to be maintained hereunder.

(c) The provisions of Section 4.1.b)v) through Section 4.1.b)vii) shall survive any termination of this Agreement and the provisions of Section 4.1.b)vii) shall survive Closing.

4.2. Right of Termination. In the event Purchaser determines (such determination to be made in Purchaser's sole discretion) that the Property is not suitable for its purposes, or for any other reason or no reason, Purchaser shall have the right to terminate this Agreement by giving written notice thereof to Seller prior to the expiration of the Inspection Period. If Purchaser gives such notice of termination to Seller prior to the expiration of the Inspection Period, this Agreement shall terminate and the Earnest Money shall be returned to Purchaser, Purchaser shall (A) promptly (and in any case within five Business Days) permanently destroy (with written certification of such destruction) or return all originals, copies, reproductions and summaries of the Due Diligence Materials, without retaining any copy, extract, or other reproduction (in whole or in part) of such Due Diligence Materials and will require that Purchaser's Personnel do the same, and (B) Purchaser, upon Seller's request, shall deliver to Seller true and complete copies of all test results and studies related to the Property which were obtained or commissioned by or on behalf of Purchaser (which obligations shall survive any termination of this Agreement). Notwithstanding the foregoing sentence, Purchaser and Purchaser's Personnel may retain copies of Due Diligence Materials in electronic form pursuant to its electronic backup processes, so long as such information is not accessible in the ordinary course of business and Purchaser or

Purchaser's Personnel, as applicable, continues to maintain the confidentiality of such retained Due Diligence Materials pursuant to the requirements of Section 11.1, and if such information does become accessible it will be destroyed or returned in accordance with this Section 4.2. Time is of the essence with respect to the provisions of this Section 4.2. If Purchaser fails to give Seller a notice of termination prior to the expiration of the Inspection Period, Purchaser shall no longer have any right to terminate this Agreement under this Section 4.2.

ARTICLE V

CLOSING

5.1. Time and Manner. Provided that all conditions to Closing have been fully satisfied or waived in writing, the consummation of the transaction contemplated hereby ("Closing") shall occur no later than 2:00 p.m. (Eastern time) on July 6, 2026, or such earlier date as is agreed to in writing by the parties (such date, as may be postponed or adjourned as expressly permitted by this Agreement, the "Closing Date"). On or prior to the Closing Date, Seller and Purchaser shall make the deliveries and perform the obligations set forth in, respectively, Section 5.2 and Section 5.3. At Closing, (A) Seller shall authorize and direct Escrow Agent and Title Company to release and deliver to Purchaser the documents required to be delivered to Escrow Agent and Title Company by Seller pursuant to Section 5.2 and (B) Purchaser shall authorize and direct Escrow Agent and Title Company to release and deliver to Seller the documents required to be delivered to Escrow Agent and Title Company by Purchaser pursuant to Section 5.3, the performance of which obligations shall be concurrent obligations and conditions. The Closing shall occur with all deliveries required hereunder being made to Escrow Agent and Title Company in accordance with escrow instructions consistent with the terms and conditions of this Agreement given by or on behalf of Seller and Purchaser, respectively; whereby escrow arrangements mutually acceptable to Seller and Purchaser shall allow Seller, Purchaser and their respective attorneys to consummate the Closing without being physically present and to exchange closing documents through such escrow. TIME SHALL BE OF THE ESSENCE with respect to each party's obligation to effectuate the Closing on the Closing Date.

5.2. Seller's Obligations at Closing. On or before the Closing Date, Seller shall:

(a) deliver to Title Company a duly executed special warranty deed in the form attached hereto as Exhibit B (the "Deed");

(b) deliver to Title Company a duly executed bill of sale in the form attached hereto as Exhibit C;

(c) deliver to Title Company a duly executed assignment and assumption agreement in the form attached hereto as Exhibit D (the "Assignment and Assumption") pursuant to which Seller shall assign to Purchaser, and Purchaser shall assume, the landlord/lessor interest in and to the Leases and, to the extent assignable, Seller's interest in the Assumed Service Contracts and the other Intangibles;

(d) deliver to Title Company (i) a notice in the form of Exhibit E attached hereto which Purchaser shall send to each tenant under each of the Leases informing such tenant of the sale of the Property and of the assignment to Purchaser of Seller's interest in, and obligations under, the Leases (including, if applicable any security deposits) and directing that all rent and other sums payable after the Closing under each such Lease shall be paid as set forth in the notice, and (ii) a notice in the form of Exhibit F attached hereto which Purchaser shall send to each vendor under each of the Assumed Service Contracts assumed by Purchaser at Closing informing such vendor of the sale of the Property and of the assignment to Purchaser of Seller's interest in, and obligations under, such Assumed Service Contracts and directing that all sums payable after the Closing under each such Assumed Service Contract shall be paid as set forth in the notice;

(e) deliver to Title Company a certificate in the form of Exhibit G attached hereto, dated as of the date of Closing and executed on behalf of Seller, stating that the representations and warranties of Seller contained in Section 6.1 are true and correct in all material respects as of the date of Closing (with appropriate modifications of those representations and warranties made in Section 6.1 to reflect any changes therein including without limitation any changes resulting from actions under Section 6.4) or identifying any representation or warranty which is not, or no longer is, true and correct and explaining the state of facts giving rise to the change. In no event shall Seller be liable to Purchaser for, or be deemed to be in default hereunder by reason of, any breach of representation or warranty which results from any change that (i) occurs between the Effective Date and the date of Closing and (ii) is permitted under the terms of this Agreement or is beyond the reasonable control of Seller to prevent; *provided, however*, that the occurrence of a change which is not permitted hereunder or is beyond the reasonable control of Seller to prevent shall, if materially adverse to Purchaser, at Purchaser's election, constitute the non-fulfillment of the condition set forth in Section 5.6.b) (unless such change was actually known to Purchaser prior to the expiration of the Inspection Period); if, despite changes or other matters described in such certificate, the Closing occurs, Seller's representations and warranties set forth in this Agreement shall be deemed to have been modified by all statements made in such certificate;

(f) deliver to the Title Company such evidence as the Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of Seller;

(g) deliver to the Title Company an owner's affidavit in the form of Exhibit H attached hereto, duly executed by Seller;

(h) deliver to Purchaser (which may occur by leaving such items at the Property) (a) the Leases, (b) the Assumed Service Contracts, (c) the licenses and permits, if any, in the possession of Seller, and (d) the leasing and property files and records which are material in connection with the continued operation, leasing and maintenance of the Property;

(i) deliver to Purchaser possession and occupancy of the Property, subject to the Permitted Exceptions;

(j) deliver to Title Company the Closing Statement in form and content reasonably satisfactory to Seller and Purchaser;

(k) deliver to Purchaser a Rent Roll for the Property dated not more than five days before the Closing Date;

(l) deliver to Title Company an executed FIRPTA Certificate in the form of Exhibit J attached hereto; and

(m) deliver to Title Company such additional documents as shall be reasonably required by the Title Company to consummate the transaction expressly contemplated by this Agreement, which additional documents may include transfer and recordation tax declarations.

5.3. Purchaser's Obligations at Closing. On or before the Closing Date, Purchaser shall:

(a) deliver to Escrow Agent the full amount of the Purchase Price, as increased or decreased by prorations and adjustments as herein provided, in immediately available wire transferred federal funds pursuant to Section 2.5, it being agreed that at Closing the Earnest Money (including, without limitation, the Independent Contract Consideration) shall be delivered to Seller and applied towards payment of the Purchase Price;

(b) deliver to Title Company a duly executed Assignment and Assumption and duly executed counterparts of the documents described in Section 5.2.d);

(c) deliver to Title Company a certificate duly executed by Purchaser, confirming that Purchaser's representations and warranties set forth in Section 6.5 are true and correct in all material respects as of the date of Closing;

(d) deliver to the Title Company such evidence as the Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of Purchaser;

(e) deliver to Title Company the Closing Statement in form and content satisfactory to Seller and Purchaser;

(f) deliver to Seller the Assignment of Purchase Agreement (as defined in Section 11.4 below), if applicable; and

(g) deliver to Title Company such additional documents as shall be reasonably required to consummate the transaction contemplated by this Agreement, which additional documents may include transfer and recordation tax declarations.

5.4. Credits and Prorations.

(a) The following shall be apportioned with respect to the Property as of 12:01 a.m. (Eastern time) on the day of Closing, as if Purchaser were vested with title to the Property during the entire day upon which Closing occurs:

(i) rents, if any, as and when collected (the term "rents" as used in this Agreement includes all payments, income, and revenues due and payable by tenants under the Leases and lessees, licensees, and concessionaires of portions of the Property);

(ii) taxes (including personal property taxes on the Personal Property) and assessments levied against the Property;

(iii) payments under the Assumed Service Contracts to be assumed by Purchaser at Closing;

(iv) gas, electricity and other utility charges for which Seller is liable shall be apportioned at Closing based on 95% of the utility charges in the month that is one year prior to the month in which the Closing occurs; and

(v) all other operating income, expenses or other items pertaining to the Property which are customarily prorated between a purchaser and a seller in the area in which the Property is located.

(b) Notwithstanding anything contained in the foregoing provisions:

(i) At Closing, (A) Seller shall, at Seller's option, either deliver to Purchaser any refundable security, pet or other deposits (if any) paid or deposited by tenants (to the extent such deposits have not been returned or applied in accordance with the terms of the Leases prior to Closing) actually held by Seller pursuant to the Leases or credit to the account of Purchaser the amount of such deposits; and (B) Seller shall be entitled to receive and retain all refundable cash or other deposits posted with utility companies serving the Property.

(ii) Any taxes paid at or prior to Closing shall be prorated based upon the amounts actually paid. If taxes and assessments for the current year have not been paid before Closing, Seller shall be charged at Closing an amount equal to that portion of such taxes and assessments which relates to the period before Closing and Purchaser shall pay the taxes and assessments prior to their becoming delinquent. Any such apportionment made with respect to a tax year for which the tax rate or assessed valuation, or both, have not yet been fixed shall be based upon the tax rate and/or assessed valuation last fixed. In the event that any tax appeals are pending as of Closing (i) Seller shall be entitled to continue the prosecution of such appeals with respect to any tax year prior to the tax year in which Closing occurs and shall be entitled to receive all proceeds of such appeal, (ii) Seller shall be entitled to continue the prosecution of such appeals with respect to the tax year in which Closing occurs and all costs, expenses and proceeds thereof shall be prorated between the parties based on their respective periods of ownership during such year, and (iii) Purchaser shall be entitled to continue the prosecution of such appeals with respect to any tax year following the tax year in which Closing occurs and shall be entitled to receive all proceeds thereof.

(iii) Charges referred to in Section 5.4.a) which are payable by any tenant to a third party shall not be apportioned hereunder, and Purchaser shall accept title subject to any of such charges unpaid and Purchaser shall look solely to the tenant responsible therefor for the payment of the same. If Seller shall have paid any of such charges on behalf of any tenant, and shall not have been reimbursed therefor by the time of Closing, Purchaser shall credit to Seller an amount equal to the prorated charges so paid by Seller.

(iv) Seller shall receive the entire advantage of any discounts for the prepayment by it of any taxes, water rates or sewer rents.

(v) As to gas, electricity and other utility charges, Seller may on notice to Purchaser elect to pay one or more of said items accrued to the date hereinabove fixed for apportionment directly to the person or entity entitled thereto, and to the extent Seller so elects, such item(s) shall not be apportioned hereunder, and Seller's obligation to pay such item directly in such case shall survive the Closing.

(vi) Unpaid and delinquent rent and any other income (including, without limitation, reimbursements due from tenants) of the Property collected by Seller and Purchaser after the date of Closing shall be delivered as follows: (a) if Seller collects any unpaid or delinquent rent or other income for the Property, Seller shall, within 15 days after the receipt thereof, deliver to Purchaser all such rent and other income which Purchaser is entitled to hereunder relating to the date of Closing and any period thereafter, and (b) if Purchaser collects any unpaid or delinquent rent or other income from the Property, Purchaser shall, within 15 days after the receipt thereof, deliver to Seller any such rent or other income which Seller is entitled to hereunder relating to the period prior to the date of Closing. Seller and Purchaser agree that all rent received after the date of Closing (other than Special Rent) shall be applied first to current rentals and then to delinquent rentals, if any, in inverse order of maturity. Purchaser will make a good faith effort after Closing to collect all rents and other income in the usual course of Purchaser's operation of the Property, but Purchaser will not be obligated to institute any lawsuit or other collection procedures to collect delinquent rents or other income, or cause tenants to be forcibly removed. With respect to any delinquent rents existing as of Closing, Purchaser shall, without cost or charge to Purchaser, timely prepare and file with any surety or similar company providing security for the payment of same such documents as may be required to make a claim and obtain payment of such security, and to the extent Purchaser receives such payment with respect to delinquent rents applicable to the period prior to Closing, same shall be promptly delivered to Seller. Notwithstanding the foregoing provisions of this Section 5.4(b)(vi), Seller shall have the right, but not the obligation, to pursue payment of delinquent or unpaid rents, reimbursements and other charges from former or then-current tenants of the Property by any and all legal means short of termination of the relevant Lease or the eviction of the tenant from the Property. In the event that there shall be any rents or other charges (including, without limitation, utility expense and renter's insurance reimbursements) under any Lease which, although relating to a period prior to Closing, do not become due and payable until after Closing or are paid prior to Closing but are subject to adjustment after Closing, such as year-end common area expense reimbursements and the like (which rents or other charges are sometimes referred to herein collectively as "Special Rent"), then Seller shall provide Seller's best estimate of all Special Rent that is applicable to the period prior to Closing and uncollected as of Closing and Seller shall receive a credit at Closing for all such estimated uncollected Special Rent applicable to the period prior to Closing. The amount of such credit shall be subject to true-up in accordance with Section 5.4(d) based on the amounts actually collected.

(vii) All Tenant Inducement Costs and leasing commissions incurred by or on behalf of the landlord in connection with the particular lease transaction which become due and payable (whether before or after Closing) (1) as a result of any renewals, extensions or expansions of existing Leases entered into between the Effective Date and the date of Closing, and (2) under any new Leases entered into between the Effective Date and the date of Closing, shall be prorated between Seller and Purchaser based upon their respective periods of ownership of the Property.

(viii) Purchaser shall have the right to inspect all vacant units (the "Pre-Closing Inspection") five Business Days prior to the scheduled Closing Date. Purchaser shall receive a credit in the amount of $750.00 for each vacant unit which is not "rent ready." For purposes of this Section, "rent ready" shall mean all mechanical systems, appliances, plumbing and window coverings shall be in good and operational condition, cabinets, walls, countertops and carpets shall be clean. Purchaser shall not receive such a credit for any units vacated after the Pre-Closing Inspection.

(c) Not less than three Business Days prior to the scheduled Closing Date, Seller shall endeavor to deliver to Purchaser Seller's calculations of the credits and pro-rations to be made pursuant to this Section 5.4, together with reasonable supporting documentation to the extent not previously provided to Purchaser as part of the Due

Diligence Materials, for Purchaser's review and reasonable approval. Seller and Purchaser shall work together in good faith to agree upon and finalize such credits and pro-rations prior to Closing. The final credits and pro-rations as agreed upon by Seller and Purchaser shall be provided to Title Company for inclusion on the Closing Statement.

(d) The credits and prorations to be apportioned pursuant to this Section 5.4 shall be made by the parties on the basis of the best information available to them as of the Closing Date. To the extent that there are any credits and prorations that are based on estimates as of the Closing Date and the actual amount differs from the amount apportioned at Closing, the parties shall make all necessary adjustments by appropriate payments between themselves on the 60th day following Closing, and shall make final adjustments no later than the 120 days following Closing, and same shall otherwise be final and unappealable; provided, however, that (i) if after the Closing, Purchaser shall receive any rents or other income (including reimbursements from tenants) that are applicable to the period prior to the Closing, Purchaser shall promptly pay such rents or other income to Seller with a reasonably detailed accounting thereof; and (ii) if after the Closing, Seller shall receive any rents or other income (including reimbursements from tenants) that are applicable to the period after Closing, Seller shall promptly pay such rents or other income to Purchaser with a reasonably detailed accounting thereof. This Section 5.4(d) shall survive the Closing for a period of 120 days.

5.5. Closing Costs. Seller shall pay: (A) the fees of any counsel representing it in connection with this transaction; (B) one-half of the escrow fee and closing fee charged by Escrow Agent or Title Company; (C) the grantor's tax, the regional congestion relief fee, and the regional WMATA capital fee which become payable by reason of the transfer of the Property; (D) the fees for recording any documents required of Seller to be recorded in order for Seller to satisfy its obligations under Article III of this Agreement; (E) one-half of the cost of the Existing Survey; and (F) the amount of $30,000.00 towards the R&W Insurance Policy Costs if Purchaser obtains the R&W Insurance Policy. Purchaser shall pay or reimburse Seller for, as applicable: (1) the fees of any counsel representing Purchaser in connection with this transaction; (2) the fee for the title examination and the Title Commitment, and the premium for the Owner's Policy of Title Insurance to be issued to Purchaser by the Title Company at Closing; (3) the cost of any update to the Existing Survey or new survey and one-half of the cost of the Existing Survey, not to exceed $3,000; (4) the fees for recording the Deed; (5) any transfer tax, recordation tax, documentary stamp tax or similar tax which becomes payable by reason of the transfer of the Property other than those payable by Seller pursuant to clause (C) above; (6) one-half of the escrow fee and closing fee charged by Escrow Agent or Title Company; and (7) all R&W Insurance Policy Costs that are in excess of Seller's payment pursuant to clause (F) above if Purchaser obtains the R&W Insurance Policy. All other costs and expenses incident to this transaction and the closing thereof shall be paid by the party incurring such costs and expenses. The provisions of this Section 5.5 shall survive the Closing or any early termination of this Agreement.

5.6. Conditions Precedent to Obligation of Purchaser. The obligation of Purchaser to consummate the transaction hereunder shall be subject to the fulfillment on or before the date of Closing of all of the following conditions, any or all of which may be waived by Purchaser in its sole discretion:

(a) Seller shall have delivered to Escrow Agent or Title Company all of the items required to be delivered by Seller pursuant to the terms of this Agreement, including but not limited to, those provided for in Section 5.2.

(b) All of the representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects as of the date of Closing (with appropriate modifications permitted under this Agreement or not materially adverse to Purchaser).

(c) Seller shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Seller as of the date of Closing.

(d) In the event any condition in this Section 5.6 has not been satisfied (or waived in writing by Purchaser) prior to or on the Closing Date, Seller shall be entitled to a reasonable adjournment of the Closing to satisfy such failed condition, but in no event shall such adjournment exceed five Business Days.

5.7. Conditions Precedent to Obligation of Seller. The obligation of Seller to consummate the transaction hereunder shall be subject to the fulfillment on or before the date of Closing of all of the following conditions, any or all of which may be waived by Seller in its sole discretion:

(a) Seller shall have received the Purchase Price as adjusted pursuant to and payable in the manner provided for in this Agreement.

(b) Purchaser shall have delivered to Escrow Agent or Title Company all of the items required to be delivered by Purchaser pursuant to the terms of this Agreement, including but not limited to, those provided for in Section 5.3.

(c) All of the representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects as of the date of Closing (with appropriate modifications with respect to representations and warranties not materially adverse to Seller).

(d) Purchaser shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Purchaser as of the date of Closing.

(e) In the event any condition in this Section 7 has not been satisfied (or waived in writing by Seller) prior to or on the Closing Date, Purchaser shall be entitled to a reasonable adjournment of the Closing to satisfy such failed condition, but in no event shall such adjournment exceed five Business Days.

(f)

ARTICLE VI

REPRESENTATIONS, WARRANTIES AND COVENANTS

6.1. Representations and Warranties of Seller. Seller makes the following representations and warranties to Purchaser as of the Effective Date:

(a) Organization and Authority. Seller has been duly organized and is validly existing under the laws of the state of its formation. Seller has the full right and authority to enter into this Agreement and to transfer all of the Property to be conveyed by Seller pursuant hereto and to consummate or cause to be consummated the transactions contemplated herein to be made by Seller. The person signing this Agreement on behalf of Seller is authorized to do so.

(b) Pending Actions. To Seller's knowledge, except as set forth on Schedule 6.1(b), there is no action, suit, arbitration, unsatisfied order or judgment, governmental investigation or proceeding pending and served on Seller against the Property or the transaction contemplated by this Agreement which is not covered by insurance or which, if adversely determined, could individually or in the aggregate have a material adverse effect on title to, or the use or operation of, the Property or any portion thereof or which could in any material way interfere with the consummation by Seller of the transaction contemplated by this Agreement.

(c) Leases. Seller is the lessor or landlord or the successor lessor or successor landlord under the Leases. Except as set forth on Schedule 6.1(c) and the Rent Roll, (i) to Seller's knowledge, no material default, delinquency or breach exists on the part of any tenant, and (ii) there are no material defaults or breaches existing on the part of the landlord under any Lease. Notwithstanding anything to the contrary contained in this Agreement, Seller does not represent or warrant that any particular Lease will be in force or effect at Closing or that the tenants under the Leases will have performed their obligations thereunder. The non-performance of any obligations by any tenant under a Lease or the expiration or termination of any Lease prior to Closing shall not affect the obligations of Purchaser under this Agreement in any manner or entitle Purchaser to an abatement of or credit against the Purchase Price or give rise to any other claim on the part of Purchaser.

(d) Lease Brokerage. To Seller's knowledge, there are no lease brokerage agreements, leasing commission agreements or other agreements providing for payments of any amounts for leasing activities or procuring tenants with respect to the Property which will become due and payable after Closing other than as disclosed in Schedule 6.1(d).

(e) Service Contracts. Subject to Section 6.4(c) and Section 6.7, the Service Contracts listed on the Service Contracts Schedule constitute all of the Service Contracts executed or assumed in writing by Seller that will be binding on Purchaser following Closing. To Seller's knowledge, Seller has not delivered or received any written notice of a default under or with respect to any Assumed Service Contract that has not been resolved.

(f) No Violations. Except as set forth on Schedule 6.1(f), to Seller's knowledge, Seller has not received prior to the Effective Date any written notification from any governmental or public authority that the Property is in violation of any applicable fire, health, safety, environmental, fair housing, building, use, occupancy or zoning laws, where such violation remains outstanding, and, if unaddressed, would have a material adverse effect on the operation or use of the Property as currently operated and used.

(g) Condemnation. Except as set forth on Schedule 6.1(g), to Seller's knowledge, no condemnation or eminent domain proceedings relating to the Property are pending or threatened.

(h) Antiterrorism Matters. Neither Seller nor to Seller's knowledge any individual or entity having an interest in Seller: (i) is named or is acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order, including without limitation Executive Order 13224, or the United States Treasury

Department as a terrorist, “Specially Designated National and Blocked Person,” or other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enacted, enforced or administered by the Office of Foreign Assets Control (“OFAC”); or (ii) is engaged in this transaction, directly or indirectly, for or on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity or nation.

(i) Bankruptcy. Seller has not (a) commenced a voluntary case with respect to it or its assets, or to Seller’s knowledge, had entered against it a petition, for relief under any federal bankruptcy act or any similar petition, order or decree under any federal or state law or statute relative to bankruptcy, insolvency or other relief for debtors, (b) caused, suffered or consented to the appointment of a receiver, trustee, administrator, conservator, liquidator, or similar official in any federal, state, or foreign judicial or non-judicial proceeding, to hold, administer and/or liquidate all or substantially all of its assets, or (c) made a general assignment for the benefit of creditors.

(j) Encumbrances. The Personal Property will be transferred to Purchaser free from all liens, security interests, and encumbrances, except only for Personal Property taxes, not yet due and payable.

(k) Financial. The Rent Rolls and financial statements furnished to Purchaser by or on behalf of Seller are the Rent Rolls and financial statements used and relied upon by Seller in its operation of the Property.

(l) Property Owner’s Associations. To Seller’s knowledge, no property owner’s association, home owner’s association, or similar entity or association has assessment or governing authority over any portion of the Property.

(m) No Options. (i) Seller has not granted any right of first refusal to purchase, or right of first offer or option, to purchase the Property (or similar purchase rights) which remain in effect and (ii) except for this Agreement or as otherwise provided in this Agreement, Seller has not committed or obligated itself in writing in any manner whatsoever to sell the Property or any interest therein to any party.

(n) Designated Representatives. The Designated Representatives (hereafter defined) are employed by Seller, Seller’s Property manager, or an affiliate of either, in a management-level capacity or higher, and have knowledge of the day-to-day operations of the Property.

6.2. Knowledge Defined. References to the “knowledge” of Seller shall refer only to the actual knowledge of [***] and [***] (collectively, the “Designated Representatives”), and shall not be construed, by imputation or otherwise, to refer to the knowledge of Seller or any affiliate of Seller, to any property manager, or to any other officer, agent, manager, representative or employee of Seller any affiliate of Seller or to impose upon such Designated Representatives any duty to investigate the matter to which such actual knowledge, or the absence thereof, pertains. Purchaser acknowledges that the Designated Representatives are named solely for the purpose of defining the scope of Seller’s knowledge and not for the purpose of imposing any liability on the Designated Representatives. The provisions of this Section 6.2 shall survive the Closing.

6.3. Survival of Seller’s Representations and Warranties; R&W Insurance.

(a) The representations and warranties of Seller set forth in this Agreement shall terminate at Closing and shall not survive Closing.

(b) Purchaser shall have the right to obtain the R&W Insurance Policy from the R&W Insurer. If Purchaser elects to obtain the R&W Insurance Policy, promptly following the Effective Date, Purchaser shall use commercially reasonable efforts to obtain and bind the R&W Insurance Policy and, as soon as practicable after the Closing, Purchaser shall deliver to Seller a true and complete copy of the final R&W Insurance Policy. Seller shall reasonably cooperate with Purchaser's efforts and provide commercially reasonable assistance as reasonably requested by Purchaser to obtain and bind the R&W Insurance Policy including by providing information and documents in Seller's possession reasonably requested by the R&W Insurer. The obtaining of the R&W Insurance Policy is not a condition to Closing and Purchaser shall remain obligated to consummate the Closing in accordance with this Agreement if Purchaser is unable to obtain the R&W Insurance Policy. The R&W Insurance Policy shall expressly provide that the insurer thereunder shall have no right of subrogation, contribution, or otherwise to make or bring any action or proceeding against any of the Seller Parties, except in the case of Fraud. The Seller Parties shall be express third party beneficiaries of the foregoing provision. Neither Purchaser nor any of its affiliates shall amend the foregoing subrogation provision or third-party beneficiary language in any manner adverse to the Seller Parties without the prior written consent of Seller which consent may be given or withheld in Seller's sole discretion. At Closing, Seller shall contribute the amount of $30,000.00 towards the R&W Insurance Policy Costs and the remainder of the R&W Insurance Policy Costs shall be paid by Purchaser.

(c) The provisions of this Section 6.3 shall survive Closing.

6.4. Covenants of Seller. Seller covenants with Purchaser as follows:

(a) From the Effective Date hereof until the Closing or earlier termination of this Agreement, Seller shall use reasonable efforts to operate and maintain the Property in a manner generally consistent with the manner in which Seller has operated and maintained the Property prior to the Effective Date (including maintaining the same levels of insurance coverage in effect with respect to the Property as of the Effective Date), provided that Seller shall not obligated to make any capital expenditures in connection therewith.

(b) From the Effective Date until the Closing or earlier termination of this Agreement, Seller, without Purchaser's consent, may enter into new leases with residential tenants and may enter into renewals, extensions and terminations of existing Leases with residential tenants, in the ordinary course of Seller's operation of the Property on terms materially consistent with those previously used by Seller in the ordinary course of Seller's business.

(c) From the Effective Date hereof until the Closing or earlier termination of this Agreement, Seller shall not enter into any new Service Contracts without Purchaser's prior written consent, provided that Seller may, without the prior consent of Purchaser, enter into any new Service Contracts in the normal course of business which by their terms are terminable upon 30 days or less notice without payment of a fee or penalty, provided that Seller shall provide Purchaser written notice thereof and a copy of any such new Service Contracts the term of which shall extend after Closing.

6.5. Representations and Warranties of Purchaser. Purchaser represents and warrants to Seller:

(a) Organization and Authority. Purchaser is validly existing and in good standing under the laws of the state of its formation. Purchaser has the full right, power and authority to purchase the Property as provided in this Agreement and to carry out Purchaser's obligations hereunder, and all requisite action necessary to authorize Purchaser to enter into this Agreement and to carry out its obligations hereunder have been taken. The person signing this Agreement on behalf of Purchaser is authorized to do so.

(b) Pending Actions. There is no action, suit, arbitration, unsatisfied order or judgment, government investigation or proceeding pending against Purchaser which, if adversely determined, could individually or in the aggregate materially interfere with the consummation by Purchaser of the transaction contemplated by this Agreement.

(c) ERISA. Purchaser is not, and is not acquiring the Property on behalf of, (i) an "employee benefit plan" (within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") subject to Title I of ERISA, (ii) a "plan" (within the meaning of Section 4975(e)(1) of the Code) subject to Section 4975 of the Code or (iii) an entity the underlying assets of which are treated as "plan assets" under Department of Labor Regulation 29 CFR Section 2510.3-101, as modified by Section 3(42) of ERISA, or otherwise for purposes of Title I of ERISA or Section 4975 of the Code. Purchaser is not a "governmental plan" within the meaning of Section 3(32) of ERISA, and none of Purchaser's assets are subject to state statutes regulating investments with respect to governmental plans.

(d) Sufficient Funds. Purchaser (i) will have on the Closing Date sufficient cash on hand to pay the Purchase Price and all related expenses required to be paid by Purchaser, and there is not, and there will not be on the Closing Date, any restriction on the use of such cash for such purpose and (ii) will have on the Closing Date the resources and capabilities (financial or otherwise) to perform and satisfy the obligations of Purchaser set forth in this Agreement, including in connection with the transactions contemplated by this Agreement, in the case of each of clauses (i) and (ii), on the terms and conditions contained in this Agreement, and has not incurred, and as of the Closing Date will not have incurred, any obligation, commitment, restriction or liability of any kind that would impair or adversely affect such resources and capabilities. Purchaser acknowledges that the obligations of Purchaser hereunder are not subject to any conditions regarding the ability of Purchaser to obtain financing for the consummation of the transactions contemplated by this Agreement or otherwise.

(e) Antiterrorism Matters; CFIUS; Anti-Money Laundering Laws. Neither Purchaser nor to Purchaser's knowledge any individual or entity having an interest in Purchaser: (i) is named or is acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order, including without limitation Executive Order 13224, or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enacted, enforced or administered by OFAC; (ii) is engaged in this transaction, directly or indirectly, for or on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity or nation; (iii) is under investigation by any governmental authority for, or has been charged with, or convicted of, money laundering, drug trafficking, terrorist related activities, any crimes which in the United States would be predicate crimes to money laundering or any violation of any Anti-Money Laundering Laws (as defined below); (iv) has been assessed civil or criminal penalties under any Anti-Money Laundering Laws; or (v) has had any of its funds seized or forfeited in any action under any Anti-Money Laundering Laws. Purchaser is not a “foreign person” as that term is defined in 31 C.F.R. § 802.221 for purposes of the regulations governing the Committee on Foreign Investment in the United States (“CFIUS”). None of the proceeds used to pay the Purchase Price have been or will be derived from a “specified unlawful activity” as defined in, and Purchaser is not otherwise in violation of, the Money Laundering Control Act of 1986, as amended, or any other Anti-Money Laundering Laws. For purposes of this Agreement, the term “Anti-Money Laundering Laws” shall mean laws, regulations and sanctions, state and federal, criminal and civil, that (1) limit the use of and/or seek the forfeiture of proceeds from illegal transactions; (2) limit commercial transactions with designated countries or individuals believed to be terrorists, narcotics dealers or otherwise engaged in activities contrary to the interests of the United States; (3) require identification and documentation of the parties with whom a Financial Institution conducts business; or (4) are designed to disrupt the flow of funds to terrorist organizations. Such laws, regulations and sanctions shall be deemed to include the USA PATRIOT Act of 2001, Pub. L. No. 107-56, the Bank Secrecy Act, 31 U.S.C. Section 5311 et. seq., the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et. seq., the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et. seq., and the sanction regulations promulgated pursuant thereto by the OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Section 1956 and 1957.

(f) Bankruptcy. Purchaser has not (a) commenced a voluntary case with respect to it or its assets, or to Purchaser’s knowledge, had entered against it a petition, for relief under any federal bankruptcy act or any similar petition, order or decree under any federal or state law or statute relative to bankruptcy, insolvency or other relief for debtors, (b) caused, suffered or consented to the appointment of a receiver, trustee, administrator, conservator, liquidator, or similar official in any federal, state, or foreign judicial or non-judicial proceeding, to hold, administer and/or liquidate all or substantially all of its assets, or (c) made a general assignment for the benefit of creditors.

6.6. Survival of Purchaser’s Representations and Warranties. The representations and warranties of Purchaser set forth in Section 6.5 shall survive Closing for six months.

6.7. Service Contracts. On or prior to the expiration of the Inspection Period, Purchaser will advise Seller in writing which Service Contracts it will assume and which Service Contracts Purchaser requests that Seller deliver written termination at or prior to Closing, provided that Seller shall have no obligation to terminate, and Purchaser shall be obligated to assume, the Service Contracts listed on Schedule 6.7 attached hereto, unless such Service Contracts can be terminated with the payment of a termination charge and Purchaser agrees to pay such termination charge. If Purchaser does not exercise its right to terminate this Agreement prior to the expiration of the Inspection Period, Seller shall give notice of termination of all Service Contract(s) (or otherwise make such Service Contracts inapplicable to the Property) that are not Assumed Service Contracts to the applicable vendor(s).

6.8. Fairfax County Easements. Fairfax County, Virginia (“Fairfax County”) is the owner of property that is adjacent to the Property and used by Fairfax County as a pumping station (the “Fairfax County Property”). Fairfax County intends to redevelop (or otherwise make improvements to) the Fairfax County Property which will require that the owner of the Property grant access, construction, sewer, utility, and/or other easements to Fairfax County (collectively, the “Fairfax County Easements”). Seller shall have the right to enter into, and record as an encumbrance of the Property, the Fairfax County Easements in form and substance acceptable to Seller and Fairfax County, provided that (i) prior to the expiration of the Inspection Period (unless this Agreement is terminated), Seller shall consult with Purchaser and reasonably consider its input before entering into any Fairfax County Easements, and (ii) from and after the expiration of the Inspection Period and for as long as this Agreement remains in effect, Seller shall not enter into any Fairfax County Easements without the prior written consent of Purchaser, which consent may be withheld in Purchaser's sole discretion. Purchaser agrees to notify Seller in writing within five Business Days after its receipt of any draft Fairfax County Easements of either its approval or disapproval thereof, and, if disapproved, the specific reasons for such disapproval and the proposed specific revisions that would make such draft acceptable to Purchaser. In the event Purchaser fails to notify Seller in writing of its approval or disapproval within the five Business Day period set forth above, such failure shall be deemed the approval by Purchaser of the applicable draft Fairfax County Easements submitted to Purchaser. Any consideration paid by Fairfax County for the Fairfax County Easements shall be split equally between Seller and Purchaser, and the party collecting same shall promptly deliver to the other party such party's share of that consideration. The provisions of this Section 6.8 shall survive Closing.

ARTICLE VII

FAILURE TO CLOSE

7.1. By Purchaser. In the event that Purchaser fails to consummate this Agreement for any reason other than Seller's default or the permitted termination of this Agreement by either Seller or Purchaser as herein expressly provided, Seller shall be entitled, as its sole remedy, to terminate this Agreement and receive the Earnest Money as liquidated damages for the breach of this Agreement, it being agreed between the parties hereto that the actual damages to Seller in the event of such breach are impractical to ascertain and the amount of the Earnest Money is a reasonable estimate thereof. The foregoing liquidated damages provision of this Section shall not: (a) apply to Purchaser's obligations under Section 11.1, nor shall Purchaser be entitled to credit or offset the Earnest Money or any portion thereof against any damages suffered by Seller by reason of Purchaser's default with respect thereto; (b) be deemed to limit Purchaser's liability under any indemnity or breach of any covenant under this Agreement that is expressly stated to survive the Closing or early termination of this Agreement; (c) apply to any of Purchaser's survival obligations specified in Section 11.20 or elsewhere in this Agreement; or (d) apply to Purchaser's obligations specified in Section 11.24.

7.2. By Seller. In the event that Seller fails to consummate this Agreement for any reason other than Purchaser's default or the permitted termination of this Agreement by Seller or Purchaser as herein expressly provided, Purchaser shall be entitled, as its sole remedy, either (a) to receive the return of the Earnest Money, which return shall operate to terminate this Agreement and release Seller from any and all liability hereunder, provided that Seller shall reimburse Purchaser for all documented out-of-pocket costs, expenses, and fees incurred by Purchaser to examine and inspect the Property, negotiate this Agreement, and engage various brokers, appraisers, architects, engineers, attorneys, environmental consultants, surveyors, and others to assist Purchaser with its analysis, but in no event shall such amounts exceed $150,000 in the aggregate, or (b) to enforce specific performance of Seller's obligation to consummate the Closing pursuant to the terms and conditions of this Agreement, it being understood and agreed that the remedy of specific performance shall not be available to enforce any other obligation of Seller hereunder; provided, however, that if the remedy of specific performance is unavailable to Purchaser because Seller has sold the Property to a third party instead of to Seller or its Permitted Assignee, Purchaser may as its sole remedy seek to recover as damages the positive difference between the purchase price received by Seller for such conveyance to the third party and the Purchase Price. Except as provided in this Section 7.2, Purchaser expressly waives its rights to seek damages of any kind, including, without limitation, ordinary, consequential, exemplary or punitive damages, in the event of Seller's default or failure to close hereunder. Purchaser shall be deemed to have elected to terminate this Agreement and receive back the Earnest Money in accordance with the foregoing clause (a) if Purchaser fails to file suit for specific performance against Seller in a court having jurisdiction in the City or County and State in which the Real Property is located, on or before 30 days following the date upon which Closing was to have occurred.

ARTICLE VIII

RISK OF LOSS

8.1. Minor Damage. In the event of loss or damage to the Property or any portion thereof which is not "major" (as hereinafter defined), this Agreement shall remain in full force and effect provided Seller performs any necessary repairs or, at Seller's option, assigns to Purchaser all of Seller's right, title and interest to any claims and proceeds Seller may have with respect to any casualty insurance policies or condemnation awards relating to the premises in question, less the costs and expenses incurred by Seller in collecting such insurance proceeds or condemnation awards and in effectuating any repairs to the Property. In the event that Seller elects to perform repairs upon the Property, Seller shall use reasonable efforts to complete such repairs promptly and the date of Closing shall be extended a reasonable time in order to allow for the completion of such repairs. If Seller elects to assign a casualty claim to Purchaser, the Purchase Price shall be reduced by an amount equal to the deductible amount under Seller's insurance policy. Upon Closing, full risk of loss with respect to the Property shall pass to Purchaser.

8.2. Major Damage. In the event of a "major" loss or damage, Purchaser may terminate this Agreement by written notice to Seller, in which event the Earnest Money shall be returned to Purchaser. If Purchaser does not elect to terminate this Agreement within 10 days after Seller sends Purchaser written notice of the occurrence of major loss or damage (and the Closing shall be extended if and to the extent necessary to afford such 10 day period), then Purchaser shall be deemed to have elected to proceed with Closing, in which event Seller shall, at Seller's option, either (a) perform any necessary repairs, or (b) assign to Purchaser all of Seller's right, title and interest to any claims and proceeds Seller may have with respect to any casualty insurance policies or condemnation awards relating to the premises in question, less the reasonable costs and expenses incurred by Seller in collecting such insurance proceeds or condemnation awards and in effectuating any repairs to the Property. In the event that Seller elects to perform repairs upon the Property, Seller shall use reasonable efforts to complete such repairs promptly and the date of Closing shall be extended a reasonable time in order to allow for the completion of such repairs. If Seller elects to assign a casualty claim to Purchaser, the Purchase Price shall be reduced by an amount equal to the deductible amount under Seller's insurance policy. Upon Closing, full risk of loss with respect to the Property shall pass to Purchaser.

8.3. Definition of "Major" Loss or Damage. For purposes of Sections 8.1 and 8.2, "major" loss or damage refers to the following: (i) loss or damage to the Property or any portion thereof such that the cost of repairing or restoring the premises in question to a condition substantially identical to that of the premises in question prior to the event of damage would be, in the opinion of an engineer or architect selected by Seller and reasonably approved by Purchaser, equal to or greater than an amount equal to 1.5% of the Purchase Price, and (ii) any loss due to a condemnation which permanently and materially impairs the current use of the Property, parking, access, or visibility from public streets adjacent to the Property. If Purchaser does not give notice to Seller of Purchaser's reasons for disapproving an engineer or architect within five Business Days after receipt of notice of the proposed engineer or architect, Purchaser shall be deemed to have approved the engineer or architect selected by Seller.

ARTICLE IX

COMMISSIONS

9.1. Brokerage Commissions. In the event the transaction contemplated by this Agreement is consummated, but not otherwise, Seller agrees to pay to Seller's Broker at Closing a brokerage commission pursuant to a separate written agreement between Seller and Seller's Broker. Each party agrees that should any claim be made for brokerage commissions or finder's fees by any broker or finder other than Seller's Broker by, through or on account of any acts of said party or its representatives, that party will indemnify and hold the other party free and harmless from and against any and all loss, liability, cost, damage and expense in connection therewith. The provisions of this Section 9.1 shall survive Closing or earlier termination of this Agreement.

ARTICLE X

DISCLAIMERS AND WAIVERS

10.1. No Reliance on Documents. Except as expressly stated in this Agreement, Seller makes no representation or warranty as to the truth, accuracy or completeness of any materials, data or information delivered by Seller to Purchaser in connection with the transaction contemplated hereby. All materials, data and information delivered by Seller to Purchaser in connection with the transaction contemplated hereby are provided to Purchaser as a convenience only and that any reliance on or use of such materials, data or information by Purchaser shall be at the sole risk of Purchaser, except as otherwise expressly stated herein. Without limiting the generality of the foregoing provisions, Purchaser acknowledges and agrees that (a) any environmental or other report with respect to the Property which is delivered by Seller to Purchaser shall be for general informational purposes only, (b) Purchaser shall not have any right to rely on any such report delivered by Seller to Purchaser, but rather will rely on its own inspections and investigations of the Property and any reports commissioned by Purchaser with respect thereto, and (c) neither Seller, any affiliate of Seller nor the person or entity which prepared any such report delivered by Seller to Purchaser shall have any liability to Purchaser for any inaccuracy in or omission from any such report.

10.2. DISCLAIMERS. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, IT IS UNDERSTOOD AND AGREED THAT SELLER IS NOT MAKING AND HAS NOT AT ANY TIME MADE ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESSED OR IMPLIED, WITH RESPECT TO THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OR REPRESENTATIONS AS TO HABITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE (OTHER THAN SELLER'S LIMITED WARRANTY OF TITLE TO BE SET FORTH IN THE DEED), ZONING, TAX CONSEQUENCES, LATENT OR PATENT PHYSICAL OR ENVIRONMENTAL CONDITION, UTILITIES, OPERATING HISTORY OR PROJECTIONS, VALUATION, GOVERNMENTAL APPROVALS, THE COMPLIANCE OF THE PROPERTY WITH GOVERNMENTAL LAWS, THE TRUTH, ACCURACY OR COMPLETENESS OF ANY DOCUMENTS OR ANY OTHER INFORMATION PROVIDED BY OR ON BEHALF OF SELLER TO PURCHASER, OR ANY OTHER MATTER OR THING REGARDING THE PROPERTY. PURCHASER ACKNOWLEDGES AND AGREES THAT UPON CLOSING SELLER SHALL SELL AND CONVEY TO PURCHASER AND PURCHASER SHALL ACCEPT THE PROPERTY "AS IS, WHERE IS, WITH ALL FAULTS". PURCHASER HAS NOT RELIED AND WILL NOT

RELY ON, AND SELLER IS NOT LIABLE FOR OR BOUND BY, ANY EXPRESSED OR IMPLIED WARRANTIES, GUARANTIES, STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY OR RELATING THERETO (INCLUDING SPECIFICALLY, WITHOUT LIMITATION, THE DUE DILIGENCE MATERIALS AND PROPERTY INFORMATION PACKAGES DISTRIBUTED WITH RESPECT TO THE PROPERTY) MADE OR FURNISHED BY SELLER, THE MANAGER OF THE PROPERTY, OR ANY REAL ESTATE BROKER OR AGENT REPRESENTING OR PURPORTING TO REPRESENT SELLER, TO WHOMEVER MADE OR GIVEN, DIRECTLY OR INDIRECTLY, ORALLY OR IN WRITING, UNLESS SPECIFICALLY SET FORTH IN THIS AGREEMENT. PURCHASER REPRESENTS TO SELLER THAT PURCHASER HAS CONDUCTED, OR WILL CONDUCT PRIOR TO CLOSING, SUCH INVESTIGATIONS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AS PURCHASER DEEMS NECESSARY TO SATISFY ITSELF AS TO THE CONDITION OF THE PROPERTY AND THE EXISTENCE OR NONEXISTENCE OR CURATIVE ACTION TO BE TAKEN WITH RESPECT TO ANY HAZARDOUS OR TOXIC SUBSTANCES ON OR DISCHARGED FROM THE PROPERTY, AND WILL RELY SOLELY UPON SAME AND NOT UPON ANY INFORMATION PROVIDED BY OR ON BEHALF OF SELLER OR ITS AGENTS OR EMPLOYEES WITH RESPECT THERETO. UPON CLOSING, PURCHASER SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING BUT NOT LIMITED TO, CONSTRUCTION DEFECTS AND ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS (INCLUDING HAZARDOUS OR TOXIC SUBSTANCES), MAY NOT HAVE BEEN REVEALED BY PURCHASER'S INVESTIGATIONS, AND PURCHASER, UPON CLOSING, SHALL BE DEEMED TO HAVE WAIVED, RELINQUISHED AND RELEASED SELLER AND THE OTHER SELLER PARTIES FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION (INCLUDING CAUSES OF ACTION IN TORT), LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES AND COURT COSTS) OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, WHICH PURCHASER MIGHT HAVE ASSERTED OR ALLEGED AGAINST SELLER OR THE OTHER SELLER PARTIES AT ANY TIME BY REASON OF OR ARISING OUT OF ANY LATENT OR PATENT CONSTRUCTION DEFECTS OR PHYSICAL CONDITIONS, VIOLATIONS OF ANY APPLICABLE LAWS (INCLUDING, WITHOUT LIMITATION, ANY ENVIRONMENTAL LAWS) AND ANY AND ALL OTHER ACTS, OMISSIONS, EVENTS, CIRCUMSTANCES OR MATTERS REGARDING THE PROPERTY. PURCHASER AGREES THAT SHOULD ANY CLEANUP, REMEDIATION OR REMOVAL OF HAZARDOUS OR TOXIC SUBSTANCES OR OTHER ENVIRONMENTAL CONDITIONS ON THE PROPERTY BE REQUIRED AFTER THE DATE OF CLOSING, NEITHER SELLER NOR THE OTHER SELLER PARTIES SHALL BE RESPONSIBLE SUCH CLEAN UP, REMOVAL OR REMEDIATION OR FOR ANY COSTS AND EXPENSES RELATED THERETO.

10.3. Effect and Survival of Disclaimers. The compensation to be paid to Seller for the Property has taken into account that the Property is being sold subject to the provisions of this Article X. Seller and Purchaser agree that the provisions of this Article X shall survive Closing.

ARTICLE XI

MISCELLANEOUS

11.1. Confidentiality.

(a) As used in this Agreement, the term "Confidential Information" means all Due Diligence Information and all other information concerning the Property, Seller, or Elme furnished to or otherwise made available to Purchaser or Purchaser's Personnel by

Seller's Broker, Seller, Elme or any other Seller Parties, including any documents, files, studies, reports, test results, brochures, offering materials, photographs, leases, rent rolls, surveys, title reports and commitments, legal documents, financial information, computer output and other materials and information relating to the Property and all analyses, compilations, forecasts, projections and other documents prepared based upon such materials and information, whether the same are in electronic, pictorial, written or other form, and whether oral, written or electronic. Confidential Information shall not include information that Purchaser can conclusively establish: (i) is or subsequently becomes generally available to the public without Purchaser's or Purchaser's Personnel's breach of any of the terms of this Agreement; (ii) was in the possession of Purchaser on a non-confidential basis prior to Seller's Broker, Seller's, Elme's or any other Seller Parties', disclosure of such information to Purchaser (and is not subject to any pre-existing or prior confidentiality agreement in favor of Seller or any Seller Parties, including Elme, and/or Seller's Broker); (iii) became known to Purchaser from a source other than Seller's Broker, Seller, Elme or any other Seller Parties who, to the knowledge of Purchaser or Purchaser's Personnel, is not subject to any confidentiality agreement regarding such information; or (iv) is independently developed by Purchaser without use of or reliance on the Confidential Information.

(b) Purchaser shall maintain strictly confidential all Confidential Information and not disclose any Confidential Information (including information pertaining to the terms or existence of this Agreement, the fact that Seller has made the Confidential Information available to Purchaser or any other parties) to any third parties (except as otherwise expressly permitted by the terms of this Agreement). Confidential Information may be disclosed, reproduced, summarized or distributed only as expressly provided hereunder and shall be used solely and exclusively for evaluating the Property, and for no other purpose whatsoever. Without limiting the generality of the foregoing provisions of this Section 11.1(b), Purchaser shall take the same degree of care (but not less than reasonable care) as it takes with its own confidential information to safeguard the Confidential Information. If any court or governmental authority requires Purchaser to disclose any portion of the Confidential Information, Purchaser shall, to the extent permitted by law, (i) provide Seller with prompt written notice of such requirement, (ii) delay such disclosure consistent with applicable law in a manner that provides Seller with a reasonable opportunity to obtain a judicial protective order or other relief, and (iii) cooperate with Seller and the other Seller Parties in a commercially reasonable manner in obtaining any protective order or other remedy sought by Seller with respect to such requirement. If no such protective order or other remedy is obtained, then Purchaser may disclose only that portion of the Confidential Information that in the reasonable opinion of its legal counsel is legally required to be disclosed, and shall exercise all commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded the Confidential Information.

(c) Purchaser may disclose Confidential Information only to Purchaser's Personnel on a need-to-know basis. Purchaser's Personnel shall be informed by Purchaser of the confidential nature of the Confidential Information, shall be provided a copy of this Section 11.1, and shall be directed by Purchaser to keep all Confidential Information confidential in accordance with the requirements of this Section 11.1 and otherwise comply with this Section 11.1.

(d) Purchaser shall notify Seller promptly upon discovery of any unauthorized use or disclosure of Confidential Information, or any other breach of this Section 11.1 by Purchaser or Purchaser's Personnel, and will reasonably cooperate with Seller to regain possession of the Confidential Information and prevent its further unauthorized use. In any event, Purchaser shall be responsible for any unauthorized disclosure or use of the

Confidential Information by Purchaser's Personnel (including any action taken by any of Purchaser's Personnel that, if taken by Purchaser, would constitute a breach of this Agreement) or any other parties that receive the Confidential Information from Purchaser and/or Purchaser's Personnel.

(e) Upon termination of this Agreement, Purchaser shall promptly (and in any case within five Business Days) permanently destroy (with written certification of such destruction) or return all originals, copies, reproductions and summaries of Confidential Information, without retaining any copy, extract, or other reproduction (in whole or in part) of such Confidential Information and will require that Purchaser's Personnel do the same. Notwithstanding the foregoing, Purchaser and Purchaser's Personnel may retain Confidential Information in electronic form pursuant to its electronic backup processes, so long as such information is not accessible in the ordinary course of business and Purchaser or such Purchaser's Personnel continues to maintain the confidentiality of such retained Confidential Information, and if such information does become accessible it will be destroyed or returned in accordance with this Section 11.1(e).

(f) In the event that Purchaser or any of Purchaser's Personnel fails to comply with the terms and conditions of this Section 11.1, Purchaser and such Purchaser's Personnel shall be liable to Seller and the Seller Parties, including Elme, for such breach, and Seller and the Seller Parties, including Elme, shall be entitled to exercise any right, power, or remedy available at law or in equity for such breach. Without prejudice to any other rights or remedies that Seller and the Seller Parties, including Elme, may have with respect to any breach by Purchaser and/or any of Purchaser's Personnel, Purchaser on behalf of itself and Purchaser's Personnel, acknowledges and agrees that (a) damages may not be an adequate remedy for any breach of the terms of this Agreement by Purchaser and/or any of Purchaser's Personnel, and (b) Seller and the Seller Parties, including Elme, shall be entitled to seek injunctive relief or specific performance or other equitable relief without proof of special damages or the requirement to post a bond for the enforcement of the terms of this Section 11.1. Purchaser shall indemnify, save harmless and defend Seller and the Seller Parties, including Elme, against all losses directly or indirectly associated with any breach by Purchaser of any of Purchaser's Personnel of this Agreement. The failure or delay by Seller or any of the Seller Parties, including Elme, in exercising any right or remedy under this Section 11.1 will not operate as a waiver of such right or remedy. The Seller Parties, including Elme, are intended third party beneficiaries of the provisions of this Section 11.1.

(g) The provisions of this Section 11.1 shall survive any termination of this Agreement.

11.2. Public Disclosure; No Recordation. Any release to the public of information with respect to the sale contemplated herein or any matters set forth in this Agreement will be made only in the form approved by Seller. Notwithstanding the foregoing provisions of this Section 11.2, Purchaser, Seller and Seller Parties may make such disclosures (including press releases) as required by law, court order, or regulatory requirements (including the applicable rules of any stock exchange). Neither Purchaser nor its agents or representatives shall record or file this Agreement or any notice or memorandum hereof in any public records. The provisions of this Section shall survive Closing or any early termination of this Agreement.

11.3. Discharge of Obligations. The acceptance of the Deed by Purchaser shall be deemed to be a full performance and discharge of every representation and warranty made by Seller herein and every agreement and obligation on the part of Seller to be performed pursuant to the provisions of this Agreement or with respect to the Property other than Seller's obligations pursuant to Section 5.4(d) and Section 11.11 (it being understood that Seller shall have no liability to Purchaser with respect to the Property whether arising before or after the Closing, except as otherwise provided in this Agreement). The provisions of this Section shall survive Closing.

11.4. Assignment. Purchaser may not assign this Agreement or its rights under this Agreement without first obtaining Seller's written approval, which approval may be given or withheld in Seller's sole discretion. Notwithstanding the foregoing, but subject to the conditions set forth in this Section 11.4, Purchaser may assign its rights under this Agreement at Closing to an entity that is controlled by or under common control with Purchaser, or controlled by Purchaser's principals (a "Permitted Assignee") without the prior written consent of, but with the notice specified below to, Seller. Any transfer, directly or indirectly of any controlling ownership interest in Purchaser to anyone other than a Permitted Assignee without Seller's written approval, which approval may be given or withheld in Seller's sole discretion, shall constitute an assignment prohibited by this Section 11.4. In the event that Purchaser desires to assign its rights under this Agreement to a Permitted Assignee, Purchaser shall send written notice to Seller at least five Business Days prior to the Closing Date stating the name of the Permitted Assignee and its relationship to Purchaser, and Purchaser and the Permitted Assignee shall execute an instrument reasonably satisfactory to Seller whereby the Permitted Assignee expressly assumes each of the obligations of Purchaser under this Agreement, including specifically, without limitation, all obligations concerning the Earnest Money, and under all other documents and certificates required to be delivered by Purchaser hereunder, which instrument (the "Assignment of Purchase Agreement") shall be an additional document to be delivered by Purchaser at Closing. No assignment by Purchaser shall release or otherwise relieve Purchaser from any obligations hereunder. Nothing in this Section 11.4 or elsewhere in this Agreement shall be deemed to prohibit (i) Seller from assigning this Agreement, and Seller may assign this Agreement to a Successor Entity (defined below) that assumes the obligations of Seller under this Agreement, in which event the named Seller herein shall be released from all obligations hereunder, or (ii) one or more of the entities that hold direct or indirect ownership interests in Seller from assigning such direct or indirect ownership interests, and such entities may assign such direct or indirect ownership interests in Seller to a Successor Entity. Without limiting the foregoing, Elme may, through one or more internal transfers, transfer the ownership interests in Seller or the Property to a liquidating trust or other liquidating entity. As used herein, the term "Successor Entity" means an affiliate of Seller or a liquidating trust or other liquidating entity established by Seller, an affiliate of Seller, Elme, or the Board of Trustees of Elme.

11.5. Notices. Any notice pursuant to this Agreement shall be given in writing by (a) personal delivery, or (b) reputable overnight delivery service with proof of delivery, or (c) legible e-mail transmission sent to the intended addressee at the address set forth below, or to such other address or to the attention of such other person as the addressee shall have designated by written notice sent in accordance herewith, and shall be deemed to have been given either at the time of personal delivery or refusal of delivery, or, in the case of expedited delivery service on the first Business Day following delivery to such service, or, in the case of e-mail transmission, as of the date of the transmission if given prior to 5:00 p.m. (Eastern time) on a Business Day and provided that a copy of such transmission is also sent to the intended addressee by means described in clauses (a) or (b) above. Any notice given by e-mail transmission after 5:00 p.m. (Eastern time) or not on a Business Day shall be deemed given on the next following Business Day. Any notice to be given by any party hereto may be given by the counsel for such party. Unless changed in accordance with the preceding sentence, the addresses for notices given pursuant to this Agreement shall be as follows:

If to Seller: c/o Elme Communities
7550 Wisconsin Avenue, Suite 900
Bethesda, MD 20814
Attention: W. Drew Hammond
E-mail: [***]

with a copy to: Hogan Lovells US LLP
555 13th Street, NW
Washington, DC 20004
Attention: Jeffrey R. Keitelman
E-mail: [***]

If to Purchaser: Ben Beitel, Authorized Person
1021 38th Street, 4th Floor
Brooklyn, NY 11219
E-mail: [***]

with a copy to: Stuart A. Lautin, Esq.
Higier Allen & Lautin, PC
2711 N. Haskell Avenue, Suite 2400
Dallas Texas 75204
E-mail: [***]

If To Title Company: Infinity Land Services LLC
2361 Nostrand Avenue, Suite 802
Brooklyn NY 11210
Attention: Aron Hasenfeld
Email: [***]

If to Escrow Agent: First American Title Insurance Company
400 International Parkway, Suite 380
Lake Mary, FL 32746
Attention: Charity Berry
Email: [***]

11.6. Modifications. This Agreement cannot be changed orally, and no executory agreement shall be effective to waive, change, modify or discharge it in whole or in part, unless such executory agreement is in writing and is signed by the parties against whom enforcement of any waiver, change, modification or discharge is sought.

11.7. Tenant Notification Letters; Vendor Notification Letters. Purchaser shall deliver (i) to each tenant of the Property under a Lease the letter described in Section 5.2(d)(i), and (ii) to each vendor of the Property under an Assumed Service Contract the letter described in Section 5.2(d)(ii). The provisions of this paragraph shall survive Closing.

11.8. Time is of the Essence; Calculation of Time Periods. Time is of the essence with respect to all provisions of this Agreement. Unless otherwise specified, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is not a Business Day, in which event the period shall run until the end of the next Business Day. Unless otherwise set forth herein, the final day of any such period shall be deemed to end at 5 p.m. (Eastern time).

11.9. Successors and Assigns. Subject to Section 11.4, the terms and provisions of this Agreement are binding upon the parties hereto and are to apply to and bind the successors and assigns of the parties hereto.

11.10. Entire Agreement. This Agreement, including the Exhibits, contains the entire agreement between the parties pertaining to the subject matter hereof and fully supersedes all prior written or oral agreements and understandings between the parties pertaining to such subject matter.

11.11. Further Assurances. Each party agrees that it will without further consideration execute and deliver such other documents and take such other action, whether prior or subsequent to Closing, as may be reasonably requested by the other party to consummate the Closing (it being understood that Seller shall have no post-Closing liability to Purchaser other than Seller's obligations pursuant to Section 5.4(d) and this Section 11.11). Without limiting the generality of the foregoing, Purchaser shall, if requested by Seller, execute acknowledgments of receipt with respect to any materials delivered by Seller to Purchaser with respect to the Property. The provisions of this Section 11.11 shall survive Closing.

11.12. Counterparts; Electronic Signature. This Agreement may be executed in counterparts, and all such executed counterparts shall constitute the same agreement. It shall be necessary to account for only one such counterpart in proving this Agreement. To facilitate the execution and delivery of this Agreement, the parties may execute and exchange counterparts of the signature pages by email transmission or electronic signature (e.g., DocuSign®), and the signature page of either party to any counterpart may be appended to any other counterpart. This Agreement, the documents to be delivered by Seller at Closing set forth in Section 5.2 (except for the Deed, any original tax or recording form required to record the Deed, and any other document executed by Seller to be recorded at Closing) and the documents to be delivered by Purchaser at Closing set forth in Section 5.3 (except for any original tax or recording form required to record the Deed) may be signed by Seller or Purchaser (as applicable) with an electronic signature (e.g., DocuSign®) or signature stamp which electronic signature or signature stamp shall have the same binding effect as if it were an original signature.

11.13. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall nonetheless remain in full force and effect.

11.14. Applicable Law. THIS AGREEMENT IS PERFORMABLE IN THE STATE IN WHICH THE PROPERTY IS LOCATED AND SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE SUBSTANTIVE FEDERAL LAWS OF THE UNITED STATES AND THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED. SELLER AND PURCHASER IRREVOCABLY SUBMIT TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT SITTING IN THE STATE IN WHICH THE PROPERTY IS LOCATED IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND IRREVOCABLY AGREE THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING SHALL BE HEARD AND DETERMINED IN A STATE OR FEDERAL COURT SITTING IN THE STATE IN WHICH THE PROPERTY IS LOCATED. PURCHASER AND SELLER AGREE THAT THE PROVISIONS OF THIS SECTION 11.14 SHALL SURVIVE THE CLOSING OF THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT OR THE EARLY TERMINATION OF THIS AGREEMENT.

11.15. No Third-Party Beneficiary. Except as set forth in Section 11.1, the provisions of this Agreement and of the documents to be executed and delivered at Closing are and will be for the benefit of Seller and Purchaser only and are not for the benefit of any third party, and accordingly, no third party shall have the right to enforce the provisions of this Agreement or of the documents to be executed and delivered at Closing.

11.16. Exhibits and Schedules. All schedules and exhibits attached to this Agreement shall be deemed to be an integral part of this Agreement.

11.17. Captions. The section headings appearing in this Agreement are for convenience of reference only and are not intended, to any extent and for any purpose, to limit or define the text of any section or any subsection hereof.

11.18. Construction. The parties acknowledge that the parties and their counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

11.19. Termination of Agreement. It is understood and agreed that if either Purchaser or Seller terminates this Agreement pursuant to a right of termination granted hereunder, such termination shall operate to relieve Seller and Purchaser from all obligations under this Agreement, except for such obligations as are specifically stated herein to survive the termination of this Agreement.

11.20. Survival. The provisions of the following Sections of this Agreement shall survive Closing and shall not be merged into the execution and delivery of the Deed: Sections 4.1(b)(vii); 5.4(d) (subject to the limitations on survival set forth therein); 5.5; 6.2; 6.3; 6.5; 6.6; 6.7; 6.8; 9.1; Article X and this Article XI. The foregoing is in addition to and not in exclusion of any survival provisions that may elsewhere be set forth in this Agreement.

11.21. No Waiver. No waiver of any provision or condition of this Agreement by any party shall be valid unless in writing and signed by such party. No waiver of a provision shall be taken as a waiver of any other or similar provision or of any future event, act or default. Any provision, condition or term hereof established primarily for the benefit of one party hereto may be waived by such party with or without notice, which waiver may be made retroactively.

11.22. Limitation on Personal Liability. No present or future partner, member, director, officer, shareholder, employee, advisor, affiliate or agent of or in Purchaser or Seller or any affiliate of Purchaser or Seller (including, with respect to Seller, Elme) shall have any personal liability, directly or indirectly, under or in connection with this Agreement or any agreement made or entered into under or in connection with the provisions of this Agreement or any amendment or amendments to the foregoing made at any time or times, heretofore or hereafter, and Seller and its successors and assigns (or, as applicable, Purchaser and its successors and assigns) and, without limitation, all other persons and entities, shall look solely to Purchaser's assets (or, as applicable, Seller's assets) for the payment of any claim or for any performance, and Seller and Purchaser waive any and all such personal liability. The limitations of liability contained in this Section are in addition to, and not in limitation of, any limitation on liability applicable to Purchaser or Seller provided elsewhere in this Agreement or by law or by any other contract, agreement or instrument. The provisions of this Section shall survive the Closing or any earlier termination of this Agreement.

11.23. Waiver of Jury Trial. TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, THE PARTIES IRREVOCABLY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE CLOSING OR ANY EARLIER TERMINATION OF THIS AGREEMENT.

11.24. Attorneys' Fees. If either party commences legal proceedings for any relief against the other party arising out of this Agreement or any documents, agreements, exhibits or certificates contemplated hereby, the losing party shall pay the prevailing party's reasonable attorney's fees upon final settlement, judgment or appeal thereof.

11.25. Lead-Based Paint Disclosure. In accordance with the requirements of the Residential Lead-Based Paint Reduction Act of 1992, 42 U.S.C. 4851, et. seq., Purchaser acknowledges receipt of the Lead Disclosure Form attached hereto as Exhibit I and made a part hereof prior to its execution of this Agreement.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date.

SELLER:

ELME RIVERSIDE APARTMENTS LLC,
a Delaware limited liability company

By: WashREIT Riverside LLC,
a Delaware limited liability company

By: Elme Communities,
a Maryland real estate investment trust

By: /s/ Paul McDermott
Name: Paul McDermott
Title: Authorized Officer

PURCHASER:

RIVERSIDE APARTMENTS VA LLC,
a Delaware limited liability company

By: /s/ Ben Beitel
Name: Ben Beitel
Title: Authorized Person

The undersigned agrees to serve as Escrow Agent and to be bound by the provisions of Sections 2.6, 2.8, and 11.5 of this Agreement.

FIRST AMERICAN TITLE INSURANCE COMPANY

By: /s/ Charity Berry
Name: Charity Berry
Title: Associate Commercial Escrow Officer

Exhibit A

LEGAL DESCRIPTION OF THE LAND

Exhibit B

FORM OF SPECIAL WARRANTY DEED

Exhibit C

FORM OF BILL OF SALE AND ASSIGNMENT

Exhibit D

ASSIGNMENT AND ASSUMPTION

Exhibit E

FORM OF TENANT NOTICE LETTER

Exhibit F

FORM OF VENDOR NOTICE LETTER

Exhibit G

FORM OF
SELLER'S CERTIFICATE

Exhibit H

FORM OF
OWNER'S AFFIDAVIT

Exhibit I

LEAD PAINT DISCLOSURE FORM

Exhibit J

FORM OF FIRPTA CERTIFICATE

FIRST AMENDMENT TO
AGREEMENT OF PURCHASE AND SALE

This First Amendment to Agreement of Purchase and Sale ("Amendment") is dated as of June 1, 2026 ("Amendment Effective Date") between **ELME RIVERSIDE APARTMENTS LLC**, a Delaware limited liability company ("Seller"), and **RIVERSIDE APARTMENTS VA LLC**, a Delaware limited liability company ("Purchaser").

W I T N E S S E T H:

WHEREAS, Purchaser and Seller entered into an Agreement of Purchase and Sale effective as of May 8, 2026 ("Original Agreement") with respect to property located in Alexandria, Virginia, as set forth in the Original Agreement ("Property"); and

WHEREAS, the parties now desire to amend the Original Agreement on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which the parties acknowledge, the parties agree as follows:

1. Capitalized Terms. All capitalized terms set forth herein shall have the meanings ascribed to such terms in the Original Agreement unless otherwise defined herein.

2. Extension of Inspection Period. The Inspection Period is extended to 5:00 pm Eastern Time on June 15, 2026.

3. Ratification. Except as modified by this Amendment, the Original Agreement shall remain unmodified and in full force and effect and is ratified and confirmed in all respects.

4. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

5. Counterparts. This Amendment may be executed in two or more counterparts and each of such counterparts, for all purposes, shall be deemed to be an original but all of such counterparts together shall constitute but one and the same instrument, binding upon all parties hereto, notwithstanding that all of such parties may not have executed the same counterpart. Electronic or pdf signatures shall be binding as originals.

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

ELME RIVERSIDE APARTMENTS LLC,
a Delaware limited liability company ("Seller")

By: WashREIT Riverside LLC,
a Delaware limited liability company

By: Elme Communities,
a Maryland real estate investment trust

By: /s/ Paul McDermott
Name: Paul McDermott
Title: Authorized Officer

RIVERSIDE APARTMENTS VA LLC,
a Delaware limited liability company ("Purchaser")

By: /s/ Ben Beitel

Name: Ben Beitel,
Title: Authorized Person

SECOND AMENDMENT TO
PURCHASE AND SALE AGREEMENT

This Second Amendment to Purchase and Sale Agreement ("Amendment") is dated as of June 12, 2026 ("Amendment Effective Date") between **ELME RIVERSIDE APARTMENTS LLC**, a Delaware limited liability company ("Seller"), and **RIVERSIDE APARTMENTS VA LLC**, a Delaware limited liability company ("Purchaser").

W I T N E S S E T H:

WHEREAS, Purchaser and Seller entered into a Purchase and Sale Agreement effective as of May 8, 2026, as amended by that First Amendment to Agreement of Purchase and Sale dated as of June 1, 2026 (collectively, the "Original Agreement") with respect to property located in Alexandria, Virginia, as set forth in the Original Agreement ("Property"); and

WHEREAS, the parties now desire to amend the Original Agreement on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which the parties acknowledge, the parties agree as follows:

1. Capitalized Terms. All capitalized terms set forth herein shall have the meanings ascribed to such terms in the Original Agreement unless otherwise defined herein.

2. Extension of Inspection Period. The Inspection Period is extended to 5:00 pm Eastern Time on June 18, 2026.

3. Ratification. Except as modified by this Amendment, the Original Agreement shall remain unmodified and in full force and effect and is ratified and confirmed in all respects.

4. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

5. Counterparts. This Amendment may be executed in two or more counterparts and each of such counterparts, for all purposes, shall be deemed to be an original but all of such counterparts together shall constitute but one and the same instrument, binding upon all parties hereto, notwithstanding that all of such parties may not have executed the same counterpart. Electronic or pdf signatures shall be binding as originals.

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

ELME RIVERSIDE APARTMENTS LLC,
a Delaware limited liability company ("Seller")

By: WashREIT Riverside LLC,
a Delaware limited liability company

By: Elme Communities,
a Maryland real estate investment trust

By: /s/ Tiffany Butcher
Name: Tiffany Butcher
Title: Authorized Officer

RIVERSIDE APARTMENTS VA LLC,
a Delaware limited liability company ("Purchaser")

By: /s/ Ben Beitel
Name: Ben Beitel,
Title: Authorized Person

PURCHASE AND SALE AGREEMENT

BETWEEN

ELME RIVERSIDE APARTMENTS LLC,
a Delaware limited liability company

AS SELLER,

AND

FPA MULTIFAMILY, LLC,
a California limited liability company

AS PURCHASER

As of July 23, 2026

Riverside Apartments

5860 Cameron Run Terrace

Alexandria, Virginia 22303

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PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT is made as of the 23rd day of July, 2026, by and between ELME RIVERSIDE APARTMENTS LLC, a Delaware limited liability company ("Seller"), and FPA MULTIFAMILY, LLC, a California limited liability company ("Purchaser").

W I T N E S S E T H:

ARTICLE I

DEFINED TERMS

1.1. Defined Terms. The capitalized terms used herein have the following meanings.t

"Additional Earnest Money" means the sum of Two Million and No/100 Dollars ($2,000,000.00), subject to Section 2.6.

"Agreement" means this Purchase and Sale Agreement, together with the exhibits and schedules attached hereto, as the same may be amended, restated, supplemented or otherwise modified.

"Anti-Money Laundering Laws" has the meaning assigned thereto in Section 6.5(d).

"Assignment and Assumption" has the meaning assigned thereto in Section 5.2(c).

"Assumed Service Contracts" has the meaning assigned thereto in Section 2.1(a)(v).

"Assumed Service Contracts Schedule" has the meaning assigned thereto in Section 2.1(a)(v).

"Business Day" means any day other than a Saturday, Sunday, or legal holiday in the State in which the Property is located.

"Claims" means any and all claims, damages, losses, liabilities, costs and liens of any kind or nature, including causes of action, interest and penalties and reasonable attorneys' fees.

"Closing" has the meaning assigned thereto in Section 5.1.

"Closing Date" has the meaning assigned thereto in Section 5.1.

"Closing Statement" has the meaning assigned thereto in Section 2.8(d).

"Code" has the meaning assigned thereto in Section 2.8(e).

"Confidential Information" has the meaning assigned thereto in Section 11.1(a).

"Deed" has the meaning assigned thereto in Section 5.2(a).

"Designated Representative" has the meaning assigned thereto in Section 6.2.

"Due Diligence Materials" has the meaning assigned thereto in Section 4.1(a).

"Earnest Money" means the Initial Earnest Money and, if made, the Additional Earnest Money, subject to Section 2.6.

"Effective Date" means the date of execution and delivery of this Agreement by the parties hereto, which date shall be entered into the opening paragraph of this Agreement.

"Elme" means Elme Communities, a Maryland real estate investment trust, the parent of Seller.

"ERISA" has the meaning assigned thereto in Section 6.5(c).

"Escrow Agent" means Chicago Title Insurance Company, having its office at 2699 Howell Street, Suite 200, Dallas, Texas, Attention: Shannon Bright.

"Excluded Information" has the meaning assigned thereto in Section 4.1(a).

"Existing Survey" has the meaning assigned thereto in Section 3.2.

"Existing Title Commitment" has the meaning assigned thereto in Section 3.1.

"Fairfax County" has the meaning assigned thereto in Section 6.8.

"Fairfax County Easements" has the meaning assigned thereto in Section 6.8.

"Fairfax County Property" has the meaning assigned thereto in Section 6.8.

"Fraud" means actual and intentional common law fraud under Virginia law, with the element of scienter, in the making of the representations and warranties expressly set forth in Section 6.1 and not with respect to any other matters, which resulted in the Purchaser acting in reasonable reliance on such representation or warranty; provided, that "Fraud" shall not include equitable fraud, constructive fraud, promissory fraud, unfair dealings fraud, unjust enrichment, or any torts (including fraud) or other claim based on negligence or recklessness (including based on constructive knowledge or negligent misrepresentation) or any other similar theory or equitable claim.

"Improvements" has the meaning assigned thereto in Section 2.1(a)(ii).

"Independent Contract Consideration" has the meaning assigned thereto in Section 2.7.

"Initial Earnest Money" means the sum of Two Million and No/100 Dollars ($2,000,000.00), subject to Section 2.6

"Inspection Period" means the period beginning upon the Effective Date and ending at 5:00 p.m. (local time at the Property) on August 20, 2026.

"Inspections" has the meaning assigned thereto in Section 4.1(a).

"Intangibles" has the meaning assigned thereto in Section 2.1(a)(v).

"Interest Rate" means the Prime Rate reported in the Wall Street Journal plus four percent (4%).

"Land" has the meaning assigned thereto in Section 2.1(a)(i).

"Lease Schedule" has the meaning assigned thereto in Section 2.1(a)(iv).

"Leases" has the meaning assigned thereto in Section 2.1(a)(iv).

"New Title Exceptions" has the meaning assigned thereto in Section 3.5.

"OFAC" has the meaning assigned thereto in Section 6.1(i).

"Permitted Assignee" has the meaning assigned thereto in Section 11.4.

"Permitted Exceptions" has the meaning assigned thereto in Section 2.3.

"Personal Property" has the meaning assigned thereto in Section 2.1(a)(iii).

"Property" has the meanings assigned thereto in Section 2.2.

"Purchase Price" has the meaning assigned thereto in Section 2.4.

"Purchaser's Personnel" means Purchaser's agents, employees consultants, inspectors, appraisers, engineers and contractors.

"Purchaser" has the meaning assigned thereto in the Preamble to this Agreement.

"R&W Insurance Policy" means the buy-side representations and warranties insurance policy issued by the R&W Insurer or its affiliates, which provides coverage for the benefit of Purchaser (or its permitted assignee pursuant to Section 11.4) as the named insured for breaches of certain of the representations and warranties set forth in Section 6.1.

"R&W Insurance Policy Costs" means all costs and expenses required to obtain the R&W Insurance Policy, including the total premium, underwriting costs, brokerage commissions, and other fees and expenses of such policy, provided that the foregoing shall not include any legal or other advisor fees incurred in diligence or underwriting the R&W Insurance Policy.

"R&W Insurer" means CFC.

"Seller" has the meaning assigned thereto in the Preamble to this Agreement.

"Seller Parties" means Seller, Elme, Seller's partners, members, affiliates, and their respective officers, directors, agents, employees and representatives.

"Seller Provided Reports" has the meaning assigned thereto in 4.1(a).

"Seller's Broker" means, collectively, CBRE, Inc., Jones Lang LaSalle Americas, Inc. and Goldman Sachs.

"Service Contracts" means all agreements related to the upkeep, repair, maintenance or operation of the Land, Improvements or Personal Property, including specifically, without limitation, all equipment leases.

"Special Rent" has the meaning assigned thereto in Section 5.4(b)(vi).

"Survey" has the meaning assigned thereto in Section 3.2.

"Tenant Reconciliations" has the meaning assigned thereto in Section 5.4(b)(viii).

"Title Company" means Chicago Title Insurance Company, having its office at 2699 Howell Street, Suite 200, Dallas, Texas, Attention: Shannon Bright.

"Title Commitment" has the meaning assigned thereto in Section 3.1.

"Title Exam Deadline" has the meaning assigned thereto in Section 3.3.

"Title Policy" has the meaning assigned thereto in Section 3.4.

ARTICLE II

PURCHASE AND SALE

2.1. Agreement of Purchase and Sale

:

(a) Subject to the terms and conditions of this Agreement, Seller agrees to sell and convey, and Purchaser agrees to purchase the following:

(i) those certain tracts or parcels of land situated in Alexandria, Virginia more particularly described on Exhibit A attached hereto and made a part hereof, together with all and singular the rights and appurtenances pertaining to such property, including any right, title and interest of Seller in and to adjacent streets, alleys or rights of way (the property described in this Section 2.1(a)(i) being herein referred to collectively as the "Land");

(ii) the buildings, structures, fixtures and other improvements on the Land, including specifically, without limitation, those certain multi-family buildings and leasing office located thereon known as Riverside Apartments and having a street address of 2000 Huntington Avenue, Alexandria, Virginia 22303 and 5840, 5850, and 5860 Cameron Run Terrace, Alexandria, Virginia 22303 (the property described in this Section 2.1(a)(ii) being herein referred to collectively as the "Improvements");

(iii) all of Seller's right, title and interest in and to all tangible personal property upon the Land or within the Improvements, including specifically, without limitation, appliances, furniture, carpeting, draperies and curtains, tools and supplies, and other items of personal property (excluding cash) located on the Land or within the Improvements and used exclusively in connection with the operation of the Land and the Improvements (the property described in this Section 2.1(a)(iii) being herein referred to collectively as the "Personal Property");

(iv) all of Seller's right, title and interest in and to all agreements to occupy the Land and/or the Improvements including, without limitation, the leases with the tenants listed on that certain (A) residential lease rent roll for the Property and (B) commercial lease rent roll for the Property, attached hereto as Exhibit L (collectively, the " Lease Schedule"), and any new lease entered into in accordance with Section 6.4.b) (the property described in this Section 2.1(a)(iv) being herein referred to collectively as the "Leases"); and

(v) all of Seller's right, title and interest in and to (A)(i) to the extent assignable, that certain Final Development Plan Application FDP 2016-MV-030 including all construction permits issued thereunder or in connection therewith (collectively, the "2016 Entitlements"), and (ii) to the extent assignable, (1) that certain agreement between Seller (or any affiliate of Seller) and WDG Architecture, PLLC ("WDG"), (2) those certain agreements (if any) between Seller (or any affiliate of Seller) and each of SK&A Structural Engineers, PLLC, Jordan & Skala Engineers, Parker Rodriguez, Inc., Paladino and Company, GeoConstructors, Inc., (provided that the agreements listed in this clause (2) may be sub-agreements with WDG and not with Seller (or any affiliate of Seller) in which event Seller shall not be able to assign same), and (3) any other third party consultants engaged by Seller in connection with the 2016 Entitlements, if any; (B)(i) all assignable contracts and agreements (collectively, the "Assumed Service Contracts") elected or required to be assumed by Purchaser and listed and described on Schedule 2.1(a)(v) (the "Assumed Service Contracts Schedule") attached hereto and made a part hereof, relating to the upkeep, repair, maintenance or operation of the Land, Improvements or Personal Property including specifically, without limitation, all assignable equipment leases (but in no event shall the Assumed Service Contracts include Seller's existing property management agreement), and (ii) all assignable existing warranties and guaranties (expressed or implied) issued to Seller in connection with the Improvements or the Personal Property, but expressly excluding the names "Elme," "Elme Communities," "Washington REIT," and "Washington Real Estate Investment Trust," and all related trademarks, service marks, logos, trade dress, domain names and other source or business identifiers (in each case whether or not registered), and any registration, application, renewal and extensions of, any common law rights in, and all goodwill associated with, each of the foregoing, all of which are expressly retained by Seller or its parent entities (the property described in this Section 2.1(a)(v) being sometimes herein referred to collectively as the "Intangibles").

2.2. Property Defined

. The Land, the Improvements, the Personal Property, the Leases and the Intangibles are hereinafter sometimes referred to collectively as the "Property."

2.3. Permitted Exceptions

. The Property shall be conveyed subject to solely the matters which are, or are deemed to be, Permitted Exceptions pursuant to Article III hereof (herein referred to collectively as the "Permitted Exceptions").

2.4. Purchase Price

. Seller is to sell and Purchaser is to purchase the Property for a total of TWO HUNDRED FIFTY MILLION AND NO/100 DOLLARS ($250,000,000.00) (the "Purchase Price"), all cash with no financing requirement or financing contingency.

2.5. Payment of Purchase Price

. The Purchase Price, as increased or decreased by prorations and adjustments as herein provided, shall be payable in full at Closing in cash by wire transfer of immediately available federal funds to a bank account designated by Escrow Agent in writing to Purchaser prior to the Closing.

2.6. Earnest Money

. No later than 5:00 p.m. (Eastern time) on the first (1st) Business Day following the Effective Date, Purchaser shall deposit with Escrow Agent the Initial Earnest Money in good funds, either by certified bank or cashier's check or by federal wire transfer of immediately available funds. If Purchaser does not exercise the right to terminate this Agreement in accordance with Section 3.3 or Section 4.2, Purchaser shall, on the first (1st) Business Day following the expiration of the Inspection Period, deposit with the Escrow Agent the Additional Earnest Money in good funds, either by certified bank or cashier's check or by federal wire transfer as an additional deposit under this Agreement. Escrow Agent shall hold the Earnest Money in an interest-bearing account in accordance with the terms and conditions of this Agreement. All interest accruing on such sum shall become a part of the Earnest Money and shall be distributed as Earnest Money in accordance with the terms of this Agreement. If Purchaser fails to deliver the Initial Earnest Money or the Additional Earnest Money to Escrow Agent within the applicable time period specified above, at Seller's option this Agreement shall terminate on written notice to Purchaser furnished before the Initial Earnest Money or Additional

Earnest Money (as applicable) is delivered, the Initial Earnest Money (if deposited) shall be refunded to Purchaser, and neither party shall have any further rights, obligations or liabilities hereunder except to the extent that any right, obligation or liability set forth herein expressly survives termination of this Agreement. Time is of the essence for the delivery of the Initial Earnest Money and Additional Earnest Money under this Agreement. In the event of termination of this Agreement prior to Closing, Escrow Agent shall disburse the Earnest Money in accordance with the provisions of this Agreement governing such termination.

2.7. Independent Contract Consideration

. Seller and Purchaser acknowledge and agree that in all events One Hundred Dollars ($100) of the Earnest Money shall be paid to Seller if this Agreement is terminated for any reason (the "Independent Contract Consideration"). Seller and Purchaser acknowledge and agree that the Independent Contract Consideration has been bargained for and agreed to as additional consideration for Seller's execution and delivery of this Agreement. At the Closing, the Earnest Money (including, without limitation, the Independent Contract Consideration) shall be applied to the Purchase Price.

2.8. Escrow Agent

.

(a) Escrow Agent shall hold and disburse the Earnest Money in accordance with the terms of this Agreement. Seller and Purchaser agree that the duties of Escrow Agent hereunder are purely ministerial in nature and shall be expressly limited to the safekeeping and disposition of the Earnest Money in accordance with this Agreement. Escrow Agent shall not be liable for any damage, liability or loss arising out of its services pursuant to this Agreement, except for damage, liability or loss resulting from the willful or grossly negligent conduct of Escrow Agent or any of its officers or employees. In the event of any dispute between Seller and Purchaser regarding the disbursement of the Earnest Money, or in the event Escrow Agent shall receive conflicting demands or instructions with respect thereto, Escrow Agent shall withhold disbursement of the Earnest Money until such dispute is resolved. Alternatively, Escrow Agent shall be entitled to deposit the Earnest Money into a court of general jurisdiction in Virginia and to interplead Seller and Purchaser in connection therewith.

(b) Escrow Agent shall not be responsible for any interest on any portion of the Earnest Money except as is actually earned, or for the loss of any interest resulting from the withdrawal of all or any portion the Earnest Money prior to the date interest is posted thereon. Escrow Agent may commingle funds received by it in escrow with escrow funds of others, and may, without limitation, deposit such funds in its custodial or escrow accounts with any reputable trust company, bank, savings bank, savings association, or other financial services entity. All checks, money orders or drafts will be processed for collection in the normal course of business. Purchaser will execute the appropriate Internal Revenue Service documentation for the giving of taxpayer identification information relating to the account in which the Earnest Money is held.

(c) Seller and Purchaser shall pay or reimburse Escrow Agent for all expenses, disbursements and advances, including, without limitation, reasonable attorney's fees, incurred or paid in connection with carrying out its duties under this Agreement.

(d) Escrow Agent shall prepare the closing statements for the transaction contemplated by this Agreement (collectively, the "Closing Statement"), which closing statements shall include the credits and pro-rations to be made by the parties in accordance with Section 5.4 and the allocations of closing costs set forth in Section 5.5.

(e) Seller, Purchaser and Escrow Agent hereby agree and acknowledge that Escrow Agent shall act as "the real estate reporting person" with respect to the transaction which is the subject of this Agreement pursuant to Section 6045(c) of the Internal Revenue Code of 1986, as amended (the "Code") and shall prepare and file all informational returns, including, without limitation, IRS Form 1099-S, and shall otherwise comply with the provisions of Section 6045(c) of the Code. Escrow Agent shall also remit to the proper authorities all state and local transfer taxes required in connection with the transaction which is the subject of this Agreement. Purchaser and Seller shall reasonably cooperate in connection with such filings.

(f) Escrow Agent shall execute this Agreement solely for the purpose of being bound by the provisions of Section 2.6, this Section 2.8, and Section 11.5.

ARTICLE III

TITLE AND SURVEY

3.1. Title Examination; Commitment for Title Insurance

. Seller has provided to Purchaser that certain title commitment for the Property dated March 20, 2025 (Commitment No. 202500584VA) (the "Existing Title Commitment") issued by Chicago Title Insurance Company. During the Inspection Period, Purchaser shall have the right to obtain from the Title Company an update of the Existing Title Commitment, at Purchaser's expense (the Existing Title Commitment or, if obtained, such update thereof, the "Title Commitment"). Purchaser shall instruct the Title Company to deliver to Purchaser, Seller and the surveyor preparing the Survey copies of any such update of the Title Commitment and copies of all instruments referenced therein.

3.2. Survey

. Seller has provided Purchaser with a copy of that certain survey with respect to the Property dated November 4, 2025, prepared by MKA, a national land services group (the "Existing Survey"). During the Inspection Period, Purchaser shall have the right to, at Purchaser's expense, arrange for the preparation of one or more updates of the Existing Survey or new ALTA surveys (the Existing Survey, or, if obtained, such update, or new survey, the

"Survey"). Purchaser shall make a copy of such Survey available to Seller and the Title Company promptly after Purchaser's receipt thereof.

3.3. Title Objections; Cure of Title Objections

. The "Title Exam Deadline" shall be 5:00 p.m. (Pacific Time) on the fifth (5th) Business Day prior to the expiration of the Inspection Period. Purchaser shall have until the Title Exam Deadline to notify Seller, in writing, of such objections as Purchaser may have to anything contained in the Title Commitment or the Survey. Any item contained in the Title Commitment or any matter shown on the Survey to which Purchaser does not object prior to the Title Exam Deadline shall be deemed a Permitted Exception. In the event Purchaser shall notify Seller of objections to title or to matters shown on the Survey prior to the Title Exam Deadline, Seller shall have the right, but not the obligation, to cure such objections; provided, however, that Seller shall, whether or not objected to by Purchaser, and at Seller's sole cost and expense, either remove or have the Title Company insure over or otherwise satisfy, by payment or other appropriate measure of satisfaction, (i) any mortgages, deeds of trust, or deeds to secure debt securing any financing entered into by or assumed by Seller; (ii) any mechanics or materialmen's liens for work done by or on behalf of Seller; (iii) any real property tax liens (except for any taxes not yet due and payable) against Seller, and (iv) any and all judgment liens against Seller, provided that Seller's obligation pursuant to this clause (iv) shall not exceed the amount of Three Hundred Thousand Dollars ($300,000) in the aggregate; provided, however, in the event that Seller elects to not cure a judgment lien greater than $300,000, Purchaser has the right to terminate this Agreement with written notice to Seller given within two (2) Business Days of the date on which Seller notifies (or is deemed to have notified) Purchaser that it will not cure such judgment lien, the Earnest Money shall be immediately released to Purchaser, and Seller shall reimburse Purchaser's out-of-pocket expenses incurred in connection with this Agreement in an amount not to exceed $75,000 in the aggregate (which liens described in the foregoing clauses (i), (ii), (iii), and (iv) shall be deemed to be excluded from the term "Permitted Exceptions"). Within three (3) Business Days after receipt of Purchaser's notice of objections, Seller shall notify Purchaser in writing whether Seller elects to attempt to cure such objections. If Seller fails to give Purchaser such notice of election, then Seller shall be deemed to have elected not to attempt to cure the matter. If Seller elects to attempt to cure, and provided that Purchaser shall not have terminated this Agreement in accordance with Section 4.2, Seller shall have until the date of Closing to attempt to remove, satisfy or cure the same and for this purpose Seller shall be entitled to a reasonable adjournment of the Closing if additional time is required, but in no event shall the adjournment exceed ten (10) Business Days after the date for Closing set forth in Section 5.1 and, provided, further, that Seller shall provide written notice to Purchaser of any such adjournment of the Closing Date no later than three (3) Business Days prior to the then scheduled Closing Date. If Seller elects not to cure any objections specified in Purchaser's notice, or if Seller is unable to effect a cure prior to the Closing (or any date to which the Closing has been adjourned), Purchaser shall have the following options: (i) to accept a conveyance of the Property subject to the Permitted Exceptions, specifically including any matter objected to by Purchaser which Seller is unwilling or unable to cure, and without reduction of the Purchase Price; or (ii) to terminate this Agreement by sending written notice thereof to Seller within the time period set forth in the immediately following sentence, and upon delivery of such notice of termination, this Agreement shall terminate and the Earnest Money shall be returned to Purchaser, and thereafter no party hereto shall have any further rights, obligations or liabilities hereunder except to the extent that any right, obligation or liability set forth herein expressly survives termination of this Agreement. If Seller notifies (or is deemed to have notified) Purchaser that Seller does not intend to attempt to cure any title objection, or if, having commenced attempts to cure any objection, Seller later notifies Purchaser that Seller will be unable to effect a cure thereof, Purchaser shall, no later than the earlier to occur of the Closing Date or two (2) Business days after such notice has been given, notify Seller in writing whether Purchaser shall elect to accept the conveyance under clause (i) or to terminate this Agreement under clause (ii). In the event Purchaser does not so timely notify Seller, then Purchaser shall be deemed to have elected to accept the conveyance under clause (i).

3.4. Conveyance of Title

. At Closing, Seller shall convey and transfer to Purchaser fee simple title to the Property as will enable the Title Company to issue to Purchaser an ALTA Owner's Policy of Title Insurance with extended coverage (the " Title Policy") covering the Property, in the full amount of the Purchase Price. Notwithstanding anything contained herein to the contrary, the Property shall be conveyed subject to the following specific matters, which shall be deemed to be Permitted Exceptions:

(a) the rights of tenants, as tenants only with no purchase option or right of first refusal, under the Leases and any new Leases entered into between the Effective Date and Closing and, where required, approved (or deemed approved) by Purchaser in accordance with the terms of this Agreement;

(b) the lien of all ad valorem real estate taxes and assessments not yet due and payable as of the date of Closing, subject to adjustment as herein provided;

(c) local, state and federal laws, ordinances or governmental regulations, including but not limited to, building and zoning laws, ordinances and regulations, now or hereafter in effect relating to the Property;

(d) items appearing of record or shown on the Survey and, in either case, not objected to by Purchaser or waived or deemed waived by Purchaser in accordance with Sections 3.3 or 3.5;

(e) the Fairfax County Easements;

(f) all matters, whether or not of record, which arise out of the actions of Purchaser or its agents, representatives or contractors; and

(g) all matters that the Title Company is willing to insure over without additional premium or indemnity from Purchaser.

3.5. Pre-Closing "Gap" Title Defects

. Whether or not Purchaser shall have furnished to Seller any notice of title objections pursuant to the foregoing provisions of this Agreement, Purchaser may, no later than the earlier to occur of the Closing Date or five (5) days after receipt of such New Title Exceptions, notify Seller in writing of any objections to title first raised by the Title Company or the surveyors between (a) the date which is the earlier of (i) the effective date of the applicable Title Commitment referred to above or (ii) the expiration of the Inspection Period, and (b) the date on which the transaction contemplated herein is scheduled to close ("New Title Exceptions"), provided that Purchaser may not object to the Fairfax County Easements. With respect to any objections to title set forth in such notice, Seller shall have the same option to cure and Purchaser shall have the same option to accept title subject to such matters or to terminate this Agreement as those which apply to any notice of objections made by Purchaser before the Title Exam Deadline. To the extent necessary, the Closing shall be extended to afford the parties the full notice and response periods set forth in Section 3.3 with respect to any New Title Exceptions. If Seller elects to attempt to cure any such matters, Seller shall have the right to extend the Closing by a reasonable additional time to effect such a cure, but in no event shall the extension exceed ten (10) Business Days after the date for Closing set forth in Section 5.1 so long as Seller provides written notice to Purchaser of any such adjournment of the Closing Date no later than three (3) Business days prior to the then scheduled Closing Date.

ARTICLE IV

INSPECTION PERIOD

4.1. Right of Inspection

. During the Inspection Period, Purchaser and Purchaser's Personnel shall have a limited, non-exclusive and revocable license to (1) make such non-invasive physical investigations, inspections, analyses, evaluations, studies and tests on, of and relating to the Property as Purchaser reasonably deems necessary (collectively, the "Inspections"), and (2) examine the Due Diligence Materials.

(a) During the Inspection Period, Seller shall make available for examination by Purchaser and Purchaser's Personnel in an electronic data room created by or on behalf of Seller, (i) the Existing Title Commitment, the Existing Survey, and certain recent environmental, zoning, property condition and other recent reports and studies obtained by Seller with respect to the Property (collectively, the "Seller Provided Reports"), and (ii) certain other documents and information maintained by and in the possession or control of Seller or its property manager in connection with the current leasing, maintenance, and management of the Property including, without limitation, the Leases and the Assumed Service Contracts and those other items set forth on Exhibit K attached hereto (collectively, the items listed in clauses (i) and (ii), the "Due Diligence Materials"), but excluding materials not directly related to the current leasing, maintenance and management of the Property such as, without limitation, existing physical inspection reports, Seller's acquisition materials and reports, internal memoranda, financial projections, budgets, appraisals, accounting and tax records and similar proprietary, elective or confidential information (collectively, the "Excluded Information"). In the event Purchaser receives any Excluded Information, Purchaser shall promptly return same to Seller upon discovery of such Excluded Information and Purchaser shall not retain any copies (in any form) of such Excluded Information. The receipt by Purchaser of any Excluded Information shall not constitute (or be deemed to constitute) a waiver of any confidentiality or privilege applicable to such Excluded Information and Seller may assert at any time such confidentiality or privilege with respect to such information notwithstanding that Purchaser received such Excluded Information. Purchaser and Purchaser's Personnel shall use all Due Diligence Materials solely for the purpose of evaluating the suitability of the purchase of the Property from Seller by Purchaser and Purchaser's Personnel.

(b) Purchaser's rights of entry and inspection hereunder shall be subject to the following terms and conditions:

(i) All Inspections of the Property shall be subject to Seller's prior approval, shall be conducted in a manner reasonably acceptable to Seller, shall be conducted upon at least three (3) Business Days' prior written notice to Seller, (which notice shall include the names, addresses and scope of work for each consultant, contractor and agent who will be conducting inspections at the Property), and shall be performed at such reasonable times as may be agreed by Seller and Purchaser, and, at Seller's option, in the presence of Seller or its representative (notwithstanding the provisions of Section 11.5 to the contrary, the notice to be given pursuant to this Section 4.1(a) may be given via e-mail to Tiffany Butcher at [***].

(ii) Such Inspections shall not interfere with the use, occupancy, management or operation of the Property or any portion thereof by Seller, its property manager or its tenants and licensees nor shall Purchaser's Inspections damage the Property in any respect;

(iii) Such Inspections shall not be invasive in any respect (unless Purchaser obtains Seller's prior written consent in Seller's sole discretion), and in any event shall be subject to the rights of tenants under their leases and shall be conducted in accordance with standards customarily employed in the industry and in compliance with all governmental laws, rules and regulations, including, without limitation, any quarantine, "shelter in place," "stay at home," workforce reduction mandates, social distancing, shutdown, closure, sequester or any other law, order, directive, guidelines or recommendations issues or promulgated by any governmental authority in connection with or in response to any global, national or local pandemic, epidemic or other public health emergency;

(iv) Purchaser shall not contact (either directly, indirectly or through intermediaries) the Property's management employees, the holder of any financing encumbering the Property, the Property's tenants, or any governmental or quasi-governmental authorities regarding the Property, or any Seller Parties, without the prior consent of Seller, which consent may be withheld in Seller's sole discretion, except that without such consent Purchaser may contact applicable governmental authorities solely to the extent necessary to obtain customary diligence information that is of record or in the files of such authority regarding the Property's compliance with zoning and other laws (including with respect to a so-called "Phase I" environmental report), provided that in no event shall Purchaser or any of its agents or consultants request or otherwise initiate any inspection of the Property by a governmental or quasi-governmental authority. Seller shall have the right to be present during any meetings with Property management employees or governmental or quasi-governmental authorities;

(v) Following each entry by Purchaser or Purchaser's Personnel with respect to Inspections on the Property, Purchaser shall restore the Property to a condition which is substantially the same as its original condition as existed prior to any such Inspections. If Purchaser fails to so restore the Property, Seller may but shall not be obligated to do so and Purchaser shall reimburse and indemnify Seller for all costs and expenses relating thereto plus interest at the Interest Rate until fully paid;

(vi) All Inspections shall be conducted at Purchaser's sole expense and Purchaser covenants and agrees to pay in full for all Inspections undertaken by Purchaser or Purchaser's Personnel and to pay in full all persons who perform labor on the Property with respect to such Inspections, and not to permit or suffer any mechanic's or materialman's lien of any kind or nature to be filed against the Property in connection with any Inspections. Should any such liens be filed or attached, Purchaser shall cause them to be removed of record and fully discharged at Purchaser's sole cost and expense within ten (10) days following notice thereof to Purchaser. If Purchaser fails to so remove and discharge such liens, Seller may but shall not be obligated to do so and Purchaser shall reimburse and indemnify Seller for all costs and expenses relating thereto plus interest at the Interest Rate until fully paid;

(vii) Purchaser hereby agrees to indemnify, defend and hold harmless Seller and the other Seller Parties against and from, any and all Claims arising in connection with or incident to the Inspections, or the presence on the Property by Purchaser or Purchaser's Personnel, provided that the foregoing indemnity shall not include Claims arising from the mere discovery of any matter or condition related to the Property to the extent same is not exacerbated by Purchaser or Purchaser's Personnel or to claims arising by reason of Seller's gross negligence or willful misconduct; and

(viii) As a condition of Purchaser's and Purchaser's Personnel's right of access to the Property, Purchaser shall obtain for itself, and obtain or require from each of agents, consultants, inspectors, appraisers, engineers and contractors engaged to perform any Inspections, insurance coverage as described below, for any and all claims, damages, losses, liabilities, costs and expenses, arising in connection with or incident to the inspection of the Property, or the presence thereon, by Purchaser or the Purchaser's Personnel, commercial general liability insurance naming Seller, Seller's property manager, and Elme as additional insureds with combined limits of not less than $2,000,000 for personal injury and death and property damage per occurrence and $2,000,000 in the aggregate (Umbrella/Excess coverage can be used in combination with primary general liability to satisfy this requirement), with all such policies. All insurance companies issuing such insurance policies must be authorized to do business in the state in which the Property is located and must be rated A or better, with a financial rating of VII or better, in the most recent A.M. Best's Rating Guide. The liability insurance required to be carried by Purchaser shall (1) contain a waiver of subrogation in favor of Seller, (2) shall contain broad form contractual liability insurance coverage insuring Purchaser's indemnity obligations to Seller under this Agreement, and (3) contain a provision that the coverage afforded under such policies will not be canceled or modified until at least thirty (30) days' prior written notice has been given to Seller. Before any entry onto the Property by Purchaser or any of Purchaser's Personnel, Purchaser shall provide Seller with one or more certificates of insurance evidencing the insurance required to be maintained hereunder.

The provisions of Section 4.1(b)(v) through Section 4.1(b)(vii) shall survive any termination of this Agreement and the provisions of Section 4.1(b)(vii) shall survive Closing.

4.2. Approval Notice

. In the event Purchaser determines (such determination to be made in Purchaser's sole discretion) that the Property is suitable for its purposes, Purchaser shall notify Seller of such determination in writing (the "Approval Notice") and such Approval Notice shall also include the list of Assumed Service Contracts that Purchaser desires to assume at Closing with respect to the Property, provided that Purchaser must assume the Service Contracts listed on Schedule 6.7. If Purchaser fails to deliver the Approval Notice to Seller on or before expiration of the Inspection Period, or Purchaser delivers a notice of termination to Seller on or before expiration of the Inspection Period this Agreement shall automatically terminate and the Earnest Money shall be returned to Purchaser, Purchaser shall (A) promptly (and in any case within five (5) Business Days) permanently destroy (with written certification of such destruction) or return all originals, copies, reproductions and summaries of the Due Diligence Materials, without retaining any copy, extract, or other reproduction (in whole or in part) of such Due Diligence Materials and will require that Purchaser's Personnel do the same, (B) Purchaser, upon Seller's request, shall deliver to Seller true and complete copies of all test results and studies related to the Property which were obtained or commissioned by or on behalf of Purchaser, and (C) promptly following Seller's request, execute and deliver a confirmation of the termination of this Agreement, but the failure of Purchaser to execute and deliver such confirmation shall not invalidate the termination of this Agreement pursuant to this Section 4.2 (which obligations shall survive any termination of this Agreement). Notwithstanding the foregoing sentence, Purchaser and Purchaser's Personnel may retain copies of Due Diligence Materials in electronic form pursuant to its electronic backup processes, so long as such information is not accessible in the ordinary course of business and Purchaser or Purchaser's Personnel, as applicable, continues to maintain the confidentiality of such retained Due Diligence Materials pursuant to the requirements of Section 11.1, and if such information does become accessible it will be destroyed or returned in accordance with this Section 4.2. Time is of the essence with respect to the provisions of this Section 4.2. If Purchaser delivers an Approval Notice to Seller prior to the expiration of the Inspection Period, Purchaser shall no longer have any right to terminate this Agreement under this Section 4.2.

ARTICLE V

CLOSING

5.1. Time and Manner

. The consummation of the transaction contemplated hereby ("Closing") shall occur no later than 2:00 p.m. (Eastern time) on September 14, 2026 (such date, as may be postponed or adjourned as expressly permitted by this Agreement, the "Closing Date"), provided that all conditions to Closing have been fully satisfied or waived in writing. On or prior to the Closing Date, Seller and Purchaser shall make the deliveries and perform the obligations set forth in, respectively, Section 5.2 and Section 5.3. At Closing, (A) Seller shall authorize and direct Escrow Agent to release and deliver to Purchaser the documents required to be delivered to Escrow Agent by Seller pursuant to Section 5.2 and (B) Purchaser shall authorize and direct Escrow Agent to release and deliver to Seller the documents required to be delivered to Escrow Agent by Purchaser pursuant to Section 5.3, the performance of which obligations shall be concurrent obligations and conditions. The Closing shall occur with all deliveries required hereunder being made to Escrow Agent in accordance with escrow instructions consistent with the terms and conditions of this Agreement given by or on behalf of Seller and Purchaser, respectively; whereby escrow arrangements mutually acceptable to Seller and Purchaser shall allow Seller, Purchaser and their respective attorneys to consummate the Closing without being physically present and to exchange closing documents through such escrow. TIME SHALL BE OF THE ESSENCE with respect to each party's obligation to effectuate the Closing on the Closing Date.

5.2. Seller's Obligations at Closing

. On or before the Closing Date, Seller shall:

(a) deliver to Escrow Agent a duly executed special warranty deed in the form attached hereto as Exhibit B (the "Deed");

(b) deliver to Escrow Agent a duly executed bill of sale in the form attached hereto as Exhibit C;

(c) deliver to Escrow Agent a duly executed assignment and assumption agreement in the form attached hereto as Exhibit D (the "Assignment and Assumption") pursuant to which Seller shall assign to Purchaser, and Purchaser shall assume, the landlord/lessor interest in and to the Leases and, to the extent assignable, Seller's interest in the Assumed Service Contracts and the other Intangibles;

(d) deliver to Escrow Agent (i) a notice in the form of Exhibit E attached hereto which Purchaser shall send to each tenant under each of the Leases informing such tenant of the sale of the Property and of the assignment to Purchaser of Seller's interest in, and obligations under, the Leases (including, if applicable any security deposits) and directing that all rent and other sums payable after the Closing under each such Lease shall be paid as set forth in the notice, and (ii) a notice in the form of Exhibit F attached hereto which Purchaser shall send to each vendor under each of the Assumed Service Contracts assumed by Purchaser at Closing informing such vendor of the sale of the Property and of the assignment to Purchaser of Seller's interest in, and obligations under, such Assumed Service Contracts and directing that all sums payable after the Closing under each such Assumed Service Contract shall be paid as set forth in the notice;

(e) deliver to Escrow Agent a certificate in the form of Exhibit G attached hereto, dated as of the date of Closing and executed on behalf of Seller, stating that the representations and warranties of Seller contained in Section 6.1 are true and correct in all material respects as of the date of Closing (with appropriate modifications of those representations and warranties made in Section 6.1 to reflect any changes therein including without limitation any changes resulting from actions under Section a) or identifying any representation or warranty which is not, or no longer is, true and correct and explaining the state of facts giving rise to the change. In no event shall Seller be liable to Purchaser for, or be deemed to be in default hereunder by reason of, any breach of representation or warranty which results from any change that (i) occurs between the Effective Date and the date of Closing and (ii) is permitted under the terms of this Agreement or is beyond the reasonable control of Seller to prevent; provided, however, that the occurrence of a change which is not permitted hereunder or is beyond the reasonable control of Seller to prevent shall, if materially adverse to Purchaser, constitute the non-fulfillment of the condition set forth in Section 5.6.b) (unless such change was known to Purchaser prior to the expiration of the Inspection Period); if, despite changes or other matters described in such certificate, the Closing occurs, Seller's representations and warranties set forth in this Agreement shall be deemed to have been modified by all statements made in such certificate;

(f) deliver to the Title Company such evidence as the Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of Seller;

(g) deliver to Escrow Agent a duly executed IRS Form W-9 of Seller (or Seller's regarded parent if Seller is a disregarded entity for U.S. federal income tax purposes);

(h) deliver to the Title Company an owner's affidavit in the form of Exhibit I attached hereto, duly executed by Seller;

(i) deliver to Purchaser (which may occur by leaving such items at the Property) (a) the Leases, (b) the Assumed Service Contracts, (c) the licenses and permits, if any, in the possession of Seller, (d) the leasing and property files and records which are material in connection with the continued operation, leasing and maintenance of the Property, and (e) an updated Lease Schedule dated no earlier than two (2) Business Days prior to the Closing Date;

(j) deliver to Purchaser possession and occupancy of the Property, subject only to the Permitted Exceptions;

(k) deliver to Escrow Agent the Closing Statement for Seller (i.e., not a combined closing statement) in form and content reasonably satisfactory to Seller (the "Seller Closing Statement") and, if requested by Purchaser's lender, provide a copy of the Seller Closing Statement to Purchaser's lender; and

(l) deliver to Escrow Agent such additional documents as shall be reasonably required by the Title Company to consummate the transaction expressly contemplated by this Agreement, which additional documents may include transfer and recordation tax declarations.

5.3. Purchaser's Obligations at Closing

. On or before the Closing Date, Purchaser shall:

(a) deliver to Escrow Agent the full amount of the Purchase Price, as increased or decreased by prorations and adjustments as herein provided, in immediately available wire transferred federal funds pursuant to Section 2.5 above, it being agreed that at Closing the Earnest Money (including, without limitation, the Independent Contract Consideration) shall be delivered to Seller and applied towards payment of the Purchase Price;

(b) deliver to Escrow Agent a duly executed Assignment and Assumption and duly executed counterparts of the documents described in Section 5.2.d) above;

(c) deliver to Escrow Agent a certificate duly executed by Purchaser, confirming that Purchaser's representations and warranties set forth in Section 6.5 are true and correct in all material respects as of the date of Closing;

(d) deliver to the Title Company such evidence as the Title Company may reasonably require as to the authority of the person or persons executing documents on behalf of Purchaser;

(e) deliver to Escrow Agent the Purchaser Closing Statement (i.e., not a combined closing statement) in form and content satisfactory to Purchaser;

(f) deliver to Seller the Assignment of Purchase Agreement (as defined in Section 11.4 below), if applicable; and

(g) deliver to Escrow Agent such additional documents as shall be reasonably required to consummate the transaction contemplated by this Agreement, which additional documents may include transfer and recordation tax declarations.

5.4. Credits and Prorations

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(a) The following shall be apportioned with respect to the Property as of 12:01 a.m. (Eastern time) on the day of Closing, as if Purchaser were vested with title to the Property during the entire day upon which Closing occurs:

(i) rents, if any, as and when collected (the term “rents” as used in this Agreement includes all payments due and payable by tenants under the Leases);

(ii) taxes (including personal property taxes on the Personal Property) and assessments levied against the Property;

(iii) payments under the Assumed Service Contracts to be assumed by Purchaser at Closing and any fees or charges pursuant to any Assumed Service Contracts that are applicable to the period prior to Closing shall be paid by Seller when due;

(iv) gas, electricity and other utility charges for which Seller is liable, if any, such charges to be apportioned at Closing on the basis of the most recent meter reading occurring prior to Closing; and

(v) any other operating income, expenses or other items pertaining to the Property which are customarily prorated between a purchaser and a seller in Fairfax County, Virginia.

(b) Notwithstanding anything contained in the foregoing provisions:

(i) At Closing, (A) Seller shall, at Seller’s option, either deliver to Purchaser any security deposits actually held by Seller pursuant to the Leases or credit to the account of Purchaser the amount of such security deposits (to the extent such security deposits are not applied against delinquent rents or otherwise as provided in the Leases); and (B) Purchaser shall credit to the account of Seller all refundable cash or other deposits posted with utility companies serving the Property, if any, or, at Seller’s option, Seller shall be entitled to receive and retain such refundable cash and deposits.

(ii) Any taxes paid at or prior to Closing shall be prorated based upon the amounts actually paid. If taxes and assessments for the current year have not been paid before Closing, Seller shall be charged at Closing an amount equal to that portion of such taxes and assessments which relates to the period before Closing and Purchaser shall pay the taxes and assessments prior to their becoming delinquent. Any such apportionment made with respect to a tax year for which the tax rate or assessed valuation, or both, have not yet been fixed shall be based upon the tax rate and/or assessed valuation last fixed. In the event that any tax appeals are pending as of Closing (i) Seller shall be entitled to continue the prosecution of such appeals with respect to any tax year prior to the tax year in which Closing occurs and shall be entitled to receive all proceeds of such appeal, (ii) Seller shall be entitled to continue the prosecution of such appeals with respect to the tax year in which Closing occurs and all costs, expenses and proceeds thereof shall be prorated between the parties based on their respective periods of ownership during such year, and (iii) Purchaser shall be entitled to continue the prosecution of such appeals with respect to any tax year following the tax year in which Closing occurs and shall be entitled to receive all proceeds thereof.

(iii) Charges referred to in Section 5.4(a) above which are payable by any tenant to a third party shall not be apportioned hereunder, and Purchaser shall accept title subject to any of such charges unpaid and Purchaser shall look solely to the tenant responsible therefor for the payment of the same. If Seller shall have paid any of such charges on behalf of any tenant, and shall not have been reimbursed therefor by the time of Closing, Purchaser shall credit to Seller an amount equal to all such charges so paid by Seller.

(iv) Seller shall receive the entire advantage of any discounts for the prepayment by it of any taxes, water rates or sewer rents.

(v) As to gas, electricity and other utility charges referred to in Section 5.4(a)(iv) above, Seller may on notice to Purchaser elect to pay one or more of all of said items accrued to the date hereinabove fixed for apportionment directly to the person or entity entitled thereto, and to the extent Seller so elects, such item shall not be apportioned hereunder, and Seller's obligation to pay such item directly in such case shall survive the Closing.

(vi) Unpaid and delinquent rent and any other income (including, without limitation, reimbursements due from tenants) of the Property collected by Seller and Purchaser after the date of Closing shall be delivered as follows: (a) if Seller collects any unpaid or delinquent rent or other income for the Property, Seller shall, within fifteen (15) days after the receipt thereof, deliver to Purchaser any such rent or other income which Purchaser is entitled to hereunder relating to the date of Closing and any period thereafter, and (b) if Purchaser collects any unpaid or delinquent rent or other income from the Property, Purchaser shall, within fifteen (15) days after the receipt thereof, deliver to Seller any such rent or other income which Seller is entitled to hereunder relating to the period prior to the date of Closing. Seller and Purchaser agree that all rent received after the date of Closing (other than Special Rent) shall be applied first to current rentals and then to delinquent rentals, if any, in inverse order of maturity. Purchaser will use commercially reasonable efforts after Closing to collect all rents and other income in the usual course of Purchaser's operation of the Property, but Purchaser will not be obligated to institute any lawsuit or other collection procedures to collect delinquent rents or other income. With respect to any delinquent rents existing as of Closing, Purchaser shall timely prepare and file with any surety or similar company providing security for the payment of same such documents as may be required to make a claim and obtain payment of such security, and to the extent Purchaser receives such payment with respect to delinquent rents applicable to the period prior to the Closing, same shall be promptly delivered to Seller. Notwithstanding the foregoing provisions of this Section 5.4(b)(vi), following Closing Seller shall not have any right to pursue payment of delinquent or unpaid rents, reimbursements and other charges from then-current tenants of the Property. In the event that there shall be any rents or other charges (including, without limitation, utility expense and renter's insurance reimbursements) under any Lease which, although relating to a period prior to Closing, do not become due and payable until after Closing or are paid prior to Closing but are subject to adjustment after Closing, such as year-end common area expense reimbursements and the like (which rents or other charges are sometimes referred to herein collectively as "Special Rent"), then Seller shall provide Seller's best estimate of all Special Rent that is applicable to the period prior to Closing and uncollected as of Closing and Seller shall receive a credit at Closing for all such estimated uncollected Special Rent applicable to the period prior to Closing. The terms of this Section shall survive the Closing for one hundred twenty (120) days.

(vii) At Closing, the value of any rental abatements provided under the Leases (except with respect to any commercial or retail space ("Existing Commercial Leases") as an inducement to the tenants to enter into such Leases shall be prorated between Seller and Purchaser based upon their respective periods of ownership of the Property, except that with respect to any tenant that first takes occupancy during the month immediately preceding the month in which Closing occurs and is entitled to a rental abatement for the month in which Closing occurs (the "Closing Month"), such rental abatement that is to be prorated for the Closing Month shall be reduced by the amount of any partial rent payment made by the tenant for the month immediately preceding the month in which Closing occurs, and such reduced rent shall be prorated between Seller and Purchaser based upon their respective periods of ownership of the Property.

(viii) Seller shall be responsible for any leasing commissions associated with the current term of the Existing Commercial Leases and any tenant improvement costs or tenant improvement allowances, if any, that are the obligation of landlord under the Existing Commercial Leases which are applicable to the current term of such Existing Commercial Leases. Purchaser shall be responsible for the payment of all leasing commissions, tenant improvement costs, or tenant improvement allowances which become due and payable as a result of any renewals, extensions, or expansions of Existing Commercial Leases or new leases of any commercial or retail space, in each case approved or deemed approved by Purchaser pursuant to Section 6.4(j) to the extent such approval is required pursuant to that Section. To the extent any such Existing Commercial Leases costs that are the responsibility of Seller as set forth above remain unpaid as of Closing, Seller will provide Purchaser with a credit for such unpaid costs at Closing. In the event that Seller, as of Closing, has paid any such Existing Commercial Leases costs or new commercial or retail space lease costs that are the responsibility of Purchaser as set forth above, Seller shall receive a credit for same at Closing.

(ix) Purchaser shall have the right to inspect all vacant units (the "Pre-Closing Inspection") five (5) days prior to the scheduled Closing Date. Purchaser shall receive a credit in the amount of $500 for each vacant unit which is not "rent ready". For purposes of this Section, "rent ready" shall mean all mechanical systems, appliances, plumbing and window coverings shall be in good and operational condition, cabinets, walls, countertops and carpets shall be clean. Purchaser shall not receive such a credit for any units vacated after the Pre-Closing Inspection.

(x) Purchaser shall receive a credit in the amount of any consideration paid to Seller by Fairfax County in connection with the Seller entering into the Fairfax County Easements, as may be applicable.

(xi) Seller shall receive a credit equal to the total amount of expenses (including, without limitation, reasonable attorneys' fees) incurred by Seller in connection with entering into the Fairfax County Easements.

(c) Not less than three (3) Business Days prior to the scheduled Closing Date, Seller shall endeavor to deliver to Purchaser Seller's calculations of the credits and pro-rations to be made pursuant to this Section 5.4, together with reasonable supporting documentation to the extent not previously provided to Purchaser as part of the Due Diligence Materials, for Purchaser's review and reasonable approval. Seller and Purchaser shall work together in good faith to agree upon and finalize such credits and pro-rations prior to Closing. The final credits and pro-rations as agreed upon by Seller and Purchaser shall be provided to Escrow Agent for inclusion on the Closing Statement.

(d) The credits and prorations to be apportioned pursuant to this Section 5.4 shall be made by the parties on the basis of the best information available to them as of the Closing Date. To the extent that there are any credits and prorations that are based on estimates as of the Closing Date and the actual amount differs from the amount apportioned at Closing, the parties shall make all necessary adjustments by appropriate payments between themselves on the sixtieth (60^{th}) day following Closing, and shall make final adjustments no later than the one hundred twentieth (120th) day following Closing and same shall otherwise be final and unappealable; provided, however, that if after the Closing, Purchaser shall receive any rents or other income (including reimbursements from tenants) that are applicable to the period prior to the Closing, Purchaser shall promptly pay such rents or other income to the Seller with a reasonably detailed accounting thereof. This Section 5.4(d) shall survive the Closing for a period of one hundred twenty (120) days.

5.5. Closing Costs

. Seller shall pay: (A) the fees of any counsel representing it in connection with this transaction; (B) one-half (1/2) of the escrow fee and closing fee charged by Escrow Agent or Title Company; (C) the fees for recording any documents required of Seller to be recorded in order for Seller to satisfy its obligations under Article III of this Agreement; (D) the grantor’s tax, the regional congestion relief fee, and the regional WMATA capital fee which become payable by reason of the transfer of the Property; (E) one-half (1/2) of the cost of the Existing Survey, and (F) the amount of Thirty Thousand and No/100 Dollars ($30,000.00) towards the R&W Insurance Policy Costs if Purchaser obtains the R&W Insurance Policy. Purchaser shall pay or reimburse Seller for, as applicable: (1) the fees of any counsel representing Purchaser in connection with this transaction; (2) the fee for the title examination and Title Commitment (and any updates thereof), and pay the premium for the Title Policy, including any endorsements and extended coverage thereto requested by Purchaser; (3) the cost of any update to the Existing Survey or new Survey and one-half (1/2) of the cost of the Existing Survey; (4) any transfer tax, recordation tax, documentary stamp tax or similar tax which becomes payable by reason of the transfer of the Property other than those payable by Seller pursuant to clause (D) above; (5) the fees for recording the Deed; (6) one-half (1/2) of the escrow fee and closing fee charged by Escrow Agent or Title Company, and (7) all R&W Insurance Policy Costs that are in excess of Seller’s payment pursuant to clause (F) above if Purchaser obtains the R&W Insurance Policy. All other costs and expenses incident to this transaction and the closing thereof shall be paid by the party incurring such costs and expenses. The provisions of this Section 5.5 shall survive the Closing or any early termination of this Agreement.

5.6. Conditions Precedent to Obligation of Purchaser

. The obligation of Purchaser to consummate the transaction hereunder shall be subject to the fulfillment on or before the date of Closing of all of the following conditions, any or all of which may be waived by Purchaser in its sole discretion:

(a) Seller shall have delivered to Purchaser all of the items required to be delivered by Seller to Purchaser pursuant to the terms of this Agreement, including but not limited to, those provided for in Section 5.2.

(b) All of the representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects as of the date of Closing (with appropriate modifications permitted under this Agreement or not materially adverse to Purchaser).

(c) Seller shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Seller as of the date of Closing.

(d) The Title Company shall be irrevocably committed to issue the Title Policy pursuant to the terms of Section 3.4 above, subject to the payment of the applicable title premiums, provided that Purchaser has satisfied all of the Title Company's requirements to be satisfied by Purchaser as a condition to such issuance of such Title Policy, including, without limitation, any of the Title Company's requirements to be satisfied by Purchaser in order to obtain extended coverage in such Title Policy. Purchaser shall have the right to request the Title Company to provide endorsements to the Title Policy but receipt of such endorsements shall not be a condition to Closing.

In the event any condition in this Section 5.6 has not been satisfied (or otherwise waived in writing by Purchaser) prior to or on the Closing Date, Purchaser may terminate this Agreement by written notice delivered to Seller, in which event the Earnest Money shall be returned to the Purchaser. The Closing pursuant to this Agreement shall be deemed a waiver by Purchaser of all unfulfilled conditions hereunder benefitting Purchaser.

5.7. Conditions Precedent to Obligation of Seller

. The obligation of Seller to consummate the transaction hereunder shall be subject to the fulfillment on or before the date of Closing of all of the following conditions, any or all of which may be waived by Seller in its sole discretion:

(a) Seller shall have received the Purchase Price as adjusted pursuant to and payable in the manner provided for in this Agreement.

(b) Purchaser shall have delivered to Seller all of the items required to be delivered to Seller pursuant to the terms of this Agreement, including but not limited to, those provided for in Section 5.3.

(c) All of the representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects as of the date of Closing.

(d) Purchaser shall have performed and observed, in all material respects, all covenants and agreements of this Agreement to be performed and observed by Purchaser as of the date of Closing.

ARTICLE VI

REPRESENTATIONS, WARRANTIES AND COVENANTS

6.1. Representations and Warranties of Seller

. Seller hereby makes the following representations and warranties to Purchaser with respect to itself and the Property as of the Effective Date:

(a) Organization and Authority. Seller has been duly organized and is validly existing under the laws of the state of its formation. Seller has the full right and authority to enter into this Agreement and to transfer all of the Property and to consummate or cause to be consummated the transactions contemplated herein to be made by Seller. The person signing this Agreement on behalf of Seller is authorized to do so.

(b) Pending Actions. To Seller's knowledge, except as set forth on Schedule 6.1(b), there is no action, suit, arbitration, unsatisfied order or judgment, governmental investigation or proceeding pending against the Property or the transaction contemplated by this Agreement, which, if adversely determined, could individually or in the aggregate have a material adverse effect on title to, or the use or operation of, the Property or any portion thereof or which could in any material way interfere with the consummation by Seller of the transaction contemplated by this Agreement or which is not covered by insurance.

(c) Leases. The Lease Schedule (and any updated version thereof) and any delinquency report given by Seller to Purchaser is the rent roll and delinquency report used and relied upon by Seller in its operation of the Property and, to Seller's knowledge, there are no leases, licenses or other occupancy agreements affecting all or any portion of the Property except for the Leases. Each of the Existing Commercial Leases are set forth on the Lease Schedule. The copies of the Leases made available to Purchaser for review are the copies of such Leases that are maintained in Seller's files, and, to Seller's knowledge, are correct copies of the same. Seller is the lessor or landlord or the successor lessor or landlord under the Leases. Except as set forth on Schedule 6.1(c), the Lease Schedule, on any delinquency report given by Seller to Purchaser, or as otherwise disclosed to Purchaser in writing, (i) to Seller's knowledge, no material default, delinquency or breach exists on the part of any tenant, and (ii) there are no material defaults or breaches existing on the part of the landlord under any Lease. Except as set forth on the Lease Schedule, (i) no tenant under an Existing Commercial Lease is entitled to any agreed rent credit or free rent or other tenant inducement and (ii) no leasing commissions or other compensation is due or payable or will become due and payable to any person, firm, corporation or other entity with respect to, or on account of, any of the Existing Commercial Leases, or any renewal rights set forth in such Existing Commercial Leases. Notwithstanding anything to the contrary contained in this Agreement, Seller does not represent or warrant that any particular Lease will be in force or effect at Closing or that the tenants under the Leases will have performed their obligations thereunder. The non-performance of any obligations by any tenant under a Lease or the expiration or termination of any Lease prior to Closing shall not affect the obligations of Purchaser under this Agreement in any manner or entitle Purchaser to an abatement of or credit against the Purchase Price or give rise to any other claim on the part of Purchaser.

(d) Lease Brokerage. There are no lease brokerage agreements, leasing commission agreements or other agreements providing for payments of any amounts for leasing activities or procuring tenants with respect to the Property which will become due and payable after Closing other than as disclosed in Schedule 6.1(d).

(e) Service Contracts. Subject to Section 6.4(i), the Assumed Service Contracts listed on the Assumed Service Contracts Schedule constitute all of the Service Contracts executed or assumed in writing by Seller that will be binding on Purchaser following Closing. To Seller's knowledge, Seller has not delivered or received any written notice of a default under or with respect to any Assumed Service Contract that has not been resolved. Except for the Leases and the Service Contracts or as set forth in the Title Commitment, Seller has not entered into any lease, other contractual agreement or unrecorded instrument that will be binding upon Purchaser on or after the Closing Date.

(f) No Violations. Except as set forth on Schedule 6.1(f), to Seller's knowledge, Seller has not received prior to the Effective Date any written notification from any governmental or public authority that the Property is in violation of any applicable fire, health, building, use, occupancy or zoning laws, where such violation remains outstanding, and, if unaddressed, would have a material adverse effect on the use or operation of the Property as currently used and operated.

(g) Condemnation. Except as set forth on Schedule 6.1(g), to Seller's knowledge, no condemnation proceedings relating to the Property are pending or threatened. Seller has not received written notice of any pending or threatened action or governmental proceeding relating to zoning or other land-use regulatory changes.

(h) Condominium. Seller owns and controls all of the dwelling units and has not sold any units at the Property as condominiums. There is no active condominium owner's association associated with the Property.

(i) Antiterrorism Matters. Neither Seller nor to Seller's knowledge any individual or entity having an interest in Seller: (i) is named or is acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order, including without limitation Executive Order 13224, or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enacted, enforced or administered by the Office of Foreign Assets Control ("OFAC"); or (ii) is engaged in this transaction, directly or indirectly, for or on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity or nation.

(j) Seller has not (i) commenced a voluntary case, or had entered against it a petition, for relief under any federal bankruptcy act or any similar petition, order or decree under any federal or state law or statute relative to bankruptcy, insolvency or other relief for debtors, (ii) caused, suffered or consented to the appointment of a receiver, trustee, administrator, conservator, liquidator or similar official in any federal, state or foreign judicial or non-judicial proceeding, to hold, administer and/or liquidate all or substantially all of its property, or (iii) made an assignment for the benefit of creditors.

(k) To Seller's knowledge, neither Seller nor any affiliate of Seller (i) is under investigation by any governmental authority for, or has been charged with, or convicted of, money laundering, drug trafficking, terrorist related activities, any crimes which in the United States would be predicate crimes to money laundering, or any violation of any Anti Money Laundering Laws; (ii) has been assessed civil or criminal penalties under any anti-money laundering laws; or (iii) has had any of its funds seized or forfeited in any action under any anti-money laundering laws.

(l) Except for this Agreement, Seller has not granted any rights of first refusal, or options, to purchase all or any part of the Property or granted other rights whereby any person or entity has the right to purchase all or any part of the Property.

(m) Other than as set forth on Schedule 6.1(m), Seller has not commenced any tax assessment reduction proceedings with respect to the Property.

(n) Except with respect to any matter disclosed in any environmental assessment report made available by Seller to Purchaser or otherwise obtained by Purchaser, Seller has not received any written notice regarding any violations of, or the requirement to undertake any corrective, investigatory or remedial obligations, under Environmental Laws with respect to the condition of the Property, "Environmental Laws" means any and all laws, rules, regulations, orders and directives, whether federal, state or local, applicable to the Property or any part thereof with respect to (i) environmental condition of the Property or any adjacent property, or (ii) any activities conducted on or at the Property.

6.2. Knowledge Defined

. References to the "knowledge" of Seller shall refer only to the actual knowledge of [***] and [***] (collectively, the "Designated Representatives"), and shall not be construed, by imputation or otherwise, to refer to the knowledge of Seller or any affiliate of Seller, to any property manager, or to any other officer, agent, manager, representative or employee of Seller or any affiliate of Seller or to impose upon such Designated Representatives any duty to investigate the matter to which such actual knowledge, or the absence thereof, pertains. Purchaser acknowledges that the Designated Representatives are named solely for the purpose of defining the scope of Seller's knowledge and not for the purpose of imposing any liability on the Designated Representatives. The provisions of this Section 6.2 shall survive the Closing.

6.3. Survival of Seller's Representations and Warranties

; R&W Insurance.

(a) The representations and warranties of Seller set forth in this Agreement shall terminate at Closing and shall not survive Closing. This Section 6.3(a) does not limit Seller's obligations pursuant to Section 5.4(d), ARTICLE VIII, and Section 11.11, or the liability of Seller for Seller's Fraud.

(b) Purchaser shall have the right to obtain the R&W Insurance Policy from the R&W Insurer. If Purchaser elects to obtain the R&W Insurance Policy, promptly following the Effective Date, Purchaser shall use commercially reasonable efforts to obtain and bind the R&W Insurance Policy and, as soon as practicable after the Closing, Purchaser shall deliver to Seller a true and complete copy of the final R&W Insurance Policy. Seller shall reasonably cooperate with Purchaser's efforts and provide commercially reasonable assistance as reasonably requested by Purchaser to obtain and bind the R&W Insurance Policy including by providing information and documents in Seller's possession reasonably requested by the insurer under the R&W Insurance Policy. Purchaser acknowledges and agrees that the obtaining of the R&W Insurance Policy is not a condition to Closing and Purchaser shall remain obligated to consummate the Closing in accordance with this Agreement if Purchaser is unable to obtain the R&W Insurance Policy. The R&W Insurance Policy shall expressly provide that the insurer thereunder shall have no right of subrogation, contribution, or otherwise to make or bring any action or proceeding against any of the Seller Parties, except in the case of Fraud. The Seller Parties shall be express third party beneficiaries of the foregoing provision. Neither Purchaser nor any of its affiliates shall amend the foregoing subrogation provision or third-party beneficiary language in any manner adverse to the Seller Parties without the prior written consent of Seller which consent may be given or withheld in Seller's sole discretion. Seller shall contribute the amount of Thirty Thousand and No/100 Dollars ($30,000.00) towards the R&W Insurance Policy Costs and the remainder of the R&W Insurance Policy Costs shall be paid by Purchaser.

(c) The provisions of this Section 6.3 shall survive Closing.

6.4. Covenants of Seller

. Seller hereby covenants with Purchaser as follows:

(a) From the Effective Date hereof until the Closing or earlier termination of this Agreement, Seller shall operate and maintain the Property in a manner generally consistent with the manner in which Seller has operated and maintained the Property prior to the date hereof (including maintaining the same levels of insurance coverage in effect with respect to the Property as of the Effective Date), provided that Seller shall not obligated to make any capital expenditures in connection therewith.

(b) Seller, without Purchaser's consent, may enter into new leases with residential tenants and may enter into renewals, extensions and terminations of existing Leases with residential tenants, in the ordinary course of Seller's operation of its Property.

(c) Seller shall not remove the Personal Property or deplete the supplies of the Property other than in the normal course.

(d) Seller shall not apply any security deposit against delinquent rent, except in the event of a tenant that is in default, has been evicted or has vacated the Property prior to Closing.

(e) Seller shall promptly notify Purchaser of any condemnation, environmental, zoning or other land use regulation proceedings, any notices of violations of any laws and any litigation that arises out of the ownership of the Property, except for evictions which arise in the normal course. For any violations of any laws (including ordinances) that relate to any part of the Property and first arise after expiration of the Inspection Period and prior to the Closing, Seller shall either (i) cure any such violations, in each such case at Seller's sole cost and expense, or (ii) provide Purchaser a credit against the Purchase Price for the estimated cost to cure any such violation, with the amount of the credit to be agreed upon by the parties in each party's reasonable discretion and, as may be applicable, based on the estimated cost of curing any such violation set forth in a formal bid from a licensed contractor, provided that Seller's obligations pursuant to the preceding clauses (i) and (ii) shall not exceed Three Hundred Thousand Dollars ($300,000) in the aggregate. In the event that are any violations of laws arising after the expiration of the Inspection Period the cure of which costs in excess of Three Hundred Thousand Dollars ($300,000) in the aggregate, the parties shall negotiate in good faith for a period of ten (10) Business Days with respect to the responsibilities for paying same and if the parties fail to reach agreement within such ten (10) Business Day period, Purchaser may terminate this Agreement by written notice to Seller given within three (3) Business Days following the expiration of such ten (10) Business Day negotiation period, in which event the Earnest Money shall be returned to Purchaser and thereafter neither party shall have any rights or obligations under this Agreement other than any obligations that survive a termination by their terms. In the event Purchaser fails to terminate this Agreement within such three (3) Business Day period, Purchaser shall be deemed to have waived its termination right and shall be obligated to proceed with Closing in accordance with the terms and conditions of this Agreement. To the extent necessary, the Closing Date shall automatically be extended to afford the negotiation and termination periods set forth above.

(f) Seller shall not sell, mortgage, pledge, hypothecate or otherwise transfer (with the exception of leasing in the ordinary course) or dispose of the Property or any interest therein or part thereof, nor shall Seller initiate, consent to, approve or otherwise take any action with respect to zoning or any other governmental rules or regulations applicable to the Property.

(g) Seller shall permit Purchaser and its agents access to the Property prior to Closing or the earlier termination of this Agreement to perform any lender required inspections or studies, all subject to the terms of Section 4.1.

(h) Upon request from Purchaser no more often than once per calendar month, Seller shall provide to Purchaser a then current Lease Schedule for the Property and a then current delinquency / receivables report.

(i) From the Effective Date hereof until the Closing or earlier termination of this Agreement, Seller may, without the prior consent of Purchaser, enter into any new Service Contracts in the normal course of business which by their terms are terminable upon thirty (30) days or less notice without payment of a fee or penalty, provided that Seller shall provide Purchaser written notice thereof and a copy of any such new Service Contracts the term of which shall extend after Closing.

(j) From the expiration of the Inspection Period until the Closing or earlier termination of this Agreement, Seller shall not amend any Existing Commercial Lease or enter into any new commercial lease without Purchaser's consent, which consent may be granted or withheld in Purchaser's sole discretion. In the event Purchaser fails to notify Seller in writing of its approval or disapproval within five (5) Business Days following Seller's request for such approval, such failure shall be deemed the approval by Purchaser. Upon written request from Purchaser, Seller shall request each tenant under the Existing Commercial Leases to execute a tenant estoppel certificate (collectively, the "Estoppel Certificates"). The Estoppel Certificates shall be in the form required by the applicable Existing Commercial Lease, or if such Existing Commercial Lease does not provide for a specific form, then on a customary form prepared by Purchaser and subject to Seller's reasonable approval. In no event shall Seller be liable to Purchaser for, or deemed to be in default hereunder by reason of, its failure to deliver any Estoppel Certificates and receipt by Purchaser of the Estoppel Certificates shall not be a condition precedent to Purchaser's obligation to proceed with Closing.

6.5. Representations and Warranties of Purchaser

. Purchaser hereby represents and warrants to Seller:

(a) Organization and Authority. Purchaser is validly existing and in good standing under the laws of the state of its formation. Purchaser has the full right, power and authority to purchase the Property as provided in this Agreement and to carry out Purchaser's obligations hereunder, and all requisite action necessary to authorize Purchaser to enter into this Agreement and to carry out its obligations hereunder have been taken. The person signing this Agreement on behalf of Purchaser is authorized to do so.

(b) Pending Actions. There is no action, suit, arbitration, unsatisfied order or judgment, government investigation or proceeding pending against Purchaser which, if adversely determined, could individually or in the aggregate materially interfere with the consummation by Purchaser of the transaction contemplated by this Agreement.

(c) ERISA. Purchaser is not, and is not acquiring the Property on behalf of, (i) an "employee benefit plan" (within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") subject to Title I of ERISA, (ii) a "plan" (within the meaning of Section 4975(e)(1) of the Code) subject to Section 4975 of the Code or (iii) an entity the underlying assets of which are treated as "plan assets" under Department of Labor Regulation 29 CFR Section 2510.3-101, as modified by Section 3(42) of ERISA, or otherwise for purposes of Title I of ERISA or Section 4975 of the Code. Purchaser is not a "governmental plan" within the meaning of

Section 3(32) of ERISA, and none of Purchaser's assets are subject to state statutes regulating investments with respect to governmental plans.

(d) Antiterrorism Matters; Anti-Money Laundering Laws. Neither Purchaser nor to Purchaser's knowledge any individual or entity having an interest in Purchaser: (i) is named or is acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order, including without limitation Executive Order 13224, or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enacted, enforced or administered by OFAC; (ii) is engaged in this transaction, directly or indirectly, for or on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity or nation; (iii) is under investigation by any governmental authority for, or has been charged with, or convicted of, money laundering, drug trafficking, terrorist related activities, any crimes which in the United States would be predicate crimes to money laundering or any violation of any Anti-Money Laundering Laws (as defined below); (iv) has been assessed civil or criminal penalties under any Anti-Money Laundering Laws; or (v) has had any of its funds seized or forfeited in any action under any Anti-Money Laundering Laws. None of the proceeds used to pay the Purchase Price have been or will be derived from a "specified unlawful activity" as defined in, and Purchaser is not otherwise in violation of, the Money Laundering Control Act of 1986, as amended, or any other Anti-Money Laundering Laws. For purposes of this Agreement, the term "Anti-Money Laundering Laws" shall mean laws, regulations and sanctions, state and federal, criminal and civil, that (1) limit the use of and/or seek the forfeiture of proceeds from illegal transactions; (2) limit commercial transactions with designated countries or individuals believed to be terrorists, narcotics dealers or otherwise engaged in activities contrary to the interests of the United States; (3) require identification and documentation of the parties with whom a Financial Institution conducts business; or (4) are designed to disrupt the flow of funds to terrorist organizations. Such laws, regulations and sanctions shall be deemed to include the USA PATRIOT Act of 2001, Pub. L. No. 107-56, the Bank Secrecy Act, 31 U.S.C. Section 5311 et. seq., the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et. seq., the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et. seq., and the sanction regulations promulgated pursuant thereto by the OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Section 1956 and 1957.

6.6. Survival of Purchaser's Representations and Warranties

. The representations and warranties of Purchaser set forth in Section 6.5 shall survive Closing.

6.7. Service Contracts

. If Purchaser delivers the Approval Notice prior to the expiration of the Inspection Period, Seller shall give notice of termination to the applicable vendor(s) (or otherwise make such Service Contracts inapplicable to the Property) of all Service Contract(s) that are not designated as Assumed Service Contracts to be assumed by Purchaser in Purchaser's Approval Notice, provided that Purchaser must assume at Closing the Service Contracts listed on Schedule 6.7 attached hereto and made a part hereof unless such Service Contracts can be terminated with the payment of a termination charge and Purchaser agrees to pay such termination charge. The provisions of this Section 6.7 shall survive Closing.

6.8. Fairfax County Easements

. Fairfax County, Virginia ("Fairfax County") is the owner of certain property that is adjacent to the Property and used by Fairfax County as a pumping station (the "Fairfax County Property"). Fairfax County intends to redevelop (or otherwise make improvements to) the Fairfax County Property which will require that the owner of the Property grant certain access, construction, sewer, utility, and/or other easements to Fairfax County (collectively, the "Fairfax County Easements"). Seller shall not enter into any Fairfax County Easements without the prior written consent of Purchaser, which consent shall not be unreasonably withheld, conditioned, or delayed. Purchaser agrees to notify Seller in writing within five (5) Business Days after its receipt of any draft Fairfax County Easements of either its approval or disapproval thereof, and, if disapproved, the specific reasons for such disapproval and the proposed specific revisions that would make such draft acceptable to Purchaser. In the event Purchaser fails to notify Seller in writing of its approval or disapproval within the five (5) Business Day period set forth above, such failure shall be deemed the approval by Purchaser of the applicable draft Fairfax County Easements submitted to Purchaser. In the event the Fairfax County Easements are entered into prior to Closing, the amount of any consideration paid by Fairfax County to Seller in connection with the Fairfax County Easements shall be applied as a credit against the Purchase Price at Closing.

ARTICLE VII

FAILURE TO CLOSE

7.1. By Purchaser

. In the event that Purchaser fails to consummate this Agreement for any reason other than Seller's default or the permitted termination of this Agreement by either Seller or Purchaser as herein expressly provided, Seller shall be entitled, as its sole remedy, to terminate this Agreement and receive the Earnest Money as liquidated damages for the breach of this Agreement, it being agreed between the parties hereto that the actual damages to Seller in the event of such breach are impractical to ascertain and the amount of the Earnest Money is a reasonable estimate thereof. The foregoing liquidated damages provision of this Section shall not: (a) apply to Purchaser's obligations under Section 11.1, nor shall Purchaser be entitled to credit or offset the Earnest Money or any portion thereof against any damages suffered by Seller by reason of Purchaser's default with respect thereto; (b) be deemed to limit Purchaser's liability under any indemnity or breach of any covenant under this Agreement that is expressly stated to survive the Closing or early termination of this Agreement; (c) apply to any of Purchaser's survival obligations specified in Section 11.20 or elsewhere in this Agreement; or (d) apply to Purchaser's obligations specified in Section 11.24.

7.2. By Seller

. In the event that Seller fails to consummate this Agreement for any reason other than Purchaser's default or the permitted termination of this Agreement by Seller or Purchaser as herein expressly provided, Purchaser shall be entitled, as its sole remedy, either (a) to receive the return of the Earnest Money along with reimbursement from Seller for Purchaser's actual verifiable out-of-pocket expenses incurred in connection with this Agreement and the pursuit of the Property in an amount not to exceed $100,000 in the aggregate, which return of such Earnest Money and reimbursement of such out-of-pocket expenses shall operate to terminate this Agreement and release Seller from any and all liability hereunder, or (b) to enforce specific performance of Seller's obligation to consummate the Closing pursuant to the terms and conditions of this Agreement, it being understood and agreed that the remedy of specific performance shall not be available to enforce any other obligation of Seller hereunder. Purchaser expressly waives its rights to seek damages of any kind, including, without limitation, ordinary, consequential, exemplary or punitive damages, in the event of Seller's default or failure to close hereunder; provided, however, in the event that specific performance is unavailable to Purchaser as a result of Seller's conveyance of the Property to a third party, then Purchaser may seek to recover the positive difference between the purchase price received by Seller for such conveyance to the third party and the Purchase Price. Purchaser shall be deemed to have elected to terminate this Agreement and receive back the Earnest Money (and elect to receive reimbursement of Purchaser's out-of-pocket expenses) in accordance with the foregoing clause (a) if Purchaser fails to file suit for specific performance against Seller in a court having jurisdiction in the Commonwealth of Virginia on or before thirty (30) days following the date upon which Closing was to have occurred.

ARTICLE VIII

RISK OF LOSS

8.1. Minor Damage

. In the event of loss or damage to the Property or any portion thereof which is not "major" (as hereinafter defined), this Agreement shall remain in full force and effect provided that Seller performs any necessary repairs or, at Seller's option, assigns to Purchaser all of Seller's right, title and interest to any claims and proceeds Seller may have with respect to any casualty insurance policies or condemnation awards relating to the premises in question, less the reasonable out-of-pocket costs and expenses incurred by Seller in collecting such insurance proceeds or condemnation awards and in effectuating any repairs to the Property. To the extent provided to Seller, Seller shall provide to Purchaser a copy of the fire marshal's report, if such casualty was caused by fire, and a copy of the insurance adjuster's report for such casualty loss tendered to Seller's insurance carrier and a copy of a formal bid from a licensed contractor for the estimated cost of repairs, and Seller shall use commercially reasonable efforts to obtain such fire marshal's report. In the event that Seller elects to perform repairs upon the Property, (i) Seller shall use reasonable efforts to complete such repairs promptly, (ii) Purchaser shall have the right to inspect and reasonably approve such repairs prior to Closing, and (iii) the date of Closing may be extended for a reasonable period of time in order to allow for the completion of such repairs, not to exceed a period of thirty (30) days. To the extent any such repairs are not completed as of Closing, at Closing, Seller shall (i) assign to Purchaser the contract(s) governing such work as part of the Assumed Service Contracts, (ii) pay to Purchaser (or credit against the Purchase Price) the insurance proceeds related to the applicable casualty received by Seller prior to Closing and not used for the payment of the repair and restoration work performed by Seller, and (iii) assign to Purchaser such Seller's right, title and interest in and to all claims and rights under the insurance policy applicable to such loss and insurance proceeds applicable to the casualty and not received by Seller prior to Closing. Any assignment of a casualty insurance policy or award pursuant to the foregoing provisions of this Section shall be on a form reasonably approved by Purchaser and shall, in any such event, include a consent to the assignment by Seller's insurer in the event the insurance company must consent to the assignment under applicable law. Seller shall use commercially reasonable efforts to obtain such consent from the insurer and Seller shall reasonably cooperate with Purchaser in completing any documentation required by such insurer to obtain such consent. In the event that, as of Closing, such consent of the insurer has not been obtained, Seller shall reasonably cooperate with Purchaser to obtain such consent following Closing. If Seller assigns a casualty claim to Purchaser, the Purchase Price shall be reduced by an amount equal to the deductible amount under Seller's insurance policy. Upon Closing, full risk of loss with respect to the Property shall pass to Purchaser.

8.2. Major Damage

. In the event of a "major" loss or damage, either Seller or Purchaser may terminate this Agreement by written notice to the other party, in which event the Earnest Money shall be returned to Purchaser. If neither Seller nor Purchaser elects to terminate this Agreement within ten (10) days after Seller sends Purchaser written notice (which written notice shall include a summary of the restoration work that Seller intends to undertake, if any) of the occurrence of major loss or damage (and the Closing shall be extended if and to the extent necessary to afford such 10 day period), then Seller and Purchaser shall be deemed to have elected to proceed with Closing, in which event Seller shall, at Seller's option, either (a) perform any necessary repairs, or (b) assign to Purchaser all of Seller's right, title and interest to any claims and proceeds Seller may have with respect to any casualty insurance policies or condemnation awards relating to the premises in question, less the reasonable out-of-pocket costs and expenses incurred by Seller in collecting such insurance proceeds or condemnation awards and in effectuating any repairs to the Property. To the extent provided to Seller, Seller shall provide to Purchaser a copy of the fire marshal's report, if such casualty was caused by fire, and a copy of the insurance adjuster's report for such casualty loss tendered to Seller's insurance carrier and a copy of a formal bid from a licensed contractor for the estimated cost of repairs, and Seller shall use commercially reasonable efforts to obtain such fire marshal's report. In the event that Seller elects to perform repairs upon the Property, (i) Seller shall use reasonable efforts to complete such repairs promptly, (ii) Purchaser shall have the right to inspect and reasonably approve such repairs prior to Closing, and (iii) the date of Closing may be extended for a reasonable period of time in order to allow for the completion of such repairs, not to exceed a period of thirty (30) days. To the extent any such repairs are not completed as of Closing, at Closing, Seller shall (i) assign to

Purchaser the contract(s) governing such work as part of the Assumed Service Contracts, (ii) pay to Purchaser (or credit against the Purchase Price) the insurance proceeds related to the applicable casualty received by Seller prior to Closing and not used for the payment of the repair and restoration work performed by Seller, and (iii) assign to Purchaser such Seller's right, title and interest in and to all claims and rights under the insurance policy applicable to such loss and insurance proceeds applicable to the casualty and not received by Seller prior to Closing. Any assignment of a casualty insurance policy or award pursuant to the foregoing provisions of this Section shall be on a form reasonably approved by Purchaser and shall, in any such event, include a consent to the assignment by Seller's insurer in the event the insurance company must consent to the assignment under applicable law. Seller shall use commercially reasonable efforts to obtain such consent from the insurer and Seller shall reasonably cooperate with Purchaser in completing any documentation required by such insurer to obtain such consent. In the event that, as of Closing, such consent of the insurer has not been obtained, Seller shall reasonably cooperate with Purchaser to obtain such consent following Closing. If Seller assigns a casualty claim to Purchaser, the Purchase Price shall be reduced by an amount equal to the deductible amount under Seller's insurance policy. Upon closing, full risk of loss with respect to the Property shall pass to Purchaser.

With respect to both a "minor" and "major" loss or damage tendered to insurance, Seller shall use commercially reasonable efforts to negotiate and settle such claim in substantially the same manner that Seller would have done so for its own account (provided, that for any such insurance claim in excess of the major damage amount, Seller shall not settle any such claims without Purchaser's prior consent, such consent not to be unreasonably withheld, conditioned or delayed).

8.3. Definition of "Major" Loss or Damage

. For purposes of Sections 8.1 and 8.2, "major" loss or damage refers to the following: (i) loss or damage to the Property or any portion thereof such that the cost of repairing or restoring the premises in question to a condition substantially identical to that of the premises in question prior to the event of damage would be, in the opinion of an engineer or architect selected by Seller and reasonably approved by Purchaser, equal to or greater than an amount equal to Seven Million Five Hundred Thousand and No/100 Dollars ($7,500,000.00), (ii) any loss due to a condemnation which permanently and materially impairs the current use of the Property in Purchaser's reasonable estimation (including, without limitation, results in the loss of any portion of the parking available to the Property below the parking required by applicable zoning laws or results in the Property being in uncurable violation of any applicable law), or (iii) any casualty damage to the Property that is uninsured or underinsured unless Seller, in its sole discretion, elects to reduce the Purchase Price by the amount necessary to restore such damage as determined by an engineer or architect selected by Seller and reasonably approved by Purchaser. If Purchaser does not give notice to Seller of Purchaser's reasons for disapproving an engineer or architect within five (5) Business Days after receipt of notice of the proposed architect, Purchaser shall be deemed to have approved the architect selected by Seller.

ARTICLE IX

COMMISSIONS

9.1. Brokerage Commissions

. In the event the transaction contemplated by this Agreement is consummated, but not otherwise, Seller agrees to pay to Seller's Broker at Closing a brokerage commission pursuant to a separate written agreement between Seller and Seller's Broker. Each party agrees that should any claim be made for brokerage commissions or finder's fees by any broker or finder other than Seller's Broker by, through or on account of any acts of said party or its representatives, said party will indemnify and hold the other party free and harmless from and against any and all loss, liability, cost, damage and expense in connection therewith. The provisions of this Section 9.1 shall survive Closing or earlier termination of this Agreement.

ARTICLE X

DISCLAIMERS AND WAIVERS

10.1. No Reliance on Documents

. Except as expressly stated herein, Seller makes no representation or warranty as to the truth, accuracy or completeness of any materials, data or information delivered by Seller to Purchaser in connection with the transaction contemplated hereby. Purchaser acknowledges and agrees that all materials, data and information delivered by Seller to Purchaser in connection with the transaction contemplated hereby are provided to Purchaser as a convenience only and that any reliance on or use of such materials, data or information by Purchaser shall be at the sole risk of Purchaser, except as otherwise expressly stated herein. Without limiting the generality of the foregoing provisions, Purchaser acknowledges and agrees that (a) any environmental or other report with respect to the Property which is delivered by Seller to Purchaser shall be for general informational purposes only, (b) Purchaser shall not have any right to rely on any such report delivered by Seller to Purchaser, but rather will rely on its own inspections and investigations of the Property and any reports commissioned by Purchaser with respect thereto, and (c) neither Seller, any affiliate of Seller nor the person or entity which prepared any such report delivered by Seller to Purchaser shall have any liability to Purchaser for any inaccuracy in or omission from any such report.

10.2. DISCLAIMERS

. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT OR ANY DOCUMENT TO BE DELIVERED BY SELLER TO PURCHASER AT CLOSING, IT IS UNDERSTOOD AND AGREED THAT SELLER IS NOT MAKING AND HAS NOT AT ANY TIME MADE ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESSED OR IMPLIED, WITH RESPECT TO THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OR REPRESENTATIONS AS TO HABITABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE,

TITLE (OTHER THAN SELLER'S SPECIAL WARRANTY OF TITLE TO BE SET FORTH IN THE DEED), ZONING, TAX CONSEQUENCES, LATENT OR PATENT PHYSICAL OR ENVIRONMENTAL CONDITION, UTILITIES, OPERATING HISTORY OR PROJECTIONS, VALUATION, GOVERNMENTAL APPROVALS, THE COMPLIANCE OF THE PROPERTY WITH GOVERNMENTAL LAWS, THE TRUTH, ACCURACY OR COMPLETENESS OF ANY DOCUMENTS OR ANY OTHER INFORMATION PROVIDED BY OR ON BEHALF OF SELLER TO PURCHASER, OR ANY OTHER MATTER OR THING REGARDING THE PROPERTY. PURCHASER ACKNOWLEDGES AND AGREES THAT UPON CLOSING SELLER SHALL SELL AND CONVEY TO PURCHASER AND PURCHASER SHALL ACCEPT THE PROPERTY "AS IS, WHERE IS, WITH ALL FAULTS". PURCHASER HAS NOT RELIED AND WILL NOT RELY ON, AND SELLER IS NOT LIABLE FOR OR BOUND BY, ANY EXPRESSED OR IMPLIED WARRANTIES, GUARANTIES, STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY OR RELATING THERETO (INCLUDING SPECIFICALLY, WITHOUT LIMITATION, THE DUE DILIGENCE MATERIALS AND PROPERTY INFORMATION PACKAGES DISTRIBUTED WITH RESPECT TO THE PROPERTY) MADE OR FURNISHED BY SELLER, THE MANAGER OF THE PROPERTY, OR ANY REAL ESTATE BROKER OR AGENT REPRESENTING OR PURPORTING TO REPRESENT SELLER, TO WHOMEVER MADE OR GIVEN, DIRECTLY OR INDIRECTLY, ORALLY OR IN WRITING, UNLESS SPECIFICALLY SET FORTH IN THIS AGREEMENT. PURCHASER REPRESENTS TO SELLER THAT PURCHASER HAS CONDUCTED, OR WILL CONDUCT PRIOR TO CLOSING, SUCH INVESTIGATIONS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, AS PURCHASER DEEMS NECESSARY TO SATISFY ITSELF AS TO THE CONDITION OF THE PROPERTY AND THE EXISTENCE OR NONEXISTENCE OR CURATIVE ACTION TO BE TAKEN WITH RESPECT TO ANY HAZARDOUS OR TOXIC SUBSTANCES ON OR DISCHARGED FROM THE PROPERTY, AND WILL RELY SOLELY UPON SAME AND NOT UPON ANY INFORMATION PROVIDED BY OR ON BEHALF OF SELLER OR THEIR AGENTS OR EMPLOYEES WITH RESPECT THERETO. UPON CLOSING, PURCHASER SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING BUT NOT LIMITED TO, CONSTRUCTION DEFECTS AND ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS (INCLUDING HAZARDOUS OR TOXIC SUBSTANCES), MAY NOT HAVE BEEN REVEALED BY PURCHASER'S INVESTIGATIONS, AND PURCHASER, UPON CLOSING, SHALL BE DEEMED TO HAVE WAIVED, RELINQUISHED AND RELEASED SELLER AND ELME (AND SELLER'S AND ELME'S OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES AND AGENTS) FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION (INCLUDING CAUSES OF ACTION IN TORT), LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES AND COURT COSTS) OF ANY AND EVERY KIND OR CHARACTER, KNOWN OR UNKNOWN, WHICH PURCHASER MIGHT HAVE ASSERTED OR ALLEGED AGAINST SELLER OR ELME (AND SELLER'S AND ELME'S OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES AND AGENTS) AT ANY TIME BY REASON OF OR ARISING OUT OF ANY LATENT OR PATENT CONSTRUCTION DEFECTS OR PHYSICAL CONDITIONS, VIOLATIONS OF ANY

APPLICABLE LAWS (INCLUDING, WITHOUT LIMITATION, ANY ENVIRONMENTAL LAWS) AND ANY AND ALL OTHER ACTS, OMISSIONS, EVENTS, CIRCUMSTANCES OR MATTERS REGARDING THE PROPERTY. PURCHASER AGREES THAT SHOULD ANY CLEANUP, REMEDIATION OR REMOVAL OF HAZARDOUS OR TOXIC SUBSTANCES OR OTHER ENVIRONMENTAL CONDITIONS ON THE PROPERTY BE REQUIRED AFTER THE DATE OF CLOSING, NEITHER SELLER NOR ELME (NOR SELLER'S AND ELME'S OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES AND AGENTS) SHALL BE RESPONSIBLE SUCH CLEAN UP, REMOVAL OR REMEDIATION OR FOR ANY COSTS AND EXPENSES RELATED THERETO.

10.3. Effect and Survival of Disclaimers

. Seller and Purchaser acknowledge that the compensation to be paid to Seller for the Property has taken into account that the Property is being sold subject to the provisions of this Article X. Seller and Purchaser agree that the provisions of this Article X shall survive Closing.

ARTICLE XI

MISCELLANEOUS

11.1. Confidentiality

.

(a) As used in this Agreement, the term "Confidential Information" means all Due Diligence Information and all other information concerning the Property, Seller, or Elme furnished to or otherwise made available to Purchaser or Purchaser's Personnel by Seller's Broker, Seller, Elme or any other Seller Parties, including any documents, files, studies, reports, test results, brochures, offering materials, photographs, leases, rent rolls, surveys, title reports and commitments, legal documents, financial information, computer output and other materials and information relating to the Property and all analyses, compilations, forecasts, projections and other documents prepared based upon such materials and information, whether the same are in electronic, pictorial, written or other form, and whether oral, written or electronic. Confidential Information shall not include information that Purchaser can conclusively establish: (i) is or subsequently becomes generally available to the public without Purchaser's or Purchaser's Personnel's breach of any of the terms of this Agreement; (ii) was in the possession of Purchaser on a non-confidential basis prior to Seller's Broker, Seller's, Elme's or any other Seller Parties', disclosure of such information to Purchaser (and is not subject to any pre-existing or prior confidentiality agreement in favor of Seller or any Seller Parties, including Elme, and/or Seller's Broker); (iii) became known to Purchaser from a source other than Seller's Broker, Seller, Elme or any other Seller Parties who, to the knowledge of Purchaser or Purchaser's Personnel, is not subject to any confidentiality agreement regarding such information; or (iv) is independently developed by Purchaser without use of or reliance on the Confidential Information.

(b) Purchaser shall maintain strictly confidential all Confidential Information and not disclose any Confidential Information (including information pertaining to the terms or existence of this Agreement, the fact that Seller has made the Confidential Information available to Purchaser or any other parties) to any third parties (except as otherwise expressly permitted by the terms of this Agreement). Confidential Information may be disclosed, reproduced, summarized or distributed only as expressly provided hereunder and shall be used solely and exclusively for evaluating the Property, and for no other purpose whatsoever. Without limiting the generality of the foregoing provisions of this Section 11.1(b), Purchaser shall take the same degree of care (but not less than reasonable care) as it takes with its own confidential information to safeguard the Confidential Information. If any court or governmental authority requires Purchaser to disclose any portion of the Confidential Information, Purchaser shall, to the extent permitted by law, (i) provide Seller with prompt written notice of such requirement, (ii) delay such disclosure consistent with applicable law in a manner that provides Seller with a reasonable opportunity to obtain a judicial protective order or other relief, and (iii) cooperate with Seller and the other Seller Parties in a commercially reasonable manner in obtaining any protective order or other remedy sought by Seller with respect to such requirement. If no such protective order or other remedy is obtained, then Purchaser may disclose only that portion of the Confidential Information that in the reasonable opinion of its legal counsel is legally required to be disclosed, and shall exercise all commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded the Confidential Information.

(c) Purchaser may disclose Confidential Information only to Purchaser's Personnel on a need-to-know basis. Purchaser's Personnel shall be informed by Purchaser of the confidential nature of the Confidential Information, shall be provided a copy of this Section 11.1, and shall be directed by Purchaser to keep all Confidential Information confidential in accordance with the requirements of this Section 11.1 and otherwise comply with this Section 11.1.

(d) Purchaser shall notify Seller promptly upon discovery of any unauthorized use or disclosure of Confidential Information, or any other breach of this Section 11.1 by Purchaser or Purchaser's Personnel, and will reasonably cooperate with Seller to regain possession of the Confidential Information and prevent its further unauthorized use. In any event, Purchaser shall be responsible for any unauthorized disclosure or use of the Confidential Information by Purchaser's Personnel (including any action taken by any of Purchaser's Personnel that, if taken by Purchaser, would constitute a breach of this Agreement) or any other parties that receive the Confidential Information from Purchaser and/or Purchaser's Personnel.

(e) Upon termination of this Agreement, Purchaser shall promptly (and in any case within five (5) Business Days) permanently destroy (with written certification of such destruction) or return all originals, copies, reproductions and summaries of Confidential Information, without retaining any copy, extract, or other reproduction (in whole or in part) of such Confidential Information and will require that Purchaser's

Personnel do the same. Notwithstanding the foregoing, Purchaser and Purchaser's Personnel may retain Confidential Information in electronic form pursuant to its electronic backup processes, so long as such information is not accessible in the ordinary course of business and Purchaser or such Purchaser's Personnel continues to maintain the confidentiality of such retained Confidential Information, and if such information does become accessible it will be destroyed or returned in accordance with this Section 11.1(e).

(f) In the event that Purchaser or any of Purchaser's Personnel fails to comply with the terms and conditions of this Section 11.1, Purchaser and such Purchaser's Personnel shall be liable to Seller and the Seller Parties, including Elme, for such breach, and Seller and the Seller Parties, including Elme, shall be entitled to exercise any right, power, or remedy available at law or in equity for such breach. Without prejudice to any other rights or remedies that Seller and the Seller Parties, including Elme, may have with respect to any breach by Purchaser and/or any of Purchaser's Personnel, Purchaser on behalf of itself and Purchaser's Personnel, hereby acknowledges and agrees that (a) damages may not be an adequate remedy for any breach of the terms of this Agreement by Purchaser and/or any of Purchaser's Personnel, and (b) Seller and the Seller Parties, including Elme, shall be entitled to seek injunctive relief or specific performance or other equitable relief without proof of special damages or the requirement to post a bond for the enforcement of the terms of this Section 11.1. Purchaser shall indemnify, save harmless and defend Seller and the Seller Parties, including Elme, against all losses directly or indirectly associated with any breach by Purchaser of any of Purchaser's Personnel of this Agreement. The failure or delay by Seller or any of the Seller Parties, including Elme, in exercising any right or remedy under this Section 11.1 will not operate as a waiver of such right or remedy. The Seller Parties, including Elme, are intended third party beneficiaries of the provisions of this Section 11.1.

(g) The provisions of this Section 11.1 shall survive any termination of this Agreement.

11.2. Public Disclosure; No Recordation

. Any release to the public of information with respect to the sale contemplated herein or any matters set forth in this Agreement will be made only in the form approved by Seller. Notwithstanding the foregoing provisions of this Section11.2, Purchaser, Seller and Seller Parties may make such disclosures (including press releases) as required by law, court order, or regulatory requirements (including the applicable rules of any stock exchange). Neither Purchaser nor its agents or representatives shall record or file this Agreement or any notice or memorandum hereof in any public records. The provisions of this Section shall survive Closing or any early termination of this Agreement.

11.3. Discharge of Obligations

. The conveyance of the Deed at Closing shall be deemed to be a full performance and discharge of every representation and warranty made by Seller herein and, except with respect to

Seller's obligations pursuant to Section 5.4(d), ARTICLE VIII, and Section 11.11, every agreement and obligation on the part of Seller to be performed pursuant to the provisions of this Agreement or with respect to the Property. The provisions of this Section shall survive Closing.

11.4. Assignment

. Purchaser may not assign this Agreement or its rights under this Agreement without first obtaining Seller's written approval, which approval may be given or withheld in Seller's sole discretion. Notwithstanding the foregoing, but subject to the conditions set forth in this Section 11.4, Purchaser may assign its rights under this Agreement at Closing to an entity that is controlled by or under common control with Purchaser (a "Permitted Assignee") without the prior written consent of, but with the notice specified below to, Seller. In the event of any assignment to a Permitted Assignee, any transfer, directly or indirectly, of any controlling ownership interest in such Permitted Assignee without Seller's prior written approval, which approval may be given or withheld in Seller's sole discretion, shall constitute an assignment prohibited by this Section 11.4. In the event that Purchaser desires to assign its rights under this Agreement to a Permitted Assignee, Purchaser shall send written notice to Seller at least five (5) Business Days prior to the Closing Date stating the name and, if applicable, the constituent persons or entities of the Permitted Assignee(s). Such assignment shall not become effective until the Closing occurs and such Permitted Assignee executes an instrument reasonably satisfactory to Seller in form and substance whereby the Permitted Assignee(s) expressly assumes each of the obligations of Purchaser under this Agreement, including specifically, without limitation, all obligations concerning the Earnest Money, and under all other documents and certificates required to be delivered by Purchaser hereunder, which instrument (the "Assignment of Purchase Agreement") shall be an additional document to be delivered by Purchaser at Closing. No assignment shall release or otherwise relieve Purchaser from any obligations hereunder. Nothing in this Section 11.4 or elsewhere in this Agreement shall be deemed to prohibit (i) Seller from assigning this Agreement, and Seller may assign this Agreement to a Successor Entity (defined below), in which event the named Seller herein shall be released from all obligations hereunder, or (ii) one or more of the entities that hold direct or indirect ownership interests in Seller from assigning such direct or indirect ownership interests, and such entities may assign such direct or indirect ownership interests in Seller to a Successor Entity. Without limiting the foregoing, Elme may, through one or more internal transfers, transfer the ownership interests in Seller or the Property to a liquidating trust or other liquidating entity. As used herein, the term "Successor Entity" means an affiliate of Seller or a liquidating trust or other liquidating entity established by Seller, an affiliate of Seller, Elme, or the Board of Trustees of Elme.

11.5. Notices

. Any notice pursuant to this Agreement shall be given in writing by (a) personal delivery, or (b) reputable overnight delivery service with proof of delivery, or (c) legible e-mail transmission sent to the intended addressee at the address set forth below, or to such other address or to the attention of such other person as the addressee shall have designated by written notice sent in accordance herewith, and shall be deemed to have been given either at the time of personal delivery or refusal of delivery, or, in the case of expedited delivery service on the first Business Day following delivery to such service, or, in the case of e-mail transmission, as of the date of the transmission if given prior to 5:00 p.m. (Eastern time) on a Business Day and provided that a copy of such transmission is also sent to the intended addressee by means described in clauses (a) or (b) above. Any notice given by e-mail transmission after 5:00 p.m. (Eastern time) or not on a Business Day shall be deemed given on the next following Business Day. Any notice to be given by any party hereto may be given by the counsel for such party. Unless changed in accordance with the preceding sentence, the addresses for notices given pursuant to this Agreement shall be as follows:

If to Seller:	c/o Elme Communities 7550 Wisconsin Avenue, Suite 900 Bethesda, MD 20814 Attention: W. Drew Hammond E-Mail: [***]
with a copy to:	Hogan Lovells Cadwalader US LLP 555 13th Street, NW Washington, DC 20004 Attention: Jeffrey R. Keitelman E-Mail: [***]
If to Purchaser:	FPA Multifamily, LLC 2082 Michelson Drive, 4th Fl. Irvine, CA 92612 Attn: Sam Eisenman Phone: [***] E-Mail: [***]
with a copy to:	Stoel Rives LLP 760 SW Ninth Avenue, Suite 3000 Portland, OR 97205 Attn: Scott Rosenthal; Kate Mathews Phone: [***] Email: [***]
If To Escrow Agent and Title Company:	Chicago Title Insurance Company 2699 Howell Street, Suite 200 Dallas, Texas 75204 Attn: Shannon Bright Email: [***]

11.6. Modifications

. This Agreement cannot be changed orally, and no executory agreement shall be effective to waive, change, modify or discharge it in whole or in part, unless such executory agreement is in writing and is signed by the parties against whom enforcement of any waiver, change, modification or discharge is sought.

11.7. Tenant Notification Letters; Vendor Notification Letters

. Purchaser shall deliver (i) to each tenant of the Property under a Lease the letter described in Section 5.2(d)(i), and (ii) to each vendor of the Property the letter described in Section 5.2(d) (ii). The provisions of this paragraph shall survive Closing.

11.8. Time is of the Essence; Calculation of Time Periods

. Time is of the essence with respect to all provisions of this Agreement. Unless otherwise specified, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is not a Business Day, in which event the period shall run until the end of the next Business Day. Unless otherwise set forth herein, the final day of any such period shall be deemed to end at 5 p.m. (Eastern time).

11.9. Successors and Assigns

. Subject to Section 11.4, the terms and provisions of this Agreement are binding upon the parties hereto and are to apply to and bind the successors and assigns of the parties hereto.

11.10. Entire Agreement

. This Agreement, including the Exhibits, contains the entire agreement between the parties pertaining to the subject matter hereof and fully supersedes all prior written or oral agreements and understandings between the parties pertaining to such subject matter.

11.11. Further Assurances

. Each party agrees that it will without further consideration execute and deliver such other documents and take such other action, whether prior or subsequent to Closing, as may be reasonably requested by the other party to consummate the Closing (it being understood that Seller shall have no post-Closing liability to Purchaser). Without limiting the generality of the foregoing, Purchaser shall, if requested by Seller, execute acknowledgments of receipt with respect to any materials delivered by Seller to Purchaser with respect to the Property. The provisions of this Section 11.11 shall survive Closing.

11.12. Counterparts; Electronic Signature

. This Agreement may be executed in counterparts, and all such executed counterparts shall constitute the same agreement. It shall be necessary to account for only one such counterpart in proving this Agreement. To facilitate the execution and delivery of this Agreement, the parties may execute and exchange counterparts of the signature pages by email transmission or electronic signature (e.g., DocuSign®), and the signature page of either party to any counterpart may be appended to any other counterpart. This Agreement, the documents to be delivered by Seller at Closing set forth in Section 5.2 (except for the Deed, any original tax or recording form required to record the Deed, and any other document executed by Seller to be recorded at Closing) and the documents to be delivered by Purchaser at Closing set forth in Section 5.3 (except for any original tax or recording form required to record the Deed) may be signed by Seller or Purchaser (as applicable) with an electronic signature (e.g., DocuSign®) or signature stamp which electronic signature or signature stamp shall have the same binding effect as if it were an original signature.

11.13. Severability

. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall nonetheless remain in full force and effect.

11.14. Applicable Law

. THIS AGREEMENT IS PERFORMABLE IN THE COMMONWEALTH OF VIRGINIA AND SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE SUBSTANTIVE FEDERAL LAWS OF THE UNITED STATES AND THE LAWS OF THE COMMONWEALTH OF VIRGINIA. EACH OF SELLER AND PURCHASER HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT SITTING IN THE COMMONWEALTH OF VIRGINIA IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND HEREBY IRREVOCABLY AGREE THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING SHALL BE HEARD AND DETERMINED IN A STATE OR FEDERAL COURT SITTING IN THE COMMONWEALTH OF VIRGINIA. PURCHASER AND SELLER AGREE THAT THE PROVISIONS OF THIS SECTION 11.14 SHALL SURVIVE THE CLOSING OF THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT OR THE EARLY TERMINATION OF THIS AGREEMENT.

11.15. No Third-Party Beneficiary

. Except as set forth in Section 11.1, the provisions of this Agreement and of the documents to be executed and delivered at Closing are and will be for the benefit of Seller and Purchaser only and are not for the benefit of any third party, and accordingly, no third party shall have the right to enforce the provisions of this Agreement or of the documents to be executed and delivered at Closing.

11.16. Exhibits and Schedules

. All schedules and exhibits attached to this Agreement shall be deemed to be an integral part of this Agreement.

11.17. Captions

. The section headings appearing in this Agreement are for convenience of reference only and are not intended, to any extent and for any purpose, to limit or define the text of any section or any subsection hereof.

11.18. Construction

. The parties acknowledge that the parties and their counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

11.19. Termination of Agreement

. It is understood and agreed that if either Purchaser or Seller terminates this Agreement pursuant to a right of termination granted hereunder, such termination shall operate to relieve Seller and Purchaser from all obligations under this Agreement, except for such obligations as are specifically stated herein to survive the termination of this Agreement.

11.20. Survival

. The provisions of the following Sections of this Agreement shall survive Closing and shall not be merged into the execution and delivery of the Deed: Sections 4.1; 5.4(d); 6.2; 6.3; 6.5; 6.6; 6.7; 6.8; 9.1; Article X and this Article XI. The foregoing is in addition to and not in exclusion of any survival provisions that may elsewhere be set forth in this Agreement.

11.21. No Waiver

. No waiver of any provision or condition of this Agreement by any party shall be valid unless in writing and signed by such party. No waiver of a provision shall be taken as a waiver of any other or similar provision or of any future event, act or default. Any provision, condition or term hereof established primarily for the benefit of one party hereto may be waived by such party with or without notice, which waiver may be made retroactively.

11.22. Limitation on Personal Liability

. No present or future partner, member, director, officer, shareholder, employee, advisor, affiliate or agent of or in Purchaser or Seller or any affiliate of Purchaser or Seller (including, with respect to Seller, Elme) shall have any personal liability, directly or indirectly, under or in connection with this Agreement or any agreement made or entered into under or in connection with the provisions of this Agreement or any amendment or amendments to the foregoing made at any time or times, heretofore or hereafter, and Seller and its successors and assigns (or, as applicable, Purchaser and its successors and assigns) and, without limitation, all other persons and entities, shall look solely to Purchaser's assets (or, as applicable, Seller's assets) for the payment of any claim or for any performance, and Seller and Purchaser hereby waive any and all such personal liability. The limitations of liability contained in this Section are in addition to, and not in limitation of, any limitation on liability applicable to Purchaser or Seller provided elsewhere in this Agreement or by law or by any other contract, agreement or instrument. The provisions of this Section shall survive the Closing or any earlier termination of this Agreement.

11.23. Waiver of Jury Trial

. TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, THE PARTIES HEREBY IRREVOCABLY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE CLOSING OR ANY EARLIER TERMINATION OF THIS AGREEMENT.

11.24. Attorneys' Fees

. If Purchaser or Seller (or any third party beneficiary of this Agreement) brings an action at law or equity against the other in order to enforce the provisions of this Agreement or as a result of an alleged default under this Agreement, the prevailing party upon final settlement, judgment or appeal thereof in such action will be entitled to recover from the non-prevailing party court costs and reasonable attorneys' fees actually incurred by the prevailing party in connection with such dispute.

11.25. Lead-Based Paint Disclosure

11.26. . In accordance with the requirements of the Residential Lead-Based Paint Reduction Act of 1992, 42 U.S.C. 4851, et. seq., Purchaser acknowledges receipt of the Lead Disclosure Form attached hereto as Exhibit J and made a part hereof prior to its execution of this Agreement.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date.

SELLER:

ELME RIVERSIDE APARTMENTS LLC,
a Delaware limited liability company

By: WashREIT Riverside LLC,
a Delaware limited liability company

By: Elme Communities,
a Maryland real estate investment trust

By: /s/ Paul McDermott
Name: Paul McDermott
Title: Authorized Officer

PURCHASER:

FPA MULTIFAMILY, LLC,
a California limited liability company

By: /s/ Sam Eisenman

Name: Sam Eisenman
Title: Manager

The undersigned agrees to serve as Escrow Agent and to be bound by the provisions of Sections 2.6, 2.8, 5.2(a), and 11.5 of this Agreement.

CHICAGO TITLE INSURANCE COMPANY

By:	/s/ Shelby Torres
Name:	Shelby Torres
Title:	Escrow Officer

Exhibit A

LEGAL DESCRIPTION OF THE LAND

Exhibit B

FORM OF DEED

SPECIAL WARRANTY DEED

Exhibit C

FORM OF
BILL OF SALE AND ASSIGNMENT

Exhibit D

FORM OF
ASSIGNMENT AND ASSUMPTION OF CONTRACTS

Exhibit E

FORM OF TENANT NOTICE LETTER

Exhibit F

FORM OF VENDOR NOTICE LETTER

Exhibit G

**FORM OF
SELLER'S CERTIFICATE**

Exhibit H

[RESERVED]

Exhibit I

FORM OF
OWNER'S AFFIDAVIT

Exhibit J

LEAD PAINT DISCLOUSRE FORM

Exhibit K

ADDITIONAL DUE DILIGENCE MATERIALS

Exhibit 31.1

CERTIFICATION

I, Paul T. McDermott, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Elme Communities;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

DATE: July 31, 2026

/s/ Paul T. McDermott

Paul T. McDermott
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, W. Drew Hammond, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Elme Communities;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

DATE: July 31, 2026

/s/ W. Drew Hammond

W. Drew Hammond

Chief Financial Officer and Chief Administrative Officer

(Principal Financial and Accounting Officer)

Exhibit 32

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

The undersigned, the President and Chief Executive Officer, the Chief Financial Officer and Chief Administrative Officer of Elme Communities, each hereby certifies on the date hereof, that:

(a) the Quarterly Report on Form 10-Q for the quarter ended June 30, 2026 filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

DATE: July 31, 2026	/s/ Paul T. McDermott
	Paul T. McDermott
	President and Chief Executive Officer
	(Principal Executive Officer)
DATE: July 31, 2026	/s/ W. Drew Hammond
	W. Drew Hammond
	Chief Financial Officer and Chief Administrative Officer
	(Principal Financial and Accounting Officer)