

Risk Factors Comparison 2025-02-24 to 2024-02-21 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text Section**

Our results from operations and ability to make distributions on our equity and debt service on our indebtedness may be affected by the risk factors set forth below. All investors should consider the following risk factors before deciding to purchase securities of the Company. The Company refers to itself as “ Veris, ” “ we ” or “ our ” in the following risk factors. OPERATING RISKS

Our performance is subject to risks associated with the operation of multifamily properties. General: Our business and our ability to make distributions or payments to our investors depend on the ability of our properties to generate funds in excess of operating expenses (including scheduled principal payments on debt and capital expenditures). Events or conditions that are beyond our control may adversely affect our operations and the value of our multifamily properties. Such events or conditions could include: • an oversupply of or reduced demand for multifamily properties caused by a decline in household formation or employment, a lack of employment growth or otherwise; • corporate restructurings and / or layoffs, and industry slowdowns; • decreases in the demand for services or amenities, the convenience and attractiveness of the communities or neighborhoods in which our multifamily rental properties are located or the quality of local schools; • development by competitors of competing multifamily communities; • the inability or unwillingness of residents to pay rent or rent increases; **• changes in the financial condition of Fannie Mae or Freddie Mac which provide a major source of financing to the multifamily rental sector;** • rent control or rent stabilization laws, or other housing laws and regulations that could prevent us from raising multifamily rents to offset increases in operating costs; • our inability to provide adequate maintenance; • increased operating costs, including insurance premiums, utilities and real estate taxes, due to inflation and other factors which may not necessarily be offset by increased rents; • changes in laws and regulations (including tax, environmental, zoning and building codes, landlord / tenant and other housing laws and regulations) and agency or court interpretations of such laws and regulations and the related costs of compliance; • civil unrest, earthquakes, pandemics, acts of terrorism and other natural disasters or acts of God that may result in uninsured losses. Competition could limit our ability to lease multifamily properties or increase or maintain rents: Our multifamily properties compete with other multifamily property operators as well as rental housing alternatives, such as single-family homes for rent and short term furnished offerings such as those available from extended stay hotels or through online listing services. In addition, our multifamily residents and prospective residents also consider, as an alternative to renting, the purchase of a new or existing condominium or single- family home. Competitive residential housing could adversely affect our ability to lease multifamily units and to increase or maintain rental rates. Short- term leases expose us to the effects of declining market rents: Our multifamily leases are for an average term of ~~13-14~~ **13-14** months. Because these leases generally permit the residents to leave at the end of the lease term without penalty, our rental revenues are impacted by declines in market rents **sooner more quickly** than if our leases **with** were for longer terms. We may suffer adverse consequences if our revenues decline since our operating costs do not necessarily decline in proportion to our revenue: **The majority** ~~We earn a significant portion~~ of our income **is derived** from renting our multifamily properties. Our operating costs, however, do not necessarily fluctuate in relation to changes in our rental revenue. This means that our costs will not necessarily decline even if our revenues do. Our operating costs also could increase while our revenues do not. If our operating costs increase significantly to the point that they exceed our rental revenues, we may be forced to borrow to cover our costs and we may incur losses. Such losses may ~~adversely affect our ability to make distributions or payments to our investors.~~ ~~We face risks associated with the operation of our commercial office properties. Financially distressed commercial office tenants may be unable to pay rent. If a commercial office tenant defaults, we may experience delays and incur substantial costs in enforcing our rights as landlord and protecting our investments. If a tenant files for bankruptcy, we cannot evict the tenant solely because of the bankruptcy and a potential court judgment rejecting and terminating such tenant’s lease (which would subject all future unpaid rent to a statutory cap) could adversely affect our ability to make distributions or payments to our investors as we may be unable to replace the defaulting tenant with a new tenant at a comparable rental rate without incurring significant expenses or a reduction in rental income. Renewing commercial office leases or re- letting commercial office space could be costly. If a commercial office tenant does not renew its lease upon expiration or terminates its lease early, we may not be able to re- lease the space on favorable terms or at all. If a tenant does renew its lease or we re- lease the space, the terms of the renewal or new lease, including the cost of required renovations or concessions to the tenant, may be less favorable than the current lease terms, which could adversely affect our ability to make distributions or payments to our investors. We may not be able to dispose of remaining non- core assets within our anticipated timeframe or at favorable prices. The Company has determined to sell over time properties deemed non- core assets. While we intend to dispose of these properties opportunistically over time, there can be no assurance that these dispositions will be completed during the period of our strategic initiative. In addition, market conditions will impact our ability to dispose of these properties, and there can be no assurance that we will be successful in disposing of these properties for their estimated sales prices. A failure to dispose of these properties for their estimated market values as planned, or unfavorable tax consequences of the disposition of these properties could have a material adverse effect on our ability to finance our acquisition and development plans and could~~ adversely affect our ability to make distributions or payments to our investors. We face general market and operational risks associated with the real estate industry. Our insurance coverage on our properties may be inadequate or our insurance providers may default on their obligations to pay claims: We currently carry comprehensive insurance on all of our properties, including insurance for liability, fire and flood. We cannot guarantee that the limits of our current policies will be sufficient in the event of a catastrophe to our properties. We cannot guarantee that we will be able to renew or duplicate our current insurance coverage in adequate amounts or at reasonable prices. In addition, while our current

insurance policies insure us against loss from catastrophic loss, natural disasters, terrorist acts and toxic mold, in the future, insurance companies may no longer offer coverage against these types of losses, or, if offered, these types of insurance may be prohibitively expensive. If any or all of the foregoing should occur, we may not have insurance coverage against certain types of losses and / or there may be decreases in the limits of insurance available. Should an uninsured loss or a loss in excess of our insured limits occur, we could lose all or a portion of the capital we have invested in a property or properties, as well as the anticipated future revenue from the property or properties. Nevertheless, we might remain obligated for any mortgage debt or other financial obligations related to the property or properties. If any of our properties were to experience a catastrophic loss, it could seriously disrupt our operations, delay revenue and result in large expenses to repair or rebuild the property. Such events could adversely affect our ability to make distributions or payments to our investors. In addition, if one or more of our insurance providers were to become subject to insolvency, bankruptcy or other proceedings and our insurance policies with the provider were terminated or canceled as a result of those proceedings, we cannot guarantee that we would be able to find alternative coverage in adequate amounts or at reasonable prices. In such case, we could experience a lapse in any or adequate insurance coverage with respect to one or more properties and be exposed to potential losses relating to any claims that may arise during such period of lapsed or inadequate coverage. We cannot guarantee that material losses in excess of insurance proceeds will not occur in the future. Illiquidity of real estate limits our ability to act quickly: Real estate investments are relatively illiquid. Such illiquidity may limit our ability to react quickly in response to changes in economic and other conditions. If we want to sell an investment, we might not be able to dispose of that investment in the time period we desire, and the **amount sales price** of that investment may not be recouped ~~or may~~ **if the sale price does not** exceed the amount of our investment. The prohibition in the Internal Revenue Code of 1986, as amended (the “ IRS Code ”), and related regulations on a real estate investment trust holding property for sale also may restrict our ability to sell property. The above limitations on our ability to sell our investments could adversely affect our ability to make distributions or payments to our investors. Some of our costs, such as operating and general and administrative expenses, interest expense, and real estate acquisition and construction costs, are subject to inflation: A portion of our operating expenses is sensitive to inflation. These include expenses for property- related contracted services such as janitorial and engineering services, utilities, repairs and maintenance, and insurance. Property taxes are also impacted by inflationary changes as taxes are regularly reassessed based on changes in the fair value of our properties. ~~We also have ground lease expenses in certain of our properties. Ground lease costs are contractual, but in some cases, lease payments reset every few years based on changes of consumer price indexes.~~ Inflation and its related impacts, including increased prices for services and goods and higher interest rates and wages, and any policy interventions by the U. S. government, could negatively impact our resident’ s ability to pay rents or our results of operations. Our multifamily leases are for an average term of ~~13-14~~ **13-14** months, which we believe mitigates our exposure to inflation, by permitting us to set rents commensurate with inflation (subject to rent regulations to the extent they apply and assuming our current or prospective residents will accept and can pay commensurate increased rents, of which there can be no assurance). Inflation could outpace any increases in rent and adversely affect us. We may not be able to mitigate the effects of inflation and related impacts, and the duration and extent of any prolonged periods of inflation, and any related adverse effects on our results of operations and financial condition, are unknown at this time. Inflation may also cause increased volatility in financial markets, which could affect our ability to access the capital markets or impact the cost or timing at which we are able to do so. Additionally, inflationary pricing may have a negative effect on the real estate acquisitions and construction costs necessary to complete ~~our~~ development and redevelopment projects, including, but not limited to, costs of construction materials, labor, and services from third- party contractors and suppliers. Higher **land** acquisition and construction costs could adversely impact our net investments in real estate and expected yields on our development and redevelopment projects, which may make otherwise lucrative investment opportunities less profitable to us. Our commercial leases have fixed rent increases which may not increase in line with inflation, ~~this causing~~ **thereby reducing** our net operating income ~~to decrease~~. As a result, our financial condition, results of operations, and cash flows, as well as our ability to pay dividends, could be adversely affected over time. We face risks associated with property acquisitions: We intend to and may acquire new properties, primarily in the multifamily rental sector, assuming that we are able to obtain capital on favorable terms. Such newly acquired properties may not perform as expected and may subject us to unknown liability with respect to liabilities relating to such properties for clean- up of undisclosed environmental contamination or claims by tenants, residents, vendors or other persons against the former owners of the properties. Inaccurate assumptions regarding future rental or occupancy rates could result in overly optimistic estimates of future revenues. In addition, future operating expenses or the costs necessary to bring an acquired property up to standards established for its intended market position may be underestimated. The search for and process of acquiring such properties will also require a substantial amount of management’ s time and attention. In addition, developers and other real estate companies may compete with us in seeking properties for acquisition, land for development and prospective tenants. Such competition may adversely affect our ability to make distributions or payments to our investors by: • reducing the number of suitable investment opportunities offered to us; • increasing the bargaining power of property owners; ~~• interfering with our ability to attract and retain tenants;~~ and • adversely affecting our ability to minimize expenses of operation. Our acquisition activities and their success are subject to the following risks: • adequate financing **or capital** to complete acquisitions may not be available on favorable terms or at all as a result of the continuing volatility in the financial and credit markets; • even if we enter into an acquisition agreement for a property, we may be unable to complete that acquisition and risk the loss of certain non- refundable deposits and incurring certain other acquisition- related costs; and • any acquisition agreement will likely contain conditions to closing, including completion of due diligence investigations to our satisfaction or other conditions that are not within our control, which may not be satisfied. Americans with Disabilities Act compliance could be costly: Under the Americans with Disabilities Act of 1990 (“ ADA ”), all public accommodations and commercial facilities must meet certain federal requirements related to access and use by disabled persons. Compliance with the ADA requirements could involve removal of structural barriers from certain disabled persons’

entrances. Other federal, state and local laws may require modifications to or restrict further renovations of our properties with respect to such accesses. Although we believe that our properties are substantially in compliance with present requirements, noncompliance with the ADA or related laws or regulations could result in the United States government imposing fines or private litigants being awarded damages against us. Such costs may adversely affect our ability to make distributions or payments to our investors. Environmental problems are possible and may be costly: Various federal, state and local laws and regulations subject property owners or operators to liability for the costs of removal or remediation of certain hazardous or toxic substances located on or in the property. These laws often impose liability without regard to whether the owner or operator was responsible for or even knew of the presence of such substances. The presence of or failure to properly remediate hazardous or toxic substances (such as toxic mold, lead paint and asbestos) may adversely affect our ability to rent, sell or borrow against contaminated property and may impose liability upon us for personal injury to persons exposed to such substances. Various laws and regulations also impose liability on persons who arrange for the disposal or treatment of hazardous or toxic substances at another location for the costs of removal or remediation of such substances at the disposal or treatment facility. These laws often impose liability whether or not the person arranging for such disposal ever owned or operated the disposal facility. Certain other environmental laws and regulations impose liability on owners or operators of property for injuries relating to the release of asbestos-containing or other materials into the air, water or otherwise into the environment. As owners and operators of property and as potential arrangers for hazardous substance disposal, we may be liable under such laws and regulations for removal or remediation costs, governmental penalties, property damage, personal injuries and related expenses. Payment of such costs and expenses could adversely affect our ability to make distributions or payments to our investors. Environmental, Social and Governance factors may impose additional costs and / or expose us to new risks: **We have communicated certain initiatives and goals regarding ESG matters in our 2023 ESG Update on our website, and we may communicate revised or additional initiatives or goals in the future. Our publication of ESG-related policies and report covering our ESG initiatives may result in increased investor, media, employee and other stakeholder attention to such initiatives.** Certain investors, customers, regulators and other stakeholders have focused more on ~~corporate responsibility~~ **ESG including without limitation climate change, specifically human capital, diversity, equity and inclusion, human and civil rights, sustainability and risk oversight. It is possible that some stakeholders may not be satisfied with our ESG practices or initiatives or the speed with which we are implementing our initiatives. Conversely, it is possible that some stakeholders may be opposed to the implementation of such initiatives at all. Anti- ESG sentiment has gained some momentum across the United States, with the federal government and several states having enacted or proposed " anti- ESG" executive orders, policies or legislation, or issued** ~~related to environmental, social and governance (" legal opinions. The fact that different stakeholder groups may have divergent views on ESG ")~~ **factors matters increases the risk that any action or lack thereof with respect to such matters may be perceived negatively by at least some stakeholders and adversely impact our reputation and business.** Additionally, there is increased attention on ~~these matters~~ **of ESG** by various regulatory authorities, including the SEC, and the expense and activities necessary to comply with **certain regulations or standards, or to decommission prior initiatives in order to comply with** ~~new regulations or standards~~ **, may be significant . The regulations and criteria for assessing ESG practices are evolving, which could result in our undertaking costly initiatives and activities to meet any new regulations or criteria** . Third- party providers of ~~ESG corporate responsibility~~ **ESG** ratings and reports on companies have also increased in number, resulting in varied, and in some cases, inconsistent standards. Some investors use these factors to guide their investment strategies and, in some cases, may choose not to invest in us if they believe our policies relating to ESG are inadequate or objectionable. ~~If we~~ **The regulations and criteria for assessing corporate responsibility practices are** ~~unsuccessful~~ **evolving, which could result in our** ~~or undertaking costly~~ **perceived to be unsuccessful in the achievement of our ESG** ~~initiatives and activities to meet any new regulations or~~ **goals** ~~criteria. Additionally, if we are unable to or elect not to satisfy any new regulation or criteria, or do not meet the criteria of a specific third- party provider, some investors may conclude our policies with respect to ESG are inadequate, and we may face reputational damage. We have communicated certain initiatives and goals regarding ESG matters in our 2022 ESG Report on our website, and we may communicate revised or additional initiatives or goals in the future. We could be unsuccessful or perceived to be unsuccessful in the achievement of our ESG initiatives or goals, or we could be criticized for the scope of our initiatives or goals .~~ **If, if** we fail to meet the expectations of investors, customers, regulators, and other stakeholders ~~;~~ **, if** our initiatives are not executed as planned ~~;~~ **, or** we do not achieve our goals, our reputation and financial results could be adversely impacted. Development of real estate, including the development of multifamily rental real estate could be costly: As part of our operating strategy, we may acquire land for development or construct on owned land, under certain conditions. Included among the risks of the real estate development business are the following, which may adversely affect our ability to make distributions or payments to our investors: • financing for development projects may not be available on favorable terms; • long- term financing may not be available upon completion of construction; • failure to complete construction and lease- up on schedule or within budget ~~may increase debt service expense and construction and other costs~~; and • failure to rent the development at **all anticipated occupancy levels** or at rent levels originally contemplated ~~on any gain recognized~~. Changes in applicable laws, or noncompliance with applicable laws, could adversely affect our operations or expose us to liability: We must develop, construct and operate our communities in compliance with numerous federal, state and local laws and regulations, some of which may conflict with one another or be subject to limited judicial or regulatory interpretations. These laws and regulations may include zoning laws, building codes, landlord / tenant laws and other laws generally applicable to business operations. Noncompliance with applicable laws could expose us to liability. Lower revenue growth or significant unanticipated expenditures may result from our need to comply with changes in (i) laws imposing remediation requirements and the potential liability for environmental conditions existing on properties or the restrictions on discharges or other conditions, (ii) rent control or rent stabilization laws or other residential landlord / tenant laws, or (iii) other governmental rules and regulations or enforcement

policies affecting the development, use and operation of our communities, including changes to building codes and fire and life **safety codes**. Property ownership through joint ventures could subject us to the contrary business objectives of our co-venturers: We invest in joint ventures or partnerships in which we do not hold a controlling interest in the assets underlying the entities in which we invest, including joint ventures in which (i) we own a direct interest in an entity which controls such assets, or (ii) we own a direct interest in an entity which owns indirect interests, through one or more intermediaries, of such assets. These investments involve risks that do not exist with properties in which we own a controlling interest with respect to the underlying assets, including the possibility that (i) our co-venturers or partners may control the joint venture and we may not be able to prevent them from taking certain actions; (ii) we may have limited rights to terminate or liquidate our investment; (iii) the distribution preferences of our co-venturers or partners may limit operating, liquidating and disposition distributions to us; (iv) our co-venturers or partners may, at any time, become insolvent or otherwise refuse to make capital contributions when due, (v) we may be responsible to our co-venturers or partners for indemnifiable losses, (vi) we may become liable with respect to guarantees of payment or performance by the joint ventures, (vii) we may become subject to buy-sell arrangements which could cause us to sell our interests or acquire our co-venturer's or partner's interests in a joint venture, or (viii) our co-venturers or partners may, at any time, have business, economic or other objectives that are inconsistent with our objectives. Because we lack a controlling interest, our co-venturers or partners may be in a position to take action contrary to our instructions or requests or contrary to our policies or objectives. While we seek protective rights against such contrary actions, there can be no assurance that we will be successful in procuring any such protective rights, or if procured, that the rights will be sufficient to fully protect us against contrary actions. Our organizational documents do not limit the amount of available funds that we may invest in joint ventures or partnerships. If the objectives of our co-venturers or partners are inconsistent with ours, it may adversely affect our ability to make distributions or payments to our investors. We may face increased risks and costs associated with volatility in commodity and labor prices or as a result of supply chain or procurement disruptions, which may adversely affect the status of our construction projects: The price of commodities and skilled labor for our construction projects may increase unpredictably due to external factors, including, but not limited to, performance of third-party suppliers and contractors; overall market supply and demand; government regulation; international trade; and changes in general business, economic, or political conditions. As a result, the costs of raw construction materials and skilled labor required for the completion of our development and redevelopment projects may fluctuate significantly from time to time. We rely on a number of third-party suppliers and contractors to supply raw materials and skilled labor for our construction projects. While we do not rely on any single supplier or vendor for the majority of our materials and skilled labor, we may experience difficulties obtaining necessary materials from suppliers or vendors whose supply chains might become impacted by economic or political changes, or difficulties obtaining adequate skilled labor from third-party contractors in a tightening labor market. It is uncertain whether we would be able to source the essential commodities, supplies, materials, and skilled labor timely or at all without incurring significant costs or delays, particularly during times of economic uncertainty resulting from events outside of our control. We may be forced to purchase supplies and materials in larger quantities or in advance of when we would typically purchase them. This may cause us to require use of capital sooner than anticipated. Alternatively, we may also be forced to seek new third-party suppliers or contractors, whom we have not worked with in the past, and it is uncertain whether these new suppliers will be able to adequately meet our materials or labor needs. Our dependence on unfamiliar supply chains or relatively small supply partners may adversely affect the cost and timely completion of our construction projects. In addition, we may be unable to compete with entities that may have more favorable relationships with their suppliers and contractors or greater access to the required construction materials and skilled labor.

CAPITAL AND FINANCING RISKS We are subject to financial and credit risks associated with general economic and market conditions. Our business may be affected by volatility in the financial and credit markets, the general global economic conditions and other market or economic challenges experienced by the U. S. economy or the real estate industry as a whole or in the Northeast where our properties are located. Our results of operations, financial condition and ability to service current debt and to pay distributions to our shareholders may be adversely affected by the following, among other potential conditions:

- our ability to borrow on terms and conditions that we find acceptable, or at all, may be limited, which could reduce our ability to pursue acquisition and development opportunities and refinance existing debt, reduce our returns from both our existing operations and our acquisition and development activities and increase our future interest expense;
- reduced values of our properties may limit our ability to dispose of assets at attractive prices or to obtain debt financing secured by our properties and may reduce the availability of unsecured loans;
- the value and liquidity of our short-term investments and cash deposits could be reduced as a result of a deterioration of the financial condition of the institutions that hold our cash deposits or the institutions or assets in which we have made short-term investments, the dislocation of the markets for our short-term investments, increased volatility in market rates for such investments or other factors;
- reduced liquidity in debt markets and increased credit risk premiums for certain market participants may impair our ability to access capital; and
- one or more lenders under our line of credit could refuse or be unable to fund their financing commitment to us and we may not be able to replace the financing commitment of any such lenders on favorable terms, or at all.

Our performance is subject to risks associated..... fire and life- safety codes. Debt financing could adversely affect our economic performance. Scheduled debt payments and refinancing could adversely affect our financial condition: We are subject to the risks normally associated with debt financing, **including without limitation current and future indebtedness in the form of secured and unsecured revolving credit facilities, term loan facilities and mortgages**. These risks, including the following, may adversely affect our ability to make distributions or payments to our investors:

- market interest rates on loans to refinance indebtedness on our properties at maturity may be significantly higher than the interest rates on that existing indebtedness;
- our cash flow may be insufficient to meet required payments of principal and interest;
- payments of principal and interest on borrowings may leave us with insufficient cash resources to pay operating expenses;
- we may not be able to refinance indebtedness on our properties at maturity; and
- if refinanced, the terms of refinancing may not be as favorable as the original

terms of the related indebtedness. As of December 31, 2023-2024, we had total outstanding indebtedness of \$ 1. 9-7 billion, comprised of ~~no \$ 200 million of~~ outstanding borrowings under ~~our~~ **the Term Loan and \$ 152 million of outstanding borrowings under the revolving Revolving credit Credit facility Facility** and approximately \$ 1. 9-3 billion of mortgages, loans payable and other obligations. We may have to refinance the principal due on our current or future indebtedness at maturity, and we may not be able to do so. If we are unable to refinance our indebtedness on acceptable terms, or at all, events or conditions that may adversely affect our ability to make distributions or payments to our investors include the following: • we may need to dispose of one or more of our properties upon disadvantageous terms or adjust our capital expenditures in general or with respect to our strategy of acquiring multifamily residential properties and development opportunities in particular; • prevailing interest rates or other factors at the time of refinancing could increase interest rates and, therefore, our interest expense; • we may be subject to an event of default pursuant to covenants for our indebtedness; • if we mortgage property to secure payment of indebtedness and are unable to meet mortgage payments, the mortgagee could foreclose upon such property or appoint a receiver to receive an assignment of our rents and leases; and • foreclosures upon mortgaged property could create taxable income without accompanying cash proceeds and, therefore, hinder our ability to meet the real estate investment trust distribution requirements of the IRS Code. We are obligated to comply with financial covenants in our indebtedness that could restrict our range of operating activities: Some of the mortgages on our properties contain customary negative covenants, including limitations on our ability, without the prior consent of the lender, to further mortgage the property, to enter into new leases outside of stipulated guidelines or to materially modify existing leases. In addition, our revolving credit and term loan facilities contain customary requirements, including restrictions and other limitations on our ability to incur debt, debt to assets ratios and interest coverage ratios. These revolving credit and term loan covenants may limit our flexibility in conducting our operations and create a risk of default on our indebtedness if we cannot continue to satisfy them. Some of our debt instruments contain cross default provisions with other debt instruments. ~~Due to this cross-collateralization, a failure or default with respect to certain debt instruments or properties could have an adverse impact on us or our properties that are subject to the cross-collateralization under the applicable debt instrument.~~ Failure to comply with these covenants could cause a default under the agreements and, in certain circumstances, our lenders may be entitled to accelerate our debt obligations. Defaults under our debt agreements could materially and adversely affect our financial condition and results of operations. Rising interest rates may adversely affect our cash flow: As of December 31, 2023-2024, we have ~~no \$ 200 million of~~ outstanding borrowings under ~~our~~ **the Term Loan and \$ 152 million of outstanding borrowings under the revolving Revolving credit Credit facility Facility**, and approximately \$ 304-241 . 5 million of our ~~hedged~~ mortgage indebtedness bears interest at variable rates, **of which we have hedged \$ 591. 5 million**. We may incur additional indebtedness in the future that bears interest at variable rates. Variable rate debt creates higher debt service requirements if market interest rates increase. Higher debt service requirements could adversely affect our ability to make distributions or payments to our investors and / or cause us to default under certain debt covenants. Our degree of leverage could adversely affect our cash flow: We **may** fund acquisition opportunities and development partially through short- term borrowings (including our revolving credit facility), as well as from proceeds from property sales, **follow-on equity offerings** and undistributed cash. We expect to refinance projects purchased with short- term debt either with long- term indebtedness, **proceeds from property sales** or equity financing depending upon the economic conditions at the time of refinancing. However, we have entered into certain financial agreements which contain financial and operating covenants that limit our ability under certain circumstances to incur additional secured and unsecured indebtedness. ~~The Board of Directors could alter or eliminate its current policy on borrowing at any time at its discretion. If this policy were changed, we could become more highly leveraged, resulting in an increase in debt service that could adversely affect our cash flow and our ability to make distributions or payments to our investors and / or could cause an increased risk of default on our obligations.~~ We are dependent on external sources of capital for future growth: To qualify as a real estate investment trust under the IRS Code, the General Partner must distribute to its shareholders each year at least 90 percent of its net taxable income, excluding any net capital gain. Because of this distribution requirement, it is not likely that we will be able to fund all future capital needs, including for acquisitions and developments, from income from operations. Therefore, we will have to rely on third- party sources of capital, which may or may not be available on favorable terms or at all. Our access to third- party sources of capital depends on a number of things, including the market' s perception of our growth potential and our current and potential future earnings. Moreover, additional equity offerings, including sales of the General Partner' s common stock pursuant to its \$ 100 million At- The- Market equity offering commenced in November 2023, may result in substantial dilution of our shareholders' interests, and additional debt financing may substantially increase our leverage. We may originate mezzanine loans or make preferred equity investments in the future that may subject the Company to a greater risk of loss than traditional mortgage loans. We may in the future originate mezzanine loans, which take the form of subordinated loans secured by second mortgages on the underlying property or subordinated loans secured by a pledge of the ownership interests of either the entity owning the property or a pledge of the ownership interests of the entity that owns the interest in the entity owning the property. Mezzanine loans may involve a higher degree of risk than a senior mortgage secured by real property, because the security for the loan may lose all or substantially all of its value as a result of foreclosure by the senior lender and because it is in second position and there may not be adequate equity in the property. In the event of a bankruptcy of the entity providing the pledge of its ownership interests as security, we may not have full recourse to the assets of such entity, or the assets of the entity may not be sufficient to satisfy our mezzanine loan. If a borrower defaults on our mezzanine loan or debt senior to our loan, or in the event of a borrower bankruptcy, our mezzanine loan will be satisfied only after the senior debt. As a result, we may not recover some of or all our investment. In addition, mezzanine loans typically have higher loan- to- value ratios than conventional mortgage loans, resulting in less equity in the property and increasing the risk of loss of principal. We may in the future make preferred equity investments in corporations, limited partnerships, limited liability companies or other entities that have been formed for the purpose of directly or indirectly acquiring, developing or managing real property. Generally, we will not have the ability to

control the daily operations of the entity, and we will not have the ability to select or remove a majority of the members of the board of directors, managers, general partner or partners or similar governing body of the entity or otherwise control its operations. Although we would seek to maintain sufficient influence over the entity to achieve our objectives, our partners may have interests that differ from ours and may be in a position to take actions without our consent that are inconsistent with our interests. Further, if our partners were to fail to invest additional capital in the entity when required, we may have to invest additional capital to protect our investment. Our partners have in the past failed, and may in the future fail, to develop or operate the real property, operate the entity, refinance property indebtedness or sell the real property in the manner intended and as a result the entity may not be able to redeem our investment or pay the return expected to us in a timely manner if at all. In addition, we may not be able to dispose of our investment in the entity in a timely manner or at the price at which we would want to divest. In the event that such an entity fails to meet expectations or becomes insolvent, we may lose our entire investment in the entity. Changes in market conditions could adversely affect the market price of the Company's common stock. As with other publicly traded equity securities, the value of the Company's common stock depends on various market conditions, which may change from time to time. The market price of the Company's common stock could change in ways that may or may not be related to our business, the Company's industry or our operating performance and financial condition. Among the market conditions that may affect the value of the Company's common stock are the following: • the general reputation of REITs and the attractiveness of the Company's equity securities in comparison to other equity securities, including securities issued by other real estate-based companies; • our financial performance; and • general stock and bond market conditions. The market value of the Company's common stock is based primarily upon the market's perception of our growth potential and our current and potential future earnings and cash dividends. Consequently, the Company's common stock may trade at prices that are higher or lower than its net asset value per share of common stock.

MANAGEMENT RISKS We may not be able to attract, integrate, manage and retain personnel to execute our business strategy, and competition for skilled personnel could increase our labor costs. Our success depends upon our ability to attract, integrate, manage and retain personnel who possess the skills and experience necessary to execute our acquisition, development, management and leasing strategies. We compete with various other companies in attracting and retaining qualified and skilled personnel. Our ability to hire and retain qualified personnel could be impaired by a lack of qualified candidates in the available labor force, any diminution of our reputation, decrease in compensation levels relative to our competitors or modifications to our total compensation philosophy or competitor hiring programs. Competitive pressures may require that we enhance our pay and benefits package to compete effectively for such personnel. We may not be able to offset such added costs by increasing the rates we charge our residents. If we cannot attract, hire and retain qualified personnel, our business, financial condition and results of operations would be negatively impacted. Our future success also depends upon our ability to manage the performance of our personnel. Failure to successfully manage the performance of our personnel could affect our profitability by causing operating inefficiencies that could increase operating expenses and reduce operating income. We are dependent on our key personnel whose continued service is not guaranteed. We are dependent upon key personnel for strategic business direction and real estate experience, including our chief executive officer, chief operating officer, chief financial officer, chief investments officer and general counsel. While we believe that we could find replacements for these key personnel, loss of their services could adversely affect our operations. We do not have key man life insurance for our key personnel. ~~In addition, as the Company seeks to complete the repositioning of a portion of its portfolio from office to the multifamily rental sector, the Company may become increasingly dependent on non-executive personnel with residential development and leasing expertise to effectively execute the Company's long-term strategy.~~ The terms of the Operating Partnership's Agreement of Limited Partnership may limit our ability to take certain actions without the consent of some of the limited partners. As of February 15-18, 2024-2025, the General Partner owned approximately 91.45 percent of the Operating Partnership's outstanding common partnership units. The consent of the holders of at least 85 percent of the Operating Partnership's partnership units is required: (i) to merge (or permit the merger of) the Operating Partnership with another unrelated person, pursuant to a transaction in which the Operating Partnership is not the surviving entity; (ii) to dissolve, liquidate or wind up the Operating Partnership; or (iii) to convey or otherwise transfer all or substantially all of the Operating Partnership's assets. If the General Partner's ownership interest in the Operating Partnership were to drop below 85 percent as the result of future issuances of partnership units, then the General Partner's inability to take any of the foregoing actions without the consent of some of the limited partners could have a material adverse effect on the Company's ability to complete any of those transactions and negatively impact the Company's business and operations.

INVESTMENT RISKS RELATED TO OUR ORGANIZATION AND STRUCTURE Certain provisions of Maryland law and the General Partner's charter and bylaws could hinder, delay or prevent changes in control. Certain provisions of Maryland law and General Partner's charter and bylaws have the effect of discouraging, delaying or preventing transactions that involve an actual or threatened change in control. These provisions include the following: Removal of Directors: Under the General Partner's charter, as amended, subject to the rights of one or more classes or series of preferred stock to elect one or more directors, a director may be removed from office at any time, with or without cause, by the affirmative vote of a majority of the votes entitled to be cast by our stockholders generally in the election of directors. Number of Directors, Board Vacancies, Terms of Office: The General Partner has, in its bylaws, elected to be subject to a certain provision of Maryland law which vests in the Board of Directors the exclusive right to determine the number of directors. This provision of Maryland law is applicable even if other provisions of Maryland law, the charter or the bylaws provide to the contrary. The General Partner revoked its election to be subject to a certain other provision of Maryland law which vests in the Board of Directors the exclusive right, by the affirmative vote of a majority of the remaining directors, to fill vacancies on the board. Thus under the General Partner's bylaws, as amended, and Maryland law, any vacancy on the Board of Directors for any cause other than an increase in the number of directors may be filled by a majority of the remaining directors except that the stockholders have right to fill any vacancy resulting from removal of a director; and any vacancy on the Board of Directors created by an increase in the number of directors may be filled by a

majority of the entire Board of Directors. Any director elected by the Board of Directors to fill a vacancy serves until the next annual meeting of stockholders and until such director's successor is elected and qualifies, and any director elected by the stockholders to fill a vacancy resulting from removal of a director serves for the balance of the term of the removed director. The General Partner has, in its corporate governance principles, adopted a mandatory retirement age of 80 years **old** for directors. Stockholder Requested Special Meetings: The General Partner's bylaws, as amended, provide that its stockholders have the right to call a special meeting only upon the written request of the stockholders entitled to cast not less than 25 % of all votes entitled to be cast at such meeting, provided that unless requested by the stockholders entitled to cast a majority of all votes entitled to be cast at such meeting, a special meeting need not be called to consider any matter which is substantially the same as a matter voted on at any special meeting of stockholders held during the preceding 12 months. Advance Notice Provisions for Stockholder Nominations and Proposals: The General Partner's bylaws require advance written notice for stockholders to nominate persons for election as directors at, or to bring other business before, any meeting of stockholders. This bylaw provision limits the ability of stockholders to make nominations of persons for election as directors or to introduce other proposals unless we are notified in a timely manner prior to the meeting. Preferred Stock: Under the General Partner's charter, its Board of Directors has authority to issue preferred stock from time to time in one or more series and to establish the terms, preferences and rights of any such series of preferred stock, all without approval of its stockholders. As a result, its Board of Directors may establish a series of preferred stock that could delay or prevent a transaction or a change in control. Duties of Directors with Respect to Unsolicited Takeovers: Maryland law provides protection for Maryland corporations against unsolicited takeovers by limiting, among other things, the duties of the directors in unsolicited takeover situations. The duties of directors of Maryland corporations do not require them to (a) accept, recommend or respond to any proposal by a person seeking to acquire control of the corporation, (b) authorize the corporation to redeem any rights under, or modify or render inapplicable, any stockholders rights plan, (c) make a determination under the Maryland Business Combination Act or the Maryland Control Share Acquisition Act, or (d) act or fail to act solely because of the effect the act or failure to act may have on an acquisition or potential acquisition of control of the corporation or the amount or type of consideration that may be offered or paid to the stockholders in an acquisition. Maryland law also contains a statutory presumption that an act of a director of a Maryland corporation satisfies the applicable standards of conduct for directors under Maryland law. Ownership Limit: In order to preserve the General Partner's status as a real estate investment trust under the IRS Code, its charter generally prohibits any single stockholder, or any group of affiliated stockholders, from beneficially owning more than 9.8 percent of its outstanding capital stock unless its Board of Directors waives or modifies this ownership limit. Maryland Business Combination Act: The Maryland Business Combination Act provides that unless exempted, a Maryland corporation may not engage in certain business combinations, including mergers, consolidations, share exchanges or, in circumstances specified in the statute, asset transfers, issuances or reclassifications of shares of stock and other specified transactions, with an "interested stockholder" or an affiliate of an interested stockholder, for five years after the most recent date on which the interested stockholder became an interested stockholder, and thereafter unless specified criteria are met. An interested stockholder is generally a person owning or controlling, directly or indirectly, 10 percent or more of the voting power of the outstanding stock of the Maryland corporation. The General Partner's board of directors has exempted from this statute business combinations between the Company and certain affiliated individuals and entities. However, unless its board adopts other exemptions, the provisions of the Maryland Business Combination Act will be applicable to business combinations with other persons. Maryland Control Share Acquisition Act: Maryland law provides that holders of "control shares" of a corporation acquired in a "control share acquisition" shall have no voting rights with respect to the control shares except to the extent approved by a vote of two-thirds of the votes eligible to cast on the matter under the Maryland Control Share Acquisition Act. "Control shares" means shares of stock that, if aggregated with all other shares of stock previously acquired by the acquirer, would entitle the acquirer to exercise voting power in electing directors within one of the following ranges of the voting power: one-tenth or more but less than one-third, one-third or more but less than a majority or a majority or more of all voting power. A "control share acquisition" means the acquisition of control shares, subject to certain exceptions. If voting rights of control shares acquired in a control share acquisition are not approved at a stockholder's meeting, then subject to certain conditions and limitations, the issuer may redeem any or all of the control shares for fair value. If voting rights of such control shares are approved at a stockholder's meeting and the acquirer becomes entitled to vote a majority of the shares of stock entitled to vote, all other stockholders may exercise appraisal rights. In 2018, the General Partner's bylaws were amended to exempt any acquisition of the General Partner's shares from the Maryland Control Share Acquisition Act. If the General Partner's bylaws are amended to repeal or limit the exemption from the Maryland Control Share Acquisition Act, it may make it more difficult for a third party to obtain control of us and increase the difficulty of consummating a change in control. **Changes in market conditions could adversely affect..... value per share of common stock.** REIT STATUS RISKS Consequences of the General Partner's failure to qualify as a real estate investment trust could adversely affect our financial condition. Failure to maintain ownership limits could cause the General Partner to lose its qualification as a real estate investment trust: In order for the General Partner to maintain its qualification as a real estate investment trust under the IRS Code, not more than 50 percent in value of its outstanding stock may be actually and / or constructively owned by five or fewer individuals (as defined in the IRS Code to include certain entities). The General Partner has limited the ownership of its outstanding shares of common stock by any single stockholder to 9.8 percent of the outstanding shares of its common stock. Its Board of Directors could waive this restriction if it was satisfied, based upon the advice of tax counsel or otherwise, that such action would be in the best interests of the General Partner and its stockholders and would not affect its qualification as a real estate investment trust under the IRS Code. Common stock acquired or transferred in breach of the limitation may be redeemed by us for the lesser of the price paid and the average closing price for the 10 trading days immediately preceding redemption or sold at the direction of the General Partner. The General Partner may elect to redeem such shares of common stock for Units, which are nontransferable except in very limited circumstances. Any

transfer of shares of common stock which, as a result of such transfer, causes the General Partner to be in violation of any ownership limit, will be deemed void. Although the General Partner currently intends to continue to operate in a manner which will enable it to continue to qualify as a real estate investment trust under the IRS Code, it is possible that future economic, market, legal, tax or other considerations may cause its Board of Directors to revoke the election for the General Partner's to qualify as a real estate investment trust. Under the General Partner's organizational documents, its Board of Directors can make such revocation without the consent of its stockholders. Tax liabilities as a consequence of failure to qualify as a real estate investment trust: The General Partner has elected to be treated and has operated so as to qualify as a real estate investment trust for federal income tax purposes since the General Partner's taxable year ended December 31, 1994. Although the General Partner believes it will continue to operate in such manner, it cannot guarantee that it will do so. Qualification as a real estate investment trust involves the satisfaction of various requirements (some on an annual and some on a quarterly basis) established under highly technical and complex tax provisions of the IRS Code. Because few judicial or administrative interpretations of such provisions exist and qualification determinations are fact sensitive, the General Partner cannot assure you that it will qualify as a real estate investment trust for any taxable year. If the General Partner fails to qualify as a real estate investment trust in any taxable year, it will be subject to the following: • it will not be allowed a deduction for dividends paid to shareholders; • it will be subject to federal income tax at regular corporate rates, including any alternative minimum tax, if applicable; and • unless it is entitled to relief under certain statutory provisions, it will not be permitted to qualify as a real estate investment trust for the four taxable years following the year during which was disqualified. A loss of the General Partner's status as a real estate investment trust could have an adverse effect on us. Failure to qualify as a real estate investment trust also would eliminate the requirement that the General Partner pay dividends to its stockholders. In addition, any such dividends that the General Partner does pay to its stockholders would not constitute qualified REIT dividends and would accordingly not qualify for a deduction of up to 20 percent. Other tax liabilities: Even if the General Partner qualifies as a real estate investment trust under the IRS Code, ~~its~~ **it is** subject to certain federal, state and local taxes on our income and property and, in some circumstances, certain other state and local taxes. From time to time changes in state and local tax laws or regulations are enacted, which may result in an increase in our tax liability. A shortfall in tax revenues for states and municipalities in which we operate may lead to an increase in the frequency and amount of such increase. These actions could adversely affect our financial condition and results of operations. In addition, our taxable REIT subsidiaries will be subject to federal, state and local income tax for income received in connection with certain non- customary services performed for tenants and / or third parties. Risk of changes in the tax law applicable to real estate investment trusts: Since the Internal Revenue Service, the United States Treasury Department and Congress frequently review federal income tax legislation, we cannot predict whether, when or to what extent new federal tax laws, regulations, interpretations or rulings will be adopted. Any such legislative action may prospectively or retroactively modify our tax treatment and, therefore, may adversely affect taxation of us, and / or our investors. OTHER RISKS Security breaches and other disruptions could compromise our information and expose us to liability, which would cause our business and reputation to suffer. In the ordinary course of our business, we collect and store sensitive data, including intellectual property, our proprietary business information and that of our tenants and business partners, including personally identifiable information of our tenants and employees, in our data centers and on our networks and our business is at risk from and may be impacted by cybersecurity attacks. These attacks could include attempts to gain unauthorized access to our data and computer systems. Attacks can be both individual and / or highly organized attempts organized by very sophisticated hacking organizations. We employ a number of measures to prevent, detect and mitigate these threats, which include data encryption, frequent password change events, firewall detection systems, anti- virus software and frequent backups; however, there is no guarantee such efforts will be successful in preventing a cyber- attack, and we consult with outside cybersecurity firms to advise on our cybersecurity measures. We also have implemented internal controls around our treasury function, including enhanced payment authorization procedures, verification requirements for new vendor setup and vendor information changes, and bolstered outgoing payment notification process and account reconciliation procedures. We have policies and procedures in place in order to identify cybersecurity incidents and elevate such incidents to senior management in order to appropriately address and remediate any cyber- attack. Despite our security measures, our information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions, and there can be no assurance that our actions, security measures, and controls designed to prevent, detect, or respond to intrusion; to limit access to data; to prevent loss, destruction, alteration, or exfiltration of business information; or to limit the negative impact from such attacks can provide absolute security against a cybersecurity incident. Any such breach could compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, disrupt our operations, increased cybersecurity insurance premiums and damage our reputation, which could adversely affect our business. We face possible risks associated with the physical effects of climate change. We cannot predict with certainty whether climate change is occurring and, if so, at what rate. However, the physical effects of climate change could have a material adverse effect on our properties, operations, and business. To the extent climate change causes changes in weather patterns or severity, our markets could experience increase in storm intensity (including floods, tornadoes, hurricanes, or snow and ice storms), rising sea- levels, and changes in precipitation, temperature, air quality, and quality and availability of water. Over time, these conditions could result in physical damage to, or declining demand for, our properties or our inability to operate the buildings efficiently or at all. Climate change may also indirectly affect our business by increasing the cost of (or making unavailable) property insurance on terms we find acceptable, increasing the cost of required resources, including energy, other fuel sources, water, and waste and snow removal services, and increasing the risk and severity of flood and earthquakes at our properties. Should the impact of climate change be severe or occur for lengthy periods of time, our financial condition or results of operations could be adversely impacted. In addition, compliance with new or more stringent laws or regulations or

stricter interpretations of existing laws may require material expenditure by us. For example, various federal, state, and local laws and regulations have been implemented or are under consideration to mitigate the effects of climate change caused by greenhouse gas emissions. Among other things, "green" building codes may seek to reduce emissions through the imposition of standards for design, construction materials, water and energy usage and efficiency, and waste management. Such codes could require us to make improvements to our existing properties, increase the costs of maintaining or improving our existing properties or developing new properties, or increase taxes and fees assessed on us or our properties. Expenditures required for compliance with such codes may affect our cash flow and results of operations. We may be subject to risks associated with the use of social media. The use of social media could cause us to suffer brand damage or unintended information disclosure. Negative posts or communications about us or one of our properties on a social networking website could damage our reputation. Further, employees or others may disclose non-public information regarding us or our business or otherwise make negative comments regarding us on social networking or other websites, which could adversely affect our business and results of operations. As social media evolves, we will be presented with new risks and challenges.