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

FORM 10-K

(MARK ONE)

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

For the fiscal year ended December 31, 2025

OR

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

For the transition period from ___________ to _____________

001-13106 (Essex Property Trust, Inc.)
333-44467-01 (Essex Portfolio, L.P.)
(Commission File Number)

ESSEX PROPERTY TRUST, INC.
ESSEX PORTFOLIO, L.P.

(Exact name of registrant as specified in its charter)

Maryland	**77-0369576**
(Essex Property Trust, Inc.)	**(Essex Property Trust, Inc.)**
California	**77-0369575**
(Essex Portfolio, L.P.)	**(Essex Portfolio, L.P.)**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)

1100 Park Place, Suite 200
San Mateo, California 94403
(Address of Principal Executive Offices including Zip Code)

(650) 655-7800
(Registrant's Telephone Number, Including Area Code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $.0001 par value (Essex Property Trust, Inc.)	ESS	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Essex Property Trust, Inc. Yes ☒ No ☐ Essex Portfolio, L.P. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Essex Property Trust, Inc. Yes ☐ No ☒ Essex Portfolio, L.P. Yes ☐ No ☒

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 for 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.
Essex Property Trust, Inc. Yes ☒ No ☐ Essex Portfolio, L.P. 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).

Essex Property Trust, Inc. Yes ☒ No ☐ Essex Portfolio, L.P. Yes ☒ No ☐

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

Essex Property Trust, Inc.:

Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐
						Emerging growth company	☐

Essex Portfolio, L.P.:

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.

Essex Property Trust, Inc. ☐ Essex Portfolio, L.P. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Essex Property Trust, Inc. ☒ Essex Portfolio, L.P. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Essex Property Trust, Inc. Yes ☐ No ☒ Essex Portfolio, L.P. Yes ☐ No ☒

As of June 30, 2025, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the voting stock held by non-affiliates of Essex Property Trust, Inc. was approximately $18.1 billion. The aggregate market value was computed with reference to the closing price on the New York Stock Exchange on such date. This determination of affiliate status is not necessarily a conclusive determination for other purposes. There is no public trading market for the common units of Essex Portfolio, L.P. As a result, the aggregate market value of the common units held by non-affiliates of Essex Portfolio, L.P. cannot be determined.

As of February 13, 2026, 64,475,506 shares of common stock ($.0001 par value) of Essex Property Trust, Inc. were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:
Portions of the definitive Proxy Statement to be filed with the Securities and Exchange Commission (the "SEC") pursuant to Regulation 14A in connection with the 2026 annual meeting of stockholders of Essex Property Trust, Inc. are incorporated by reference in Part III of this Annual Report on Form 10-K. Such Proxy Statement will be filed with the SEC within 120 days of December 31, 2025.

Auditor Name: KPMG LLP Location: San Francisco, California PCAOB ID: 185

EXPLANATORY NOTE

This report combines the annual reports on Form 10-K for the year ended December 31, 2025 of Essex Property Trust, Inc., a Maryland corporation, and Essex Portfolio, L.P., a California limited partnership of which Essex Property Trust, Inc. is the sole general partner.

Unless stated otherwise or the context otherwise requires, references to the "Company," "we," "us," or "our" mean collectively Essex Property Trust, Inc. and those entities/subsidiaries owned or controlled by Essex Property Trust, Inc., including Essex Portfolio, L.P., and references to the "Operating Partnership," or "EPLP" mean Essex Portfolio, L.P. and those entities/subsidiaries owned or controlled by Essex Portfolio, L.P. Unless stated otherwise or the context otherwise requires, references to "Essex" mean Essex Property Trust, Inc., not including any of its subsidiaries.

Essex operates as a self-administered and self-managed real estate investment trust ("REIT"), and is the sole general partner of the Operating Partnership. As of December 31, 2025, Essex owned approximately 96.6% of the ownership interest in the Operating Partnership with the remaining 3.4% interest owned by limited partners. As the sole general partner of the Operating Partnership, Essex has exclusive control of the Operating Partnership's day-to-day management.

The Company is structured as an umbrella partnership REIT ("UPREIT") and Essex contributes all net proceeds from its various equity offerings to the Operating Partnership. In return for those contributions, Essex receives a number of Operating Partnership limited partnership units ("OP Units," and the holders of such OP Units, "Unitholders") equal to the number of shares of common stock it has issued in the equity offerings. Contributions of properties to the Operating Partnership can be structured as tax-deferred transactions through the issuance of OP Units, which is one of the reasons why the Company is structured in the manner outlined above. Based on the terms of the Operating Partnership's partnership agreement, OP Units can be exchanged into Essex common stock on a one-for-one basis. The Company maintains a one-for-one relationship between the OP Units issued to Essex and shares of common stock.

The Company believes that combining the reports on Form 10-K of Essex and the Operating Partnership into this single report provides the following benefits:

- enhances investors' understanding of Essex and the Operating Partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business;
- eliminates duplicative disclosure and provides a more streamlined and readable presentation since a substantial portion of the disclosure applies to both Essex and the Operating Partnership; and
- creates time and cost efficiencies through the preparation of one combined report instead of two separate reports.

Management operates Essex and the Operating Partnership as one business. The management of Essex consists of the same members as the management of the Operating Partnership.

All of the Company's property ownership, development, and related business operations are conducted through the Operating Partnership and Essex has no material assets, other than its investment in the Operating Partnership. Essex's primary function is acting as the general partner of the Operating Partnership. As general partner with control of the Operating Partnership, Essex consolidates the Operating Partnership for financial reporting purposes. Therefore, the assets and liabilities of Essex and the Operating Partnership are the same on their respective financial statements. Essex also issues equity from time to time and guarantees certain debt of the Operating Partnership, as disclosed in this report. The Operating Partnership holds substantially all of the assets of the Company, including the Company's ownership interests in its co-investments. The Operating Partnership conducts the operations of the business and is structured as a partnership with no publicly traded equity. Except for the net proceeds from equity offerings by the Company, which are contributed to the capital of the Operating Partnership in exchange for OP Units (on a one-for-one share of common stock per OP Unit basis), the Operating Partnership generates all remaining capital required by the Company's business. These sources of capital include the Operating Partnership's working capital, net cash provided by operating activities, borrowings under its revolving credit facilities, the issuance of secured and unsecured debt and equity securities and proceeds received from disposition of certain properties and co-investments.

The Company believes it is important to understand the few differences between Essex and the Operating Partnership in the context of how Essex and the Operating Partnership operate as a consolidated company. Stockholders' equity, partners' capital and noncontrolling interest are the main areas of difference between the consolidated financial statements of Essex and those of the Operating Partnership. The limited partners of the Operating Partnership are accounted for as partners' capital in the Operating Partnership's consolidated financial statements and as noncontrolling interest in Essex's consolidated financial statements. The noncontrolling interest in the Operating Partnership's consolidated financial statements includes the interest of unaffiliated partners in various consolidated partnerships and co-investment partners.

The noncontrolling interest in Essex's consolidated financial statements includes (i) the same noncontrolling interest as presented in the Operating Partnership's consolidated financial statements and (ii) OP Unitholders. The differences between stockholders' equity and partners' capital result from differences in the equity issued at Essex and Operating Partnership levels.

To help investors understand the significant differences between Essex and the Operating Partnership, this report on Form 10-K provides separate consolidated financial statements for Essex and the Operating Partnership; a single set of consolidated notes to such financial statements that includes separate discussions of stockholders' equity or partners' capital, and earnings per share/unit, as applicable; and a combined Management's Discussion and Analysis of Financial Condition and Results of Operations.

This report on Form 10-K also includes separate Part II, Item 9A. Controls and Procedures sections and separate Exhibits 31 and 32 certifications for each of Essex and the Operating Partnership in order to establish that the requisite certifications have been made and that Essex and the Operating Partnership are compliant with Rule 13a-15 or Rule 15d-15 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and 18 U.S.C. §1350.

In order to highlight the differences between Essex and the Operating Partnership, the separate sections in this report on Form 10-K for Essex and the Operating Partnership specifically refer to Essex and the Operating Partnership. In the sections that combine disclosure of Essex and the Operating Partnership, this report refers to actions or holdings as being actions or holdings of the Company. Although the Operating Partnership is generally the entity that directly or indirectly enters into contracts and co-investments and holds assets and debt, reference to the Company is appropriate because the Company is one business and the Company operates that business through the Operating Partnership. The separate discussions of Essex and the Operating Partnership in this report should be read in conjunction with each other to understand the results of the Company on a consolidated basis and how management operates the Company.

The information furnished in the accompanying consolidated balance sheets, statements of income, comprehensive income, equity, capital, and cash flows of the Company and the Operating Partnership reflect all adjustments which are, in the opinion of management, necessary for a fair presentation of the aforementioned consolidated financial statements for the periods and are normal and recurring in nature, except as otherwise noted.

The accompanying consolidated financial statements should be read in conjunction with the notes to such consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations herein.

ESSEX PROPERTY TRUST, INC.
ESSEX PORTFOLIO, L.P.
2025 ANNUAL REPORT ON FORM 10-K

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PART I

Forward-Looking Statements

This Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, (the "Securities Act") and Section 21E of the Exchange Act. Such forward-looking statements are described in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, "Forward-Looking Statements." Actual results could differ materially from those set forth in each forward-looking statement. Certain factors that might cause such a difference are discussed in this report, including in Item 1A, Risk Factors of this Form 10-K.

Item 1. Business

OVERVIEW

Essex Property Trust, Inc. ("Essex"), a Maryland corporation, is an S&P 500 company that operates as a self-administered and self-managed real estate investment trust ("REIT"). Essex owns all of its interest in its real estate and other investments directly or indirectly through Essex Portfolio, L.P. (the "Operating Partnership" or "EPLP"). Essex is the sole general partner of the Operating Partnership and as of December 31, 2025, had an approximately 96.6% general partner interest in the Operating Partnership. In this report, the terms "Company," "we," "us," and "our" also refer to Essex Property Trust, Inc., the Operating Partnership and those entities/subsidiaries owned or controlled by Essex and/or the Operating Partnership.

Essex has elected to be treated as a REIT for federal income tax purposes commencing with the year ended December 31, 1994. Essex completed its initial public offering on June 13, 1994. In order to maintain compliance with REIT tax rules, the Company utilizes taxable REIT subsidiaries for various revenue generating or investment activities. A domestic taxable REIT subsidiary is subject to federal income tax as a regular C Corporation. All taxable REIT subsidiaries are consolidated by the Company for financial reporting purposes.

The Company is engaged primarily in the ownership, operation, management, acquisition, development and redevelopment of predominantly apartment communities, located along the West Coast of the United States. As of December 31, 2025, the Company owned or had ownership interests in 259 operating apartment communities, aggregating 63,077 apartment homes, excluding the Company's ownership in preferred equity co-investments, loan investments, two operating commercial buildings, and a development pipeline comprised of one consolidated project and various predevelopment projects (collectively, the "Portfolio").

The Company's website address is https://www.essex.com. The Company's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports, and the Proxy Statement for its Annual Meeting of Stockholders are available, free of charge, on its website as soon as practicable after the Company files the reports with the U.S. Securities and Exchange Commission ("SEC"). The information contained on the Company's website shall not be deemed to be incorporated into this report.

BUSINESS STRATEGIES

The following is a discussion of the Company's business strategies in regards to real estate investment and management.

Business Strategies

Research Driven Approach to Investments – The Company believes that successful real estate investment decisions and portfolio growth begin with extensive regional economic research and local market knowledge. The Company continually assesses markets where the Company operates, as well as markets where the Company considers future investment opportunities by evaluating markets and focusing on the following strategic criteria:

- Major metropolitan areas that have regional population in excess of one million;
- Constraints on new supply driven by: (i) low availability of developable land sites where competing housing could be economically built; (ii) political growth barriers, such as protected land, urban growth boundaries, and potential lengthy and expensive development permit processes; and (iii) natural limitations to development, such as mountains or waterways;
- Rental demand enhanced by affordability of rents relative to costs of for-sale housing; and
- Housing demand based on job growth, proximity to jobs, high median incomes and the quality of life including related commuting factors.

Recognizing that all real estate markets are cyclical, the Company regularly evaluates the results of its regional, economic, and local market research, and adjusts the geographic focus of its portfolio accordingly. The Company seeks to increase its portfolio allocation in markets projected to have the strongest local economies and to decrease allocations in markets projected to have declining economic conditions. Likewise, the Company also seeks to increase its portfolio allocation in markets that have attractive property valuations and to decrease allocations in markets that have inflated valuations and low relative yields.

Property Operations – The Company manages its communities by focusing on activities that may generate above-average rental growth, tenant retention/satisfaction and long-term asset appreciation. The Company intends to achieve this by utilizing the strategies set forth below:

- *Property Management* – Oversee delivery and quality of the housing provided to our tenants and manage the properties' financial performance.
- *Capital Preservation* – The Company's asset management services are responsible for the planning, budgeting and completion of major capital improvement projects at the Company's communities.
- *Business Planning and Control* – Comprehensive business plans are implemented in conjunction with significant investment decisions. These plans include benchmarks for future financial performance based on collaborative discussions between property operations teams and the senior leadership team.
- *Development and Redevelopment* – The Company focuses on acquiring and developing apartment communities in supply constrained markets, and redeveloping its existing communities to improve the financial and physical aspects of the Company's communities.

CURRENT BUSINESS ACTIVITIES

Acquisitions of Real Estate Interests

The table below summarizes acquisition activity for the year ended December 31, 2025 ($ in millions):

Property Name	Location	Date	Apartment Homes	Essex Ownership Percentage	Contract Price at Pro Rata Share
The Plaza	CA	Jan-25	307	100%	$ 161.4
One Hundred Grand	CA	Feb-25	166	N/A	105.3 [1]
ROEN Menlo Park	CA	Feb-25	146	100%	78.8
Revere Campbell	CA	May-25	168	N/A	118.0 [1]
The Parc at Pruneyard	CA	May-25	252	100%	122.5
ViO	CA	Sep-25	234	100%	100.0
1250 Lakeside	CA	Nov-25	250	100%	143.5
Total acquisitions			1,523		$ 829.5

(1) One Hundred Grand and Revere Campbell replaced Highridge, an apartment home community owned by DownREIT entities that are consolidated by the Company, within the DownREIT structures of those entities pursuant to the like-kind exchange rules under Section 1031 of the Internal Revenue Code of 1986, as amended ("Section 1031 Exchange").

Dispositions of Real Estate Interests

As part of its strategic plan to own quality real estate in supply-constrained markets, the Company continually evaluates all of its communities and sells those communities that no longer meet the Company's strategic criteria. The Company may use the capital generated from the dispositions to invest in higher-return communities, other real estate investments or to fund other commitments. The Company believes that the sale of these communities will not have a material impact on its future results of operations or cash flows nor will the sale of these communities materially affect the Company's ongoing operations. In general, the Company seeks to offset the dilutive impact on long-term earnings and funds from operations from these dispositions through the positive impact of reinvestment of proceeds.

The table below summarizes disposition activity for the year ended December 31, 2025 ($ in millions):

Property Name	Location	Date	Apartment Homes	Sale Price at Pro Rata Share
Highridge	CA	Feb-25	255	$ 127.0 [1]
Essex Skyline	CA	Apr-25	350	239.6
The Grand	CA	Jul-25	243	97.5
8th & Republican	WA	Sep-25	211	47.4 [2]
Fourth & U	CA	Sep-25	171	52.3
Total dispositions			1,230	$ 563.8

[(1)] Highridge, an apartment home community owned by DownREIT entities that are consolidated by the Company, was replaced by One Hundred Grand and Revere Campbell within the DownREIT structures of those entities pursuant to a Section 1031 Exchange.
[(2)] Wesco V, LLC, a joint venture in which the Company owns a 50.0% interest, sold one of its apartment home communities for a total contract price of $94.9 million.

Development Pipeline

The Company defines development projects as new communities that are being constructed, or are newly constructed and are in a phase of lease-up and have not yet reached stabilized operations.

The Company defines predevelopment projects as proposed communities in negotiation or in the entitlement process with an expected high likelihood of becoming entitled development projects. The Company may also acquire land for future development purposes.

As of December 31, 2025, the Company's development pipeline was comprised of one consolidated development project of 543 apartment homes and various predevelopment projects with total incurred costs of $157.1 million. The estimated remaining project costs are approximately $200.9 million, for total estimated project costs of $358.0 million.

Long Term Debt

During 2025, the Company made regularly scheduled principal payments of $2.5 million to its secured mortgage notes payable at an average interest rate of 3.5%.

In February 2025, the Operating Partnership issued $400.0 million of senior unsecured notes due on April 1, 2035 with a coupon rate of 5.375% per annum (the "2035 Notes"), which are payable on April 1 and October 1 of each year, beginning on October 1, 2025. The 2035 Notes were offered to investors at a price of 99.604% of the principal amount. The Company used the net proceeds of this offering to repay the Company's $500.0 million senior unsecured notes at maturity in April 2025.

In May 2025, the Operating Partnership obtained a new $300.0 million unsecured term loan priced at Secured Overnight Financing Rate ("SOFR") plus 0.85% which is based on a tiered rate structure tied to the Company's long-term unsecured credit rating with a one-year delayed draw feature. The Company may elect to increase this facility by up to an additional $300.0 million, to an aggregate size of $600.0 million, if the lenders permit. This term loan is scheduled to mature in May 2028, with two one-year extension options, exercisable at the option of the Company. As of December 31, 2025, the Company had drawn $300.0 million on this term loan facility. The Company has entered into floating-to-fixed interest rate swaps to fix the interest rate for $197.5 million of the new term loan facility to an all-in rate of 4.1%.

In October 2022, the Operating Partnership obtained a $300.0 million unsecured term loan priced at Adjusted SOFR plus 0.85% with an original maturity date of October 2024 with three 12-month extension options, exercisable at the Company's option. In September 2024, the Company exercised its first option, extending the maturity date to October 2025. In October 2025, the Company executed an amendment of its existing $300.0 million unsecured term loan to extend the maturity date from October 2027 to January 2031, inclusive of extension options exercisable at the Company's option. The interest rate was reduced by 0.10% to SOFR plus 0.85% and is swapped to an all-in fixed rate of 4.2% and the swap has a termination date of October 2026.

In December 2025, the Operating Partnership issued $350.0 million of senior unsecured notes due on February 15, 2036 with a coupon rate of 4.875% per annum (the "2036 Notes"), which are payable on February 15 and August 15 of each year, beginning on August 15, 2025. The 2036 Notes were offered to investors at a price of 99.093% of the principal amount. The Company intends to use the net proceeds of this offering to repay upcoming debt maturities, including to fund a portion of the repayment of the Company's $450.0 million aggregate principal amount outstanding of 3.375% senior notes due April 2026, and for other general corporate and working capital purposes, which may include the funding of potential acquisition opportunities. These proceeds initially may be used to fund the repayment of outstanding indebtedness under the Company's commercial paper program and unsecured credit facilities and/or invested in short-term securities.

Bank Debt

As of December 31, 2025, Moody's Investor Service and Standard and Poor's ("S&P") credit agencies rated Essex Property Trust, Inc. and Essex Portfolio, L.P. Baa1/Stable and BBB+/Stable, respectively.

As of December 31, 2025, the Company had two unsecured lines of credit aggregating $1.58 billion. The Company's $1.5 billion credit facility had an interest rate of SOFR plus 0.775%, which is based on a tiered rate structure tied to the Company's long-term unsecured credit ratings. In July 2025, the Company amended this revolving credit facility increasing the borrowing capacity from $1.2 billion to $1.5 billion and extended its maturity from January 2029 to January 2030 with two six-month extensions, exercisable at the Company's option. The Company may elect to increase the facility by up to an additional $1.0 billion, to an aggregate size of $2.5 billion, if the lenders permit. The Company's $75.0 million working capital unsecured line of credit had an interest rate of Adjusted SOFR plus 0.775%, which is based on a tiered rate structure tied to the Company's long-term unsecured credit ratings, and a scheduled maturity date of July 2026.

In May 2025, the Company entered into a commercial paper program under which it can issue unsecured short-term notes, which are backstopped by, and reduce the borrowing capacity of the Company's $1.5 billion unsecured line of credit facility. The Company can issue up to $750.0 million of commercial paper for up to 397 days from the date of issue.

Equity Transactions

In August 2024, the Company entered into an equity distribution agreement pursuant to which the Company may offer and sell shares of its common stock having an aggregate gross sales price of up to $900.0 million (the "2024 ATM Program"). In connection with the 2024 ATM Program, the Company may also enter into related forward sale agreements whereby, at the Company's discretion, it may sell shares of its common stock under the 2024 ATM Program under forward sale agreements. The use of a forward sale agreement would allow the Company to lock in a share price on the sale of shares of its common stock at the time the agreement is executed, but defer receipt of the proceeds from the sale of shares until a later date. Furthermore, it would permit the Company, at its election, to settle the agreements by issuing common stock in exchange for net proceeds at the then-applicable forward sale price specified by the agreement or, alternatively, to settle the agreements in whole or in part through the delivery or receipt of common stock or cash. Issuances of shares under these forward sale agreements are classified as equity transactions. Accordingly, no amounts relating to the forward sale agreements are recorded in the consolidated financial statements until settlement occurs. Prior to any settlements, the only impact to the consolidated financial statements is the inclusion of incremental shares, if any, within the calculation of diluted earnings per share and diluted earnings per unit using the treasury stock method. The actual forward price per share to be received by the Company upon settlement will be determined on the applicable settlement date based on adjustments made to the initial forward price to reflect the then-current overnight federal funds rate and the amount of dividends paid to holders of the Company's common stock over the term of the forward sale agreement.

During the year ended December 31, 2025, the Company did not issue any shares of its common stock through the 2024 ATM Program.

During the year ended December 31, 2025, the Company entered into forward sale agreements with certain financial institutions acting as forward purchasers under the 2024 ATM Program with respect to 52,600 shares of common stock at an initial gross weighted average forward price of $314.06 per share, which are to be settled by September 2026. As of December 31, 2025, $900.0 million of shares remained available to be sold under the 2024 ATM Program, pending the settlement of outstanding forward sale agreements.

In September 2022, the Company announced that its Board of Directors approved a stock repurchase plan, without an expiration date, to allow the Company to acquire shares of common stock up to an aggregate value of $500.0 million. During the year ended December 31, 2025, the Company did not repurchase any shares. As of December 31, 2025, the Company had $302.7 million of purchase authority remaining under the stock repurchase plan.

Co-investments

The Company has entered into, and may continue in the future to enter into, joint ventures or partnerships (including limited liability companies) through which it owns an indirect economic interest in less than 100% of the community or land or other investments owned directly by the joint venture or partnership. For each joint venture the Company holds a non-controlling interest in the venture and, in most cases, may earn customary management fees, development fees, asset management fees and a promote interest.

In October 2024, the Company repaid a $72.0 million senior mortgage associated with a $22.7 million preferred equity investment in Artizan, a 241-unit stabilized apartment home community located in Oakland, CA, and subsequently issued a default notice to the third-party sponsor in January 2025, assumed full managerial control and consolidated the property based on a valuation of $95.0 million.

In July 2025, the Company formed a new joint venture, Wesco VII, LLC ("Wesco VII"), with the State of Wisconsin Investment Board, for the purpose of investing in multifamily real estate projects. Each partner has an initial equity commitment of $50.0 million and holds a 50% ownership interest. The investment is recorded to co-investments in the consolidated balance sheets.

In November 2025, the Company repaid an $88.2 million senior mortgage associated with a $79.5 million preferred equity investment in TENTEN Downtown, a 376-unit apartment home community, located in Los Angeles, CA, and concurrently issued a default notice and assumed full managerial control. The community was consolidated on the Company's financial statements with a valuation of $167.7 million.

The Company has also made, and may continue in the future to make, preferred equity investments in various multifamily stabilized communities or development projects. The Company earns a preferred rate of return on these investments.

HUMAN CAPITAL MANAGEMENT

Company Overview and Values

The Company's mission is to create quality communities in premier locations and it is critical to the Company's mission that it attracts, trains and retains a talented team by providing a compelling place to work and opportunities for professional growth. The Company's culture supports its mission and is guided by its core values: to act with integrity, to care about what matters, to do right with urgency, to lead at every level, and to seek fairness. The Company enables the mission through its Human Capital Management Strategy that focuses on four key pillars of Talent Acquisition, Technology and Analytics, Culture and Talent Development, and Rewards and Recognition. The Company is headquartered in San Mateo, CA, and has regional corporate offices in Woodland Hills, CA, Irvine, CA and Bellevue, WA.

As of December 31, 2025, the Company had 1,689 employees, 99.8% of whom were full-time. A total of 1,267 employees worked on-site at our operating communities, and 422 employees worked in our corporate offices.

Workplace Culture

The Company believes that a strong employee culture is supported by workforce capability, engagement, and connection. In 2025, the Company enhanced its focus on change management as an important capability and leaned into the importance of in-person appreciation and recognition events to strengthen engagement and connection. The Company also supports employee-led resource groups, open to all employees, which foster connection and shared learning.

Training and Development

The Company values leadership at every level and enables the same by providing opportunities for all associates to develop personal and professional skills through programs that encourage associate retention and advancement. The Company currently offers training courses to its associates via Workday Learning, and its associates spent 16,708 hours learning in 2025. The Company also provides its associates with an annual $3,000 tuition reimbursement to further support outside professional growth opportunities. To identify, retain and reward top performers, the Company engages in meaningful internal succession planning and offers a tenure bonus program, Everyday Excellence and Impact awards, which are recognition programs to reward associates for excellent teamwork, ideas, and service. The Company encourages internal promotions and hiring for open positions, and the executive team actively mentors the Company's top talent to ensure strong leadership at the Company for the future. 36% of the Company's associates have approached or surpassed the Company's average tenure of 6.71 years, with 24% reaching beyond 10 years of service.

Employee Safety, Health, and Wellness

Safety is a top priority. The Company deeply cares about the wellbeing of its associates and residents. The Essex Safety Committee, comprised of key stakeholders across departments, meets quarterly and reviews the overall safety of the company in both our corporate offices and our communities. To maximize real-time responses, the Company has also established a working safety subcommittee that meets bi-weekly. The Company has implemented enhanced safety programs, which include a Workplace Violence Prevention Program enacted companywide in 2024, regular safety inspections, emergency preparedness processes, hazard identification and control protocols, and related associate training.

The Company's safety policies align with its health and wellness goals and seeks to proactively prevent workplace accidents and protect the health, wellness and safety of the Company's associates through training and analysis of incident reports. Additionally, the Company offers retirement support, associate discount programs, a mental health program (which includes counseling and coaching sessions for mental well-being support at no cost), and health benefit credits for participation in wellness programs.

Compensation and Benefits

The Company offers competitive compensation to secure and retain top talent. Alongside competitive pay, the Company is committed to pay parity and conducts a pay analysis on an annual basis which includes the development and use of a robust, multiple regression analysis model to confirm the Company's continued achievement of gender pay parity.

Beyond competitive compensation, the Company offers a suite of benefits, including health insurance, a retirement plan with a $6,000 annual matching potential benefit, life and disability coverage, supplemental paid parental leave, and the robust health and wellness support programs noted above. Additionally, the Company offers an associate housing discount.

Employee Engagement

Throughout 2025, employee sentiment and feedback were gathered through multiple touchpoints across the employee experience. These included new hire feedback, exit insights, event surveys, and our Speak Up channel, an anonymous comment box. This ongoing, multi-channel approach enabled employees to share candid input in real time and allowed the organization to identify trends, listen to employee voices, and inform meaningful action throughout the year.

Community and Social Impact

The Company believes volunteering can create positive change in the communities where our associates live and work and that the Company's commitment to giving back helps it attract and retain associates. The Company's volunteer program is aimed at supporting and encouraging eligible associates to become actively involved in their communities through the Company's support of charity initiatives and offering paid hours for volunteer time. In 2025, Essex associates completed 572 volunteer hours. Additionally, the Company's "Essex Cares" program provides direct aid to the Company's residents, associates, and local communities.

INSURANCE

The Company purchases general liability and property insurance coverage, including loss of rent, for each of its communities. The Company also purchases limited earthquake, terrorism, environmental and flood insurance. There are certain types of losses which may not be covered or could exceed coverage limits. The insurance programs are subject to deductibles and self-insured retentions in varying amounts. The Company utilizes a wholly owned insurance subsidiary, Pacific Western Insurance LLC ("PWI"), to self-insure certain earthquake and property losses. As of December 31, 2025, PWI had cash and marketable securities of $106.7 million, and is consolidated in the Company's financial statements.

All of the Company's communities are located in areas that are subject to earthquake activity. The Company evaluates its financial loss exposure to seismic events by using actuarial loss models developed by the insurance industry and in most cases property vulnerability analysis based on structural evaluations by seismic consultants. The Company manages this exposure, where considered appropriate, desirable, and cost-effective, by upgrading properties to increase their resistance to forces caused by seismic events, by considering available funds and coverages provided by PWI and/or by purchasing seismic insurance. In most cases the Company also purchases limited earthquake insurance for certain properties owned by the Company's co-investments.

In addition, the Company carries other types of insurance coverage related to a variety of risks and exposures. Based on market conditions, the Company may change or potentially eliminate insurance coverages, or increase levels of self-insurance. Further, the Company may incur losses, which could be material, due to uninsured risks, deductibles and self-insured retentions, and/or losses in excess of coverage limits.

COMPETITION

There are numerous housing alternatives that compete with the Company's communities in attracting tenants. These include other apartment communities, condominiums and single-family homes. If the demand for the Company's communities is reduced or if competitors develop and/or acquire competing housing, rental rates and occupancy may drop which may have a material adverse effect on the Company's financial condition and results of operations.

The Company faces competition from other REITs, businesses and other entities in the acquisition, development and operation of apartment communities. Some competitors are larger and have greater resources than the Company. This competition may result in increased costs of apartment communities the Company acquires and/or develops.

WORKING CAPITAL

The Company believes that cash flows generated by its operations, existing cash and cash equivalents, marketable securities balances, availability under existing lines of credit, access to capital markets and the ability to generate cash from the disposition of real estate are sufficient to meet all of its reasonably anticipated cash needs during 2026.

The timing, source and amounts of cash flows provided by financing activities and used in investing activities are sensitive to changes in interest rates, stock price, and other fluctuations in the capital markets environment, which can affect the Company's plans for acquisitions, dispositions, development and redevelopment activities.

ENVIRONMENTAL CONSIDERATIONS

As a real estate owner and operator, we are subject to various federal, state and local environmental laws, regulations and ordinances and may be subject to liability and the costs of removal or remediation of certain potentially hazardous materials that may be present in our communities. See the discussion under the caption, "Risks Related to Our Real Estate Investments and Operations - *The Company's portfolio may have environmental liabilities.*" in Item 1A, Risk Factors, for information concerning the potential effect of environmental regulations on its operations, which discussion is incorporated by reference into this Item 1.

OTHER MATTERS

Certain Policies of the Company

The Company intends to continue to operate in a manner that will not subject it to regulation under the Investment Company Act of 1940. The Company may in the future (i) issue securities senior to its common stock, (ii) fund acquisition activities with borrowings under its line of credit and (iii) offer shares of common stock and/or units of limited partnership interest in the Operating Partnership or affiliated partnerships as partial consideration for property acquisitions. The Company from time to time acquires partnership interests in partnerships and joint ventures, either directly or indirectly through subsidiaries of the Company, when such entities' underlying assets are real estate.

The Company invests primarily in apartment communities that are located in predominantly coastal markets within Southern California, Northern California, and the Seattle metropolitan area. The Company currently intends to continue to invest in apartment communities in such regions. However, the geographical composition of the portfolio is evaluated periodically and may be modified by management.

ITEM 1A: RISK FACTORS

For purposes of this section, the term “stockholders” means the holders of shares of Essex Property Trust, Inc.’s common stock. Set forth below are the risks that we believe are material to Essex Property Trust, Inc.’s stockholders and Essex Portfolio, L.P.’s unitholders. You should carefully consider the following factors in evaluating our Company, our properties and our business.

Our business, results of operations, cash flows and financial condition are subject to various risks and uncertainties, including, without limitation, those set forth below, any one of which could cause our actual results of operations to vary materially from recent results or from our anticipated future results.

Risks Related to Our Real Estate Investments and Operations

General real estate investment risks may materially adversely affect property income and values, and therefore our stock price may be materially adversely affected. If the communities and other real estate investments, including development and redevelopment properties, do not generate sufficient income to meet operating and financing expenses, cash flow and the ability to make distributions will be materially adversely affected. Income and growth from the communities may be further materially adversely affected by, among other things, the following factors, in addition to the other risk factors listed in this Item 1A:

- changes in the general or local economic climate that could affect demand for housing, including changing demographics or policies governing legal immigration, which could lead to a relative decrease in the renting population, an increase in the use of new technologies and artificial intelligence to replace workers, and other events negatively impacting local employment rates, tenant dispersion, wages and the local economy;
- changes in supply and cost of housing;
- changes in economic conditions, such as high or sustained inflationary periods in which our operating and financing costs may increase at a rate greater than our ability to increase rents, thereby compressing our operating margins which may have a material adverse effect on our business, or deflationary periods where rents may decline more quickly relative to operating and financing costs; and
- the appeal and desirability of our communities to tenants relative to other housing alternatives, including cost, size and amenity offerings, safety and location convenience, and our technology offerings.

Short-term leases expose us to the effects of declining market rents, and the Company may be unable to renew leases or relet units as leases expire. If the Company is unable to promptly renew or re-let existing leases, or if the rental rates upon renewal or reletting are significantly lower than expected rates, then the Company’s results of operations and financial condition will be adversely affected.

Economic environments can negatively impact the Company’s liquidity and results of operations. In the event of a recession, continued geopolitical uncertainty or other negative economic effects, including slowing job growth in key markets, the Company could incur reductions in rental and occupancy rates, property valuations and increases in costs. Any such recession or economic downturn may also affect consumer confidence and spending and negatively impact the volume and pricing of real estate transactions, which could materially adversely affect the Company’s liquidity and its ability to vary its portfolio promptly in response to changes to the economy.

Rent control, eviction moratoria or potential changes in applicable laws, or noncompliance with applicable laws, could materially adversely affect the Company’s stock price, business, financial condition and results of operations, and/or expose us to liability. The Company must own, operate, manage, acquire, develop and redevelop its properties 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 include zoning laws, building codes, rent control or stabilization laws, fee transparency requirements, emergency orders, laws benefiting disabled persons, federal, state and local tax laws, landlord tenant laws, environmental laws, employment laws, immigration laws and other laws regulating housing, revenue management software and practices, or laws that are generally applicable to the Company’s business and operations. Changes in, or noncompliance with, laws and regulations could expose the Company to liability and could require the Company to make significant unanticipated expenditures to address noncompliance.

Existing and future eviction moratoria, rent control or rent stabilization laws and regulations, fee transparency requirements, along with similar laws and regulations that expand tenants’ rights or impose additional costs on landlords, including any such laws or regulations imposed on the housing industry in response to natural disasters, national and global pandemic or other any other health crisis, or local or national states of emergency, may reduce rental revenues or increase operating costs and thus such laws and regulations may materially adversely affect our stock price, business, financial condition and results of operations. Such laws and regulations limit our ability to charge market rents, increase rents, evict tenants, limit our ability to

collect rent, or recover increases in our operating expenses and could reduce the value of our communities or make it more difficult for us to dispose of communities in certain circumstances. Following the COVID-19 pandemic, governments have demonstrated a greater interest in eviction moratoria and strict housing controls. We may be legally required to, or otherwise agree to, restructure tenants' rent obligations on less favorable terms than those currently in place. In the event of tenant nonpayment, default or bankruptcy, we may incur costs in protecting our investment, collecting delinquent rents, and re-leasing our property and we may have limited ability to renew existing leases or sign new leases at levels consistent with market rents. Expenses associated with our investment in communities impacted by such laws and regulations, such as debt service, real estate taxes, insurance and maintenance costs, are generally not reduced when circumstances cause a reduction in rental income from the community. This could lead to lower profitability and market fluctuations that may affect our ability to obtain necessary funds for our business.

Acquisitions of communities involve various risks and uncertainties and may fail to meet expectations. The Company's acquisition of apartment communities may fail to meet the Company's expectations due to factors including inaccurate estimates of future income, expenses, and the costs of improvements or redevelopment, which may be exacerbated by the lack of reliable market data. Further, the value and operational performance of an apartment community may be diminished if neighborhood changes occur before we are able to redevelop or sell the community. Also, in connection with such acquisitions, we may assume unknown or contingent liabilities, which could ultimately lead to material costs for us that we did not expect to incur. In addition, the total amount of costs and expenses that may be incurred with respect to liabilities associated with apartment communities may exceed our expectations, and we may experience other unanticipated adverse effects, all of which may materially adversely affect our business, financial condition and results of operations. The use of equity financing for future developments or acquisitions could dilute the interest of the Company's existing stockholders. If the Company finances new acquisitions under existing lines of credit or commercial paper, there is a risk that, unless the Company obtains substitute financing or capital sources, the Company may not be able to undertake additional borrowing for further acquisitions or developments or such borrowing may not be available on advantageous terms.

Development and redevelopment activities may be delayed, not completed, and/or not achieve expected results. The Company pursues development and redevelopment projects, including densification projects, and those activities generally entail certain risks, including:

- funds may be expended and management's time devoted to projects that may not be completed on time or at all;
- construction costs may exceed original estimates possibly making some projects economically unfeasible;
- projects may be delayed or abandoned due to, without limitation, weather conditions, labor or material shortages, municipal office closures and staff shortages, government recommended or mandated work stoppages, protestors obstructing access or environmental remediation;
- occupancy rates and rents at a completed project may be less than anticipated;
- expenses may be higher than anticipated due to, without limitation, inflationary pressures (including potentially exacerbated by the imposition of tariffs), supply chain issues, litigation over construction, environmental remediation or increased costs for labor (including potentially related to any shrinkage in the labor force or labor shortages related to changing immigration policies, concerns regarding deportation or otherwise), materials and leasing;
- we are reliant on third party contractors' and vendors' ability to deliver services and products as planned, and if the timeframe, quality or scope of such services and products are different than we expected, our projects may be subject to increased costs or delays, and our future income may be lower than expected;
- we may be unable to obtain, or experience a delay in obtaining, necessary governmental approvals or third party permits and authorizations, which could result in increased costs or delay or abandonment of opportunities, and/or we may experience challenges with municipalities in completing or approving projects;
- we may be unable to obtain financing with favorable terms, or at all, for the proposed development or redevelopment of a community, which may cause us to delay or abandon an opportunity; and
- we may incur liabilities to third parties during the development process.

The geographic concentration of the Company's communities and fluctuations in local markets may adversely affect the Company's financial condition and results of operations. The Company's communities are concentrated on the West Coast in the metropolitan areas of California and Washington, which exposes the Company to greater economic concentration risks. Factors that may materially adversely affect local market and economic conditions include regionally specific acts of nature (e.g., earthquakes, wildfires, floods, etc.), changes in specific or broad sectors of the economy (such as growth or decline in technology-based companies), and those other factors listed in the risk factor titled "General real estate investment risks may materially adversely affect property income and values" and elsewhere in this Item 1A.

The Company is susceptible to adverse developments in economic and regulatory environments, such as increases in real estate and other taxes, and increased costs of complying with governmental regulations. California is generally regarded as more

litigious, highly regulated and subject to higher taxes than many other states, which may reduce demand for the Company's communities. Any adverse developments in the economic or real estate markets in California or Washington, or any decrease in demand for the Company's communities resulting from the California or Washington regulatory or business environments, could have an adverse effect on the Company's business and results of operations.

The Company may experience various increased costs, including increased property taxes, to own and maintain its properties. Real property taxes on our properties may increase as our properties are reassessed by taxing authorities or as property tax rates change. Our real estate taxes in Washington and California could increase as a result of property value reassessments or increased property tax rates. A California law commonly referred to as Proposition 13 ("Prop 13") generally limits annual real estate tax increases on California properties to 2% of assessed value. However, under Prop 13, property tax reassessment generally occurs as a result of a "change in ownership" of a property. Because the property taxing authorities may not determine whether there has been a "change in ownership" or the actual reassessed value of a property for a period of time after a transaction has occurred, we may not know the impact of a potential reassessment for a considerable amount of time following a particular transaction. Therefore, the amount of property taxes we are required to pay could increase substantially from the property taxes we currently pay or have paid in the past, including on a retroactive basis. Various initiatives to repeal or amend Prop 13, to eliminate its application to commercial and residential property, to increase the permitted annual real estate tax increases, and/or to introduce split tax roll legislation could increase the assessed value and/or tax rates applicable to or communities in California. Further, changes in U.S. federal tax law could cause state and local governments to alter their taxation of real property.

The Company may experience increased costs associated with capital improvements and property maintenance as its properties advance through their life cycles. In some cases, especially with respect to newly acquired properties, we may spend more than budgeted amounts to make necessary improvements or maintenance, which could materially adversely affect the Company's financial condition and results of operations.

Competition in the apartment community market and other housing alternatives may materially adversely affect operations and the rental demand for the Company's communities. There are numerous housing alternatives that compete with the Company's communities in attracting tenants, including other apartment communities, condominiums and single-family homes. Competitive housing in a particular area and fluctuations in cost of owner-occupied single- and multifamily homes caused by a decrease in housing prices, mortgage interest rates and/or government programs to promote home ownership or create additional rental and/or other types of housing could materially adversely affect the Company's ability to retain its tenants, lease apartment homes and increase or maintain rents. If the demand for the Company's communities is reduced, rental or occupancy rates may drop, which may have a material adverse effect on the Company's financial condition and results of operations. The Company also faces competition from other businesses and other entities in the acquisition, development and operation of apartment communities. This competition may result in increased costs to acquire or develop apartment communities or impact the Company's ability to identify suitable acquisition or development transactions.

Investments in mortgages, mezzanine loans, subordinated debt, other real estate, and other marketable securities could materially adversely affect the Company's cash flow from operations. The Company may purchase or otherwise invest in securities issued by entities which own real estate and/or invest in mortgages or unsecured debt obligations. The Company may make or acquire mezzanine loans, which are generally subordinated loans. In general, investing in mortgages involves risk, including that the value of mortgaged property may be less than the amounts owed, causing realized or unrealized losses; the borrower may not pay indebtedness under the mortgage when due and amounts recovered by the Company in connection with related foreclosures may be less than the amount owed; interest rates payable on the mortgages may be lower than the Company's cost of funds; in the case of junior mortgages, foreclosure of a senior mortgage could eliminate the junior mortgage; delays in the collection of principal and interest if a borrower claims bankruptcy; possible senior lender default or overconcentration of senior lenders in the portfolio; and unanticipated early prepayments may limit the Company's expected return on its investment. If any of the above were to occur, it could materially adversely affect the Company's cash flows from operations.

The Company's ownership of co-investments, including joint ventures and joint ownership of communities, its ownership of properties with shared facilities with a homeowners' association or other similar entity, its ownership of properties subject to a ground lease and its preferred equity investments and its other partial interests in entities that own communities, could limit the Company's ability to control such communities and may restrict our ability to finance, refinance, sell or otherwise transfer our interests in these properties and expose us to loss of the properties if such agreements are breached by us or terminated. The Company has entered into, and may continue in the future to enter into, certain co-investments, including joint ventures or partnerships through which it owns an indirect economic interest in less than 100% of the community or land or other investments owned directly by the joint venture or partnership.

Joint venture partners often have shared control over the development and operation of the joint venture assets, which may prevent the Company from taking action without the partners' approval. A joint venture partner may have interests that are inconsistent with those of the Company or may take action contrary to the Company's interests or policies. Consequently, a joint venture partner's actions might subject property owned by the joint venture to additional risk. In some instances, the Company and the joint venture partner may each have the right to exercise a buy-sell arrangement, which could cause the Company to sell its interest, or acquire a partner's interest, at a time when the Company otherwise would not have initiated such a transaction, and may result in the valuation of our interest or our partner's interest at levels which may not be representative of the valuation that would result from an arm's length marketing process and could cause us to recognize unanticipated capital gains or losses or the loss of fee income. Should a joint venture partner become bankrupt, the Company could become liable for such partner's share of joint venture liabilities.

From time to time, the Company, through the Operating Partnership, makes certain co-investments in the form of preferred equity or mezzanine investments in third-party entities that have been formed for the purpose of acquiring, developing, financing, or managing real property. The Operating Partnership's interest in these entities is typically less than a majority of the outstanding voting interests of that entity, which may limit the Operating Partnership's ability to control the daily operations of such co-investment. The Operating Partnership may not be able to dispose of its interests in such co-investment. In the event that such co-investment or the partners in such co-investment become insolvent or bankrupt or fail to develop or operate the property in the manner anticipated, or are unable to refinance or sell their interest as planned, the Operating Partnership may not receive the expected return in its expected timeframe or at all and may lose up to its entire investment. Additionally, the preferred return negotiated on these co-investments may be lower than the Company's cost of funds. The Company may also incur losses if any guarantees or indemnifications were made by the Company.

The Company also owns properties indirectly through partnerships commonly referred to as "DownREIT" structures. The Company has entered into, and in the future may enter into, transactions that could require the Company to pay the tax liabilities of partners that contribute assets into DownREITs, joint ventures or the Operating Partnership, in the event that certain taxable events, which are generally within the Company's control, occur. Although the Company plans to hold the contributed assets or, if such assets consist of real property, defer recognition of gain on sale of such assets pursuant to the like-kind exchange rules under Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code"), the Company may not be able to do so and if such tax liabilities were incurred they could have a material adverse effect on its financial position.

Also, from time to time, the Company invests in properties (i) which may be subject to certain shared facilities agreements with homeowners' associations and other similar entities and/or (ii) subject to ground leases where a subtenant may have certain similar rights to that of a party under such a shared facilities agreements or where a master landlord may have certain rights to control the use, operation and/or repair of the property. In these arrangements, we cannot guarantee that the terms of the shared facilities agreements will be enforced or interpreted in favor of the Company, and the Company's inability to control expenditures, make necessary repairs and/or control certain decisions may materially adversely affect the Company's financial condition and results of operations, and/or the property's safety, compliance with applicable laws, marketability or market value.

We may pursue acquisitions of other REITs and real estate companies, which may not yield anticipated results and could materially adversely affect our results of operations. We may acquire and/or invest in other REITs and real estate companies or enter into strategic alliances or joint ventures, which involves risks and uncertainties and may not be successful. We may not be able to identify suitable acquisition, investment, or joint venture opportunities, consummate any such transactions or relationships on terms and conditions acceptable to us, or realize the expected financial or strategic benefits of any such acquisition. The integration of acquired businesses or other acquisitions may not be successful and could result in disruption to other parts of our business. Pre-acquisition property due diligence may not identify all material issues that might arise with respect to such acquired business and its properties or as to any such other acquisitions. Any future acquisitions we make may also require significant additional debt or equity financing, which, in the case of debt financing, would increase our leverage and potentially affect our credit ratings and, in the case of equity or equity-linked financing, could be dilutive to Essex's stockholders and the Operating Partnership's unitholders. Additionally, the value of these investments could decline for a variety of reasons. These and other factors could materially adversely affect our financial condition and results of operations.

Real estate investments are relatively illiquid and, therefore, the Company's ability to vary its portfolio promptly in response to changes in economic or other conditions may be limited. Real estate investments are illiquid and, in our markets, can at times be difficult to sell at prices we find acceptable, which may limit our ability to promptly reduce our portfolio in response to changes in economic or other conditions and otherwise may materially adversely affect our financial condition and results of operations.

The Company's portfolio may have environmental liabilities. Under various federal, state and local environmental and public health laws, regulations and ordinances, we have been required, and may be required in the future, regardless of our knowledge or responsibility, to provide warnings about certain chemicals, investigate and remediate the effects of hazardous or toxic substances or petroleum product releases at our properties (including in some cases naturally occurring substances such as methane and radon gas) or properties that we acquire, develop, manage or directly or indirectly invest in. We may be held liable under these laws or common law to a governmental entity or to third parties for compliance and response costs, property damage, personal injury or natural resources damages and for investigation and remediation costs incurred as a result of the impacts resulting from such releases. While the Company is unaware of any such response action required or damage claims associated with its existing properties which would have a material adverse effect on our business, or results of operations, potential future costs and damage claims may be substantial. Further, the presence of such substances, or the failure to properly remediate any such impacts, may materially adversely affect our ability to borrow against, develop, sell or rent the affected property, including due to any liens imposed on the impacted property by any government agencies for penalties or damages.

The Company carries certain limited insurance coverage for this type of environmental risk as to its properties; however, such coverage is not fully available for all properties and, as to those properties for which limited coverage is fully available, it may be insufficient or may not apply to certain claims arising from known conditions present on those properties. While we conduct pre-acquisition and development Phase I environmental site assessments, such assessments may not discover, ascertain or quantify the full extent of the environmental conditions at or near a given property.

Mold growth may occur when excessive moisture accumulates in buildings or on building materials. The Company has adopted policies to address and resolve reports of mold when it is detected, and to minimize any impact mold might have on tenants of the affected property, however, the Company may not identify and respond to all mold occurrences and may result in litigation.

The Company may incur general uninsured losses or may experience market conditions that impact the procurement of certain insurance policies. The Company purchases general liability, employment practices liability, and property, including loss of rent, insurance coverage for each of its communities and cyber risk insurance. The Company may also purchase limited earthquake, terrorism, environmental and flood insurance for some of its communities. However, there are types of losses, generally catastrophic in nature, such as losses due to wars, acts of terrorism, earthquakes, wildfires, pollution, environmental matters or extreme weather conditions such as hurricanes and floods that are uninsurable or not economically insurable. Some employment claims such as California private attorney general actions ("PAGA") or class actions are also not insurable. The Company utilizes a wholly owned insurance subsidiary, Pacific Western Insurance LLC ("PWI"), to self-insure certain earthquake and property losses for some of the communities in its portfolio. A decline in the value of the securities held by PWI may materially adversely affect PWI's ability to cover all or any portion of the amount of any insured losses. Despite our insurance coverage, the Company may incur material losses due to uninsured risks, deductibles and self-insured retentions, and/or losses in excess of coverage limits.

Our communities are located in areas that are subject to earthquake activity. The Company manages and evaluates its financial loss exposure to seismic events by using actuarial loss models and property vulnerability analyses based on structural evaluations by seismic consultants, and by making upgrades to certain properties to better resist seismic events and/or by purchasing seismic insurance in some cases. While the properties were built to the seismic codes in place at the time of construction, not all properties have been, or are required to be, retrofitted to the current seismic codes. Thus, some properties may be subject to physical risk associated with earthquakes, and may suffer significant damage, including, but not limited to, collapse for any number of reasons, including structural deficiencies. Seismic coverage is limited and may not cover the Company's seismic related losses.

Our properties or markets may in the future be the target of actual or threatened terrorist attacks, shootings, or other acts of violence, which could directly or indirectly damage our communities both physically and financially, cause uninsured losses, materially adversely affect the value of and our ability to operate our communities, subject us to significant liability claims, or otherwise impair our ability to achieve our expected results.

Although the Company may carry insurance for potential losses associated with its communities, employees, tenants, and compliance with applicable laws, it may still incur material losses due to class actions, uninsured risks, deductibles, copayments or losses in excess of applicable insurance coverage. In the event of a substantial loss, insurance coverage may not be able to cover the full replacement cost of the Company's lost investment, or the insurance carrier may become insolvent and not be able to cover the full amount of the insured losses.

Changes in building codes and ordinances, environmental considerations and other factors might also affect the Company's ability to replace or renovate an apartment community after it has been damaged or destroyed. In addition, a recently

destabilized insurance market, litigation financing, and certain causalities and/or losses incurred may expose the Company in the future to higher insurance premiums.

Climate change may materially adversely affect our business. As a result of climate change, we may experience extreme weather, an increase in frequency and severity of natural disasters, changes in precipitation, temperature, wildfire and drought exposure, and impacts of rising sea-levels, all of which may result in damage to our communities, a decrease in demand for our communities located in these areas or affected by these conditions, disruption of services at our communities or increased costs associated with water or energy use and maintaining or insuring our communities. Transition risks associated with climate change may result in interruptions in energy access, increased energy costs, or increased regulatory requirements and stakeholder expectations regarding reporting and energy efficiency. Should the impact of climate change be material in nature or occur for lengthy periods of time, even if not directly impacting the Company's current markets, the types and pricing of insurance the Company is able to procure may be materially adversely affected and our financial condition or results of operations may be materially adversely affected. We could experience increased costs related to further developing our communities to mitigate or repair damage related to the effects of climate change that may or may not be fully covered by insurance. In addition, changes in federal, state and local legislation and regulation on climate change or natural disaster response could result in temporary rent control, temporary eviction moratoria, increased operating costs and/or increased capital expenditures to improve the energy efficiency of our existing communities (for example, increased costs associated with meeting electric vehicle charging mandates) and could also require us to spend more on our new development communities without a corresponding increase in revenue.

Accidental death or severe injuries at our communities due to wildfires, floods, other disasters or hazards could materially adversely affect our business and results of operations. Our insurance coverage may not cover all losses associated with such events, and we may experience difficulty marketing communities where any such events have occurred, which could have a material adverse effect on our business and results of operations. Further, we may not have the ability to respond immediately to a major event, which may cause increased losses.

Adverse changes in laws may materially adversely affect the Company's liabilities and/or operating costs relating to its properties and its operations. Increases in real estate taxes and income, service and transfer taxes cannot always be passed through to tenants in the form of higher rents, and may materially adversely affect the Company's cash available for distribution and its ability to make distributions and pay amounts due on its debts. Additionally, ongoing political volatility may increase the likelihood of significant changes in laws that could affect the Company's overall strategy. Changes in laws increasing the potential liability of the Company and/or its operating costs on a range of issues, including those regarding potential liability for other environmental conditions existing on properties or increasing the restrictions on discharges or other conditions, as well as changes in laws affecting development, construction and safety requirements, may result in significant unanticipated expenditures, including without limitation, those related to structural or seismic retrofit or more costly operational safety systems and programs, which could have a material adverse effect on the Company.

Failure to succeed in new markets or with new community operations formats may limit the Company's growth, and additionally, the Company's commercial leases could adversely affect us. The Company may make acquisitions, pursue new business models, explore new capital sources or commence development activity outside of its existing market areas if appropriate opportunities arise, which may expose the Company to new risks, including, but not limited to an inability to evaluate accurately local apartment market conditions and local economies; an inability to identify appropriate acquisition opportunities or to obtain land for development; an inability to hire and retain key personnel; and a lack of familiarity with local governmental and permitting procedures. Additionally, we have adjusted our operating model to reduce the number of staff on-site at individual properties and instituted a hub model where specialized staff can service multiple properties from a central location and rely on certain technologies, such as virtual apartment tours and artificially intelligent leasing agents, to further reduce the need for on-site staffing. There has been resistance to such change from our residents, and if we experience difficulty in retaining residents, this could materially adversely affect the Company's results of operations. Further, there are unknown risks with relying on new technologies and operating models, such as whether there is consumer preference for in-person tours or if we are not able to as rapidly respond to resident demands, and we cannot guarantee that this model will be successful, which could materially adversely affect our results of operations. Furthermore, the Company may not be able to lease its commercial space consistent with its projections or at market rates and the longer-term leases for existing space could result in below market rents over time. When leases for our existing commercial space expire, the space may not be relet on a timely basis, or at all, or the terms of reletting, including the cost of allowances and concessions to tenants, may be less favorable than the current lease terms.

Our business and reputation depend on our ability to continue providing high quality housing and consistent operation of our communities, the failure of which could materially adversely affect our business, financial condition and results of operations. Public utilities, such as water and electric power providers, are fundamental for the consistent operation of our

communities. Any delayed delivery or prolonged interruption of these services may cause tenants to terminate their leases or may result in a reduction of rents and/or increase in our costs or other issues. In addition, we may fail to provide quality housing and continuous access to amenities as a result of other factors, including government mandated closures, mechanical failure, power outage, human error, vandalism, physical or electronic security breaches, war, terrorism or similar events. Such events may also expose us to additional liability claims and damage our reputation and brand and could cause tenants to terminate or not renew their leases, or prospective tenants to seek housing elsewhere. Any such failures could impair our ability to continue providing quality housing and consistent operation of our communities, which could materially adversely affect our financial condition and results of operations.

The Company's real estate assets may be subject to impairment charges. The Company continually evaluates the recoverability of the carrying value of its real estate assets, including those assets it invests in indirectly or places subordinated loans on through its preferred equity and mezzanine lending program, under U.S. generally accepted accounting principles ("U.S. GAAP"). Factors considered in evaluating impairment of the Company's existing multifamily real estate assets held for investment include significant declines in property operating profits, recurring property operating losses and other significant adverse changes in general market conditions that are considered permanent in nature. Generally, a multifamily real estate asset held for investment is not considered impaired if the undiscounted, estimated future cash flows of the asset over its estimated holding period are in excess of the asset's net book value at the balance sheet date. Assumptions used to estimate annual and residual cash flow and the estimated holding period of such assets require the judgment of management. There can be no assurance that the Company will not take charges in the future related to the impairment of the Company's assets, including those assets it invests in indirectly or places subordinated loans on through its preferred equity and mezzanine lending program. Any future impairment charges could have a material adverse effect on the Company's results of operations.

We face risks associated with land holdings for future developments and related activities. Real estate markets are highly uncertain and the value of undeveloped land may fluctuate significantly. In addition, carrying costs can be significant and can result in losses or reduced profitability. If there are changes in the fair value of our land holdings which we determine is less than the carrying basis of our land holdings reflected in our financial statements plus estimated costs to sell, we may be required to take impairment charges which could have a material adverse effect on our financial condition and results of operations.

We are subject to laws and regulations relating to the handling of personal information and we rely on information technology to sustain our operations. Any material failure, inadequacy, interruption or breach of the Company's privacy or information systems, or those of our vendors or other third parties, could materially adversely affect the Company's business, financial condition and results of operations. We rely on information technology hardware, software, networks and systems (collectively, "IT Systems"), some of which are provided by vendors, to process, transmit and store personal information, tenant and lease data, and other electronic information (collectively, "Confidential Information"), and to manage or support a variety of business processes, including financial transactions and records. Our business requires us and some of our vendors to use and store personal and other sensitive information of our tenants and employees, and our collection, use and other processing of personal information is governed by certain federal and state laws and regulations. Privacy and cybersecurity laws continue to evolve, with a number of states passing data privacy laws that govern the processing of information about state residents, and laws may be inconsistent from one jurisdiction to another. The Company endeavors to comply with privacy laws and regulations applicable to it, including the California Consumer Privacy Act and Washington State's "My Health My Data Act", which govern the collection, use, retention, disclosure and security of personal information about California and Washington residents, respectively. Compliance with existing and future laws and regulations related to data privacy and protection may increase the Company's operating costs and adversely impact the Company's ability to market the Company's properties and services, and any failure of our systems in place to comply with such laws and regulations could harm our business, reputation and financial condition. Although we have taken steps to abide by applicable privacy and cybersecurity laws, and strive to protect the security of our IT Systems and Confidential Information, the compliance and security measures put in place by the Company and its vendors cannot guarantee perfect compliance or provide absolute security, and the Company and its vendors' IT Systems may be vulnerable to numerous and evolving cybersecurity threats and risks that threaten the confidentiality, integrity and availability of our IT Systems and Confidential Information, including through social engineering/phishing, malware (including ransomware), distributed denial-of-service attempts, data theft, account takeovers, social engineering/phishing, technological error, employee error, malfeasance by insiders, misconfigurations, "bugs", or other vulnerabilities in Company, or vendor, IT Systems. These threats may be amplified by emerging artificial intelligence technologies, which are expected to pose new or unknown cybersecurity risks and challenges, including as integrated into our or any third party's operations, products and services, and can also come from diverse threat actors, such as state-sponsored organizations, opportunistic hackers and hacktivists. Any incident could compromise the Company's or our vendors' IT Systems (or the IT Systems of third parties that facilitate the Company's or such vendors' business activities), and the Confidential Information stored by or on behalf of the Company or such vendors could be accessed, misused, publicly disclosed, corrupted, lost, or stolen, resulting in fraud, including wire fraud related to Company assets or tenant payments, access to company funds, or other harm. Moreover, if there is a compliance failure, or if a cybersecurity

incident affects the Company's or vendors' systems, whether through a breach of the Company's IT Systems or a breach of the IT Systems of third parties, or results in the unauthorized release of Confidential Information, the Company's reputation and brand could be materially damaged, which could increase our costs in attracting and retaining tenants, and other serious consequences may result.

Potential other consequences include exposure to litigation, including government enforcement actions, private litigation (including class actions), fines or criminal penalties, negative reputational impacts that cause us to lose existing or future customers, and/or significant incident response, system restoration or remediation and future compliance costs, and potential exposure to a risk of loss including loss related to the fact that agreements with such vendors, or such vendors' financial condition, may not allow the Company to recover all costs related to a cybersecurity incident for which they alone or they and the Company should be jointly responsible for, which could result in a material adverse effect on the Company's business, financial condition and results of operations.

Privacy and cybersecurity risks have generally increased in recent years because of the proliferation of new techniques and tools that circumvent security tools, evade detection and remove forensic evidence, such as artificial intelligence, the increased sophistication, techniques and activities of threat actors, and the broader adoption of remote and hybrid work arrangements that introduce additional security vulnerabilities due to off-network access; accordingly, the Company may be unable to anticipate these techniques or implement adequate preventative measures. There can also be no assurance that our cybersecurity risk management program and processes, including our policies, controls or procedures, will be fully implemented, complied with or effective in protecting our IT Systems and Confidential Information. Furthermore, given the nature of complex IT Systems we rely upon, and the scanning tools that we deploy across our networks and products, we regularly identify and track security vulnerabilities. Additionally, remote and hybrid working arrangements at our company (and at many third-party providers) also increase cybersecurity risks due to the challenges associated with managing remote computing assets and security vulnerabilities that are present in many non-corporate and home networks. We may be unable to comprehensively apply patches or confirm that measures are in place to mitigate all such vulnerabilities, or that patches will be applied before vulnerabilities are exploited by a threat actor. We maintain cyber risk insurance, but this may be an insufficient type or amount to cover us against claims related to a cybersecurity incident, and we cannot be certain that such insurance will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claims.

Furthermore, we use artificial intelligence technologies in our business and there are significant information technology risks involved in maintaining and deploying these technologies. There can be no assurance that our investments in such technologies will always enhance our services or be beneficial to our business, including our efficiency or profitability. In particular, if the models underlying our artificial intelligence technologies are: incorrectly designed or implemented; trained or reliant on incomplete, inadequate, inaccurate, biased or otherwise poor quality data; used without sufficient oversight, governance or in violation of our internal guidelines, policies and procedures; and/or adversely impacted by unforeseen defects, technical challenges, cybersecurity threats, data privacy concerns, or material performance issues, the performance of our services and business, as well as our reputation, could suffer or we could incur liability resulting from the violation of laws or contracts to which we are a party or civil claims.

Finally, in the future, the Company may expend additional resources to continue to enhance the Company's cybersecurity measures to investigate and remediate any cybersecurity vulnerabilities and/or to further ensure compliance with privacy and cybersecurity laws. Despite these steps, the Company may suffer a significant cybersecurity incident in the future, unauthorized parties may gain access to Confidential Information stored on the Company's or its vendors' IT Systems, and any such incident may not be discovered in a timely manner. Any cybersecurity incident or failure in the implementation, compliance with or effectiveness of the Company's IT Systems or cybersecurity program or those of third party service providers, or a breach of other third party systems that ultimately impacts the operational or IT Systems of the Company could result in a wide range of material adverse effects to our business and results of operations.

Reliance on third party software providers to host systems is critical to our operations and to provide the Company with data, and regulation of those providers and practices may impact operational capabilities. We rely on, or may rely on in the future, certain key software vendors, including artificial intelligence platforms, to support business practices critical to our operations, including the collection and understanding of rent, leads and leasing, and ancillary income, communication with our tenants, interaction and evaluation and/or qualification of our prospective tenants, and to provide us with data. The market is currently experiencing a consolidation of and increased scrutiny on these software vendors, particularly in the multifamily space and algorithmic platforms, which may negatively impact the Company's choice of vendor and pricing options due to lack of optionality or litigation challenges of the vendor or the vendor's underlying algorithmic platform. Moreover, if any of these key vendors were to terminate our relationship or access to data, or fail, we could suffer losses while we seek to replace the services and information provided by the vendors. Further, our failure, or our software vendors' failure, to adopt, anticipate or keep pace with the new technologies, such as artificial intelligence solutions, may harm our ability to compete with our peers, decrease the value of our assets and/or impact our future growth.

We may from time to time be subject to litigation or regulatory investigation, which could have a material adverse effect on our business, financial condition and results of operations. Some of these claims, which may be funded by litigation financing, may result in defense costs, settlements, fines or judgments against us, some of which are not, or cannot be, covered by insurance, the payment of which could have an adverse impact on our financial position and results of operations. In addition, certain litigation or the resolution of certain litigation may affect the availability or cost of some of our insurance coverage and expose us to increased risks that would be uninsured. Litigation, even if resolved in our favor, could materially adversely affect our reputation and divert the attention of our management, which could materially adversely affect our operations and cash flow. A number of purported anti-trust class actions were filed against RealPage, Inc., a seller of revenue management software, and various lessors of multifamily housing which utilize this software, including the Company. The complaints allege collusion among defendants to artificially increase rents of multifamily residential real estate above competitive levels. The Company intends to vigorously defend against these lawsuits. The Company is unable to predict the outcome or estimate the amount of loss, if any, that may result from such matters. The Company is also subject to various other legal and/or regulatory proceedings arising in the normal course of its business operations, including certain class actions and PAGA Claims. The current political climate in California may continue to encourage plaintiffs' attorneys to bring PAGA Claims and other class actions.

Risks Related to Our Indebtedness and Financings

Capital and credit market conditions and volatility, including significant fluctuations in the price of the Company's stock, may affect the Company's access to sources of capital and/or the cost of capital, which could materially adversely affect the Company's business, stock price, results of operations, cash flows and financial condition. Our current balance sheet, the debt capacity available on the commercial paper program and unsecured line of credit with a diversified bank group, access to the public and private placement debt markets and secured debt financing providers provide some insulation from volatile capital markets. We primarily use external financing, including sales of debt and equity securities, to fund acquisitions, developments, and redevelopments and to refinance indebtedness as it matures. If sufficient sources of external financing are not available to us on cost effective terms, we could be forced to limit our acquisition, development and redevelopment activity and/or take other actions to fund our business activities and repayment of debt, such as selling assets, reducing our cash dividend or distributing less than 100% of our REIT taxable income.

In addition, if our ability to obtain financing is materially adversely affected, the Company's stock price may be materially adversely affected, and we may be unable to satisfy scheduled maturities on existing financing through other sources of our liquidity, which, in the case of secured financings, could result in foreclosure.

Debt financing has inherent risks. The Company is subject to the risks normally associated with debt financing, including that cash flow may not be sufficient to meet required payments of principal and interest and the REIT distribution requirements of the Code; inability to renew, repay, or refinance maturing indebtedness on encumbered apartment communities on favorable terms or at all, possibly requiring the Company to sell a property or properties on disadvantageous terms; inability to comply with debt covenants could trigger cash management provisions limiting our ability to control cash flows, cause defaults, or an acceleration of maturity dates; paying debt before the scheduled maturity date could result in prepayment penalties; and defaulting on secured indebtedness may result in lenders seeking a foreclosure or pursuing other remedies which would reduce the Company's income and net asset value, its ability to service other debt, or create taxable income without accompanying cash proceeds, thereby hindering our ability to meet REIT distribution requirements. Any of these risks might result in losses that could have a material adverse effect on the Company and its ability to make distributions and pay amounts due on its debt. Our ability to make payments on and to refinance our indebtedness and to fund our operations, working capital and capital expenditures, depends on our ability to generate cash in the future. There is a risk that we may not be able to refinance existing

indebtedness or that a refinancing will not be done on as favorable terms, which in either case could have a material adverse effect on our financial condition, results of operations and cash flows.

Compliance requirements of tax-exempt financing and below market rent requirements may limit income from certain communities. The Company has, and expects to continue using, variable rate tax-exempt financing, which provides for certain deed restrictions and restrictive covenants. If the compliance requirements of the tax-exempt financing restrict our ability to increase our rental rates with respect to certain tenants, then our income from these properties may be limited. While we generally believe that the interest rate benefit attendant to properties with tax-exempt bonds outweighs any loss of income due to restrictive covenants or deed restrictions, this may not always be the case. Some of these requirements are complex and our failure to comply with them may subject us to material fines or liabilities. Certain state and local authorities may impose additional rental restrictions, which may limit income from the tax-exempt financed communities if the Company is required to decrease its rental rates. If the Company does not reserve the required number of apartment homes for tenants satisfying these income requirements, the tax-exempt status of the bonds may be terminated, the obligations under the bond documents may be accelerated and the Company may be subject to additional contractual liability. Notwithstanding the limitations due to tax-exempt financing requirements, the income from certain communities may be limited due to below-market rent requirements imposed by local authorities in connection with the original development of the community.

The indentures governing our notes and other financing arrangements contain restrictive covenants that limit our operating flexibility and restrict our ability to take specific actions, even if we believe such actions to be in our best interests, including restrictions on our ability to consummate a merger, consolidation or sale of all or substantially all of our assets; and incur additional secured and unsecured indebtedness. The instruments governing our other unsecured indebtedness require us to meet specified financial and other covenants, which may restrict our ability to expand or fully pursue our business strategies. A breach of any of these covenants could result in a default under our indebtedness, which could cause those and other obligations to become due and payable. If any of our indebtedness is accelerated, we may not be able to repay it.

Interest rate hedging arrangements may result in losses. The Company from time to time uses interest rate swaps and interest rate caps to manage certain interest rate risks. Although these agreements may partially protect against rising interest rates, they also may reduce the benefits to the Company if interest rates decline. If a hedging arrangement is not indexed to the same rate as the indebtedness that is hedged, the Company may be exposed to losses to the extent that the rate governing the indebtedness and the rate governing the hedging arrangement change independently of each other. Finally, nonperformance by the other party to the hedging arrangement may subject the Company to increased credit risks.

A downgrade in the Company's investment grade credit rating could materially adversely affect its business and financial condition. The Company intends to maintain its investment grade credit rating with a capital structure consistent with its current profile but there can be no assurance that it will be able to maintain its current credit ratings. Any downgrades in terms of ratings or outlook by any of the rating agencies could have a material adverse effect on the Company's cost and availability of capital, which could in turn have a material adverse effect on its financial condition, results of operations and liquidity, as well as the Company's stock price.

Changes in the Company's financing policy may lead to higher levels of indebtedness. The Company manages its debt in compliance with debt covenants under its unsecured bank facilities and senior unsecured bonds. However, the Company may increase the amount of outstanding debt at any time without a concurrent improvement in the Company's ability to service the additional debt, resulting in an increased risk of default on its debt covenants or on its debt obligations and in an increase in debt service requirements. Any covenant breach or significant increase in the Company's leverage could materially adversely affect the Company's financial condition and ability to access debt and equity capital markets in the future.

If the Company or any of its subsidiaries defaults on an obligation to repay outstanding indebtedness when due, the default could trigger a cross-default or cross-acceleration under other indebtedness. A default, including a default under mortgage indebtedness, lines of credit, commercial paper program, bank term loan, the indenture for the Company's outstanding senior notes, or the Company's interest rate hedging arrangements that is not waived by the applicable required lenders, holders of outstanding notes or counterparties could trigger cross-default or cross-acceleration provisions under one or more agreements governing the Company's indebtedness, which could cause an immediate default or allow the lenders to declare all funds borrowed thereunder to be due and payable.

The Company could be negatively impacted by the condition of Fannie Mae or Freddie Mac and by changes in government support for multifamily housing. In the event that Fannie Mae and Freddie Mac discontinue providing liquidity to our sector, have their mandates changed or reduced or be disbanded or reorganized by the government or if there is reduced government support for multifamily housing more generally, it may adversely affect interest rates, capital availability, development of

multifamily communities and the value of multifamily residential real estate and, as a result, may adversely affect the Company and its growth and operations.

Risks Related to Personnel

The Company depends on its personnel, whose continued service is not guaranteed. The Company's success depends on its ability to attract, train and retain executive officers, senior officers and company managers. There is substantial competition for qualified personnel in the real estate industry and the departure of any of the Company's key personnel could have a material adverse effect on the Company. While the Company engages in regular succession planning for key positions, the Company's plans may be impacted and therefore adjusted due to the departure of any key personnel. The Company must continue to recruit, train and retain qualified operational staff at its properties, which may be difficult in a highly competitive job market. Changes to our Company's operational structure could result in an increase in issues or departures among our operational staff. Our ability to timely deliver quality customer service or to respond to building repair and maintenance requests may be negatively impacted without adequate operational staff, which may materially adversely affect the results of operations. Additionally, we could be subject to labor union efforts to organize our employees from time to time and, if successful, those organizational efforts may decrease our operational flexibility and increase operational costs.

The Company's Chairman is involved in other real estate activities and investments, which may lead to conflicts of interest. The Company's Chairman, George M. Marcus, is not an employee of the Company, and is involved in other real estate activities and investments, which may lead to conflicts of interest. Mr. Marcus owns interests in various other real estate-related businesses and investments. He is the Chairman of the Marcus & Millichap Company ("MMC"), which is a parent company of a diversified group of real estate service, investment and development firms. While conflict of interest protocols and agreements are in place, Mr. Marcus and his affiliated entities may potentially compete with the Company in acquiring and/or developing apartment communities, which may be detrimental to the interests of Essex's stockholders and the Operating Partnership's unitholders.

The influence of executive officers, directors, and significant stockholders may be detrimental to holders of common stock. Under the partnership agreement of the Operating Partnership, the consent of the holders of limited partnership interests is generally required for certain amendments of the agreement and for certain extraordinary actions. Through their ownership of limited partnership interests, and their positions with the Company, certain directors and executive officers, including Mr. Marcus, could have influence on the Company. Consequently, their influence could result in decisions that may not reflect the interests of all stockholders.

Our related party guidelines may not adequately address all of the issues that may arise with respect to related party transactions. The Company has adopted "Related Party Transaction Approval Process Guidelines" that are intended to determine whether a particular related party transaction is fair, reasonable and serves the interests of the Company's stockholders. Pursuant to these guidelines, related party transactions have been approved by the Audit Committee of the Company's Board of Directors ("Board") from time to time. There is no assurance that this policy will be adequate for determining whether a particular related party transaction is suitable and fair for the Company. Also, the policy's procedures may not identify and address all the potential issues and conflicts of interests with a related party transaction.

Employee theft or fraud could result in loss. Should any employee compromise our information technology systems, commit fraud or theft of the Company's assets, or misappropriate tenant or other information, we could incur losses, including significant financial or reputational harm, from which full recovery cannot be assured. We also may not have insurance that covers any losses in full or that covers losses from particular criminal acts.

Risks Related to Taxes, Our Status as a REIT and Our Organizational Structure

Failure to generate sufficient rental revenue or other liquidity needs and impacts of economic conditions could limit cash flow available for dividend distributions, as well as the form and timing of such distributions, to Essex's stockholders or the Operating Partnership's unitholders. Significant expenditures associated with each community such as debt service payments, if any, real estate taxes, insurance and maintenance costs are generally not reduced when circumstances cause a reduction in income from a community. Such a reduction in income could cause the Board to reduce the amount of dividend distributions. The form, timing and/or amount of dividend distributions will be declared at the discretion of the Board and will depend on actual cash from operations, our financial condition, capital requirements, the annual distribution requirements under the REIT provisions of the Code and other factors as the Board may consider relevant. The Board may modify our dividend policy from time to time.

Essex may choose to pay dividends in its own stock, which could materially adversely affect its stockholders. If Essex pays a stock dividend that is taxable for U.S. federal income tax purposes, and a U.S. stockholder sells the stock it receives as a dividend in order to pay applicable taxes, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our stock at the time of the sale. Furthermore, with respect to non-U.S. stockholders, we may be required to withhold U.S. tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in stock. In addition, the trading price of Essex's stock could experience downward pressure if a significant number of our stockholders sell shares of Essex's stock in order to pay taxes owed on dividends.

The Company's future issuances of common stock, preferred stock or convertible debt securities could be dilutive to current stockholders and materially adversely affect the market price of the Company's common stock. In order to finance the Company's acquisition and development activities, the Company could issue and sell common stock, preferred stock and convertible debt securities, including pursuant to its equity distribution program, issue partnership units in the Operating Partnership, or enter into joint ventures which may dilute stockholder ownership in the Company and could materially adversely affect the market price of the common stock.

The Maryland Business Combination Act may delay, defer or prevent a transaction or change in control of the Company that might involve a premium price for the Company's stock or otherwise be in the best interest of our stockholders. Under the Maryland Business Combination Act (the "MBCA"), certain "business combinations", including a merger, between a Maryland corporation and certain "interested stockholders" or an affiliate of an interested stockholder are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder and must be approved pursuant to certain supermajority voting requirements, subject to certain exemptions which include business combinations that are exempted by the Board prior to the time that the interested stockholder becomes an interested stockholder. Pursuant to this exemption, the Board irrevocably has elected to exempt any business combination among the Company, Mr. Marcus and MMC or any entity owned or controlled by Mr. Marcus and MMC. However, other transactions with interested stockholders subject to the MBCA may be delayed or may not meet the related supermajority voting or other requirements of the MBCA, which may delay or prevent the consummation of such transactions.

Certain provisions contained in the Operating Partnership agreement, Charter and Bylaws, and certain provisions of the Maryland General Corporation Law could delay, defer or prevent a change in control. While the Company is the sole general partner of the Operating Partnership, and generally has full and exclusive responsibility and discretion in the management and control of the Operating Partnership, certain provisions of the Operating Partnership agreement may limit the Company's power to act with respect to the Operating Partnership, which could delay, defer or prevent a transaction or a change in control that may otherwise be in the best interests of its stockholders or that could otherwise materially adversely affect their interests.

The Company's Charter authorizes the issuance of additional shares of common stock or preferred stock and the setting of the preferences, rights and other terms of such stock without the approval of the holders of the common stock. The Company may establish one or more classes or series of stock that could delay, defer or prevent a transaction or a change in control, or otherwise create rights that could materially adversely affect the interests of holders of common stock. Additionally, the Company's Charter contains provisions limiting the transferability and ownership of shares of capital stock, which may delay, defer or prevent a transaction or a change in control, or discourage tender offers.

The Maryland General Corporation Law (the "MGCL") restricts the voting rights of holders of shares deemed to be "control shares." Although the Bylaws exempt the Company from the control share provisions of the MGCL, the Board may amend or eliminate the provisions of the Bylaws at any time in the future. Moreover, any such amendment or elimination of such provision of the Bylaws may result in the application of the control share provisions of the MGCL. If the provisions of the Bylaws are amended or eliminated, the control share provisions of the MGCL could delay, defer or prevent a transaction or change in control.

The Company's Charter and Bylaws as well as the MGCL also contain other provisions that may impede various actions by stockholders without approval by the Board, and that in turn may delay, defer or prevent a transaction. Those provisions include, among others, directors may be removed by stockholders, without cause, only upon the affirmative vote of at least two-thirds of the votes entitled to be cast generally in the election of the directors, and with cause, only upon the affirmative vote of a majority of the votes entitled to be cast generally in the election of the directors; the Board can fix the number of directors and fill vacant directorships upon the vote of a majority of the directors and the Board can classify the board such that the entire board is not up for re-election annually; stockholders must give advance notice to nominate directors or propose business for consideration at a stockholders' meeting; and for stockholders to call a special meeting, the meeting must be requested by not less than a majority of all the votes entitled to be cast at the meeting.

Stockholders have limited control over changes in our policies and operations. The Board determines our major policies, including our policies regarding investments, financing, growth, debt capitalization, REIT qualification and distributions. The Board may amend or revise these and other policies without a vote of the stockholders. In addition, pursuant to the MGCL, all matters other than the election or removal of a director must be declared advisable by the Board prior to a stockholder vote.

Loss of the Company's REIT status would have a material adverse effect on the Company and the value of the Company's common stock. The Company has elected to be taxed as a REIT, which requires it to satisfy various annual and quarterly requirements, including income, asset and distribution tests. Although the Company believes that its current organization and method of operation enable it to qualify as a REIT, it cannot assure you that it so qualifies or that it will be able to remain so qualified in the future. If the Company fails to qualify as a REIT in any taxable year, the Company would be subject to U.S. federal corporate income tax on the Company's taxable income, and the Company would not be allowed to deduct dividends paid to its stockholders in computing its taxable income. The Company would also be disqualified from electing treatment as a REIT for the four taxable years following the year in which the Company failed to qualify, unless it is entitled to relief under statutory provisions. The additional tax liability would reduce its net earnings available for investment or distributions, and the Company would no longer be required to make distributions to its stockholders for the purpose of maintaining REIT status. As a result of all these factors, the Company's failure to qualify as a REIT also could impair its ability to expand its business and raise capital, and could materially adversely affect the value and market price of the Company's common stock.

Complying with REIT requirements may affect our profitability and may force us to liquidate or forgo otherwise attractive investments. To qualify as a REIT, we must continually satisfy certain asset, income and distribution tests and other requirements, which could materially adversely affect us. We may be required to liquidate or forgo otherwise attractive investments in order to satisfy the asset and income tests or to qualify under certain statutory relief provisions. If we do not acquire new assets, we may not have sufficient depreciation expense to offset income and may have to make special distributions to stockholders. We also may be required to make distributions to stockholders at disadvantageous times or when we do not have funds readily available for distribution. As a result, having to comply with the distribution requirement could cause us to: (1) sell assets in adverse market conditions; (2) borrow on unfavorable terms; or (3) distribute amounts that would otherwise be invested in future acquisitions, capital expenditures or repayment of debt. Moreover, if we are compelled to liquidate our investments to meet any of these asset, income or distribution tests, or to repay obligations to our lenders, we may be unable to comply with one or more of the requirements applicable to REITs or may be subject to a 100% tax on any resulting gain if such sales constitute prohibited transactions.

Legislative or other actions affecting REITs could have a material adverse effect on the Company or its stockholders. Changes to federal income tax laws, with or without retroactive legislation, could materially adversely affect the Company or its stockholders. New legislation, Treasury Regulations, administrative interpretations or court decisions could materially adversely affect the Company's ability to qualify as a REIT, the federal income tax consequences of such qualification, or the federal income tax consequences of an investment in the Company. Also, the law relating to the tax treatment of other entities, or an investment in other entities, could change, making an investment in such other entities more attractive relative to an investment in a REIT.

Failure of one or more of the Company's subsidiaries to qualify as a REIT could materially adversely affect the Company's ability to qualify as a REIT. The Company owns interests in multiple subsidiaries that have elected to be taxed as REITs under the Code. These subsidiary REITs are subject to the various REIT qualification requirements and other limitations that are applicable to the Company. If any of the Company's subsidiary REITs were to fail to qualify as a REIT, then the subsidiary REIT would become subject to U.S. federal corporate income tax. The Company's ownership of shares in such subsidiary REIT would cease to be a qualifying asset for purposes of the asset tests applicable to REITs and it is possible that this could cause the Company to also fail to qualify as a REIT.

The tax imposed on REITs engaging in "prohibited transactions" may limit the Company's ability to engage in transactions which would be treated as sales for federal income tax purposes. Under the Code, unless certain exceptions apply, any gain resulting from transfers or dispositions of properties that the Company holds as inventory or primarily for sale to customers in the ordinary course of business could be treated as income from a prohibited transaction subject to a 100% penalty tax, which could potentially adversely impact our status as a REIT. Since the Company acquires properties for investment purposes, it does not believe that its occasional transfers or disposals of property should be treated as prohibited transactions. However, if the Internal Revenue Service successfully contends that certain transfers or disposals of properties by the Company are prohibited transactions, then the Company would be required to pay a 100% penalty tax on any gain allocable to it from the prohibited transaction, and the Company's ability to retain proceeds from real property sales may be jeopardized.

Dividends payable by REITs may be taxed at higher rates than dividends of non-REIT corporations, which could reduce the net cash received by stockholders and may be detrimental to the Company's ability to raise additional funds through any

future sale of its stock. Dividends paid by REITs to U.S. stockholders that are individuals, trusts or estates are generally not eligible for the reduced tax rate applicable to qualified dividends received from non-REIT corporations. U.S. stockholders that are individuals, trusts and estates generally may deduct 20% of ordinary dividends from a REIT. Although this deduction reduces the effective tax rate applicable to certain dividends paid by REITs, such tax rate is still higher than the tax rate applicable to regular corporate qualified dividends. This may cause investors to view REIT investments as less attractive than investments in non-REIT corporations, which in turn may materially adversely affect the value of stock in REITs.

We may face risks in connection with Section 1031 exchanges. We occasionally dispose of real properties in transactions intended to qualify as "like-kind exchanges" under Section 1031 of the Code. If a transaction intended to qualify as a Section 1031 exchange is later determined to be taxable, we may face adverse consequences, and if the laws applicable to such transactions are amended or repealed, we may not be able to dispose of real properties on a tax deferred basis.

Partnership tax audit rules could have a material adverse effect on us. It is possible that partnerships in which we directly or indirectly invest would be required to pay additional taxes, interest, and penalties as a result of a partnership tax audit adjustment. We, as a direct or indirect partner of these partnerships, could be required to bear the economic burden of those taxes, interest, and penalties even though Essex, as a REIT, may not otherwise have been required to pay additional corporate-level taxes had we owned the assets of the partnership directly. The partnership tax audit rules apply to Essex Portfolio, L.P. and its subsidiaries that are classified as partnerships for U.S. federal income tax purposes. There can be no assurance that these rules will not have a material adverse effect on us.

General Risks

The soundness of financial institutions could materially adversely affect us. We maintain cash and cash equivalent balances generally in excess of federally insured limits at a limited number of financial institutions. The failure of one or more of these financial institutions may materially adversely affect our ability to recover our cash balances or our 401(k) assets. Certain financial institutions are lenders under our credit facilities, and, from time to time, we execute transactions with counterparties in the financial services industry. In the event that the volatility of the financial markets adversely affects these financial institutions or counterparties, we, or other parties to the transactions with us, may be unable to complete transactions as intended, which could materially adversely affect our business and results of operations. Additionally, certain of our tax-exempt bond financing documents require us to obtain a guarantee from a financial institution of payment of the principal and interest on the bonds. If the financial institution defaults in its guarantee obligations, or if we are unable to renew the applicable guarantee or otherwise post satisfactory collateral, a default will occur under the applicable tax-exempt bonds and the community could be foreclosed upon if we do not redeem the bonds.

The price per share of the Company's stock may fluctuate significantly. The market price per share of the Company's common stock may fluctuate significantly in response to many factors, including the factors discussed in this Item 1A, and actual or anticipated variations in the Company's quarterly results of operations, earnings estimates, or dividends, the resale of substantial amounts of the Company's stock, or the anticipation of such resale, general stock and bond market conditions, actual or anticipated actions taken by the Federal Reserve Bank, the general reputation of REITs and the Company, shifts in our investor base, the inability of the United States Congress to pass bills that continue to timely fund the federal government and its obligations, including due to the current political climate or partisanship, natural disasters, armed conflict or geopolitical impacts, or an active aggressor incident. Many of these factors are beyond the Company's control and may cause the market price of the Company's common stock to decline, regardless of the Company's financial condition, results of operations, or business prospects.

Our score by proxy advisory firms or other corporate governance consultants advising institutional investors could have an adverse effect on our reputation, the perception of our corporate governance, and thereby materially adversely affect the market price of our common stock. Various proxy advisory firms and other corporate governance consultants advising institutional investors provide scores of our governance measures, nominees for election as directors, executive compensation practices, corporate responsibility and sustainability, and other matters that may be submitted to stockholders for consideration at our annual meetings. From time to time certain matters that we propose for approval may not receive a favorable score, or may result in a recommendation against the nominee or matter proposed. Unfavorable scores may lead to rejected proposals or a loss of stockholder confidence in our corporate governance measures, which could materially adversely affect the market price of our common stock.

Corporate responsibility, specifically related to sustainability factors, may impose additional costs and expose us to new risks or litigation. Some investors and potential investors are focused on positive corporate responsibility and sustainability scores and business practices to guide their investment strategies, including whether to invest in our common stock. Additionally, expectations continue to evolve relating to climate disclosures, human capital management and lawmakers and corporate

responsibility matters, and other regulatory bodies, such as in California, have issued rules regarding climate disclosures. Additional local, state and federal laws and rules with respect to corporate responsibility and sustainability matters may be enacted and the scope of their requirements and impact on our business are unknown. If we fail to comply with new laws, regulations or expectations related to sustainability, or if we are perceived as failing, our reputation and business could be materially adversely affected. In addition, both advocates and opponents to such matters may resort to activism, including media campaigns, shareholder activism, and litigation, to advance their perspectives, and certain jurisdictions are adopting or considering adopting laws seeking to limit the use of corporate responsibility and sustainability initiatives in certain contexts. Anti-ESG advocates, including certain state attorneys general outside of the Company's current geographic locations, have also brought legal challenges regarding corporate climate initiatives and commitments. To the extent we are subject to any such challenges, it may require us to incur costs to implement compliant initiatives or otherwise materially adversely affect our business. Finally, if the criteria by which companies are scored on corporate responsibility may change, and the Company may perform differently or worse than it has in the past, and it may become more expensive for the Company to access capital. The Company may face reputational damage if its corporate responsibility procedures, board structure, or individual board members' reputations do not meet the standards set by various constituencies. The occurrence of any of the foregoing could have a material adverse effect on the price of the Company's stock and the Company's financial condition and results of operations.

We could face adverse consequences as a result of M&A activity in the REIT sector and actions of activist investors. Due to consolidation pressure and M&A activity in the REIT sector, we may receive unsolicited acquisition proposals or become the target of activist investors seeking to force a sale or merger. If that occurs, management may be required to dedicate substantial time to evaluating such proposals or threats and various strategic alternatives, which could detract from their ability to focus on our core business. Such activity could be costly and time-consuming, disrupt our operations and divert the attention of our management team and our employees from executing our business plan, which could materially adversely affect our business and results of operations.

Expanding social media vehicles present additional risks. The use of social media, such as unauthorized live-streaming at our properties, could cause us to suffer brand damage or information leakage. Negative posts or false comments about us on any social networking website could damage our reputation. In addition, employees or others might disclose non-public sensitive information relating to our business through external media channels. The continuing evolution of social media will present us with new challenges and risks.

Any material weaknesses identified in the Company's internal control over financial reporting could have an adverse effect on the Company's stock price. Section 404 of the Sarbanes-Oxley Act of 2002 requires the Company to evaluate and report on its internal control over financial reporting.

If the Company identifies one or more material weaknesses in its internal control over financial reporting, the Company could lose investor confidence in the accuracy and completeness of its financial reports, which in turn could have a material adverse effect on the Company's stock price.

Increased public, media, regulatory and governmental scrutiny of the housing industry could materially adversely affect our business, reputation, and results of operations. The housing industry, and particularly real estate developers and the rental housing sector, has attracted heightened attention from the public, media, regulators, elected officials and advocacy groups regarding issues such as affordability, fair housing practices, evictions, rental rates, and revenue management practices, which has led to various proposals, laws and regulations affecting rental housing providers, including rent control measures, eviction restrictions, and revenue management constraints. Increased scrutiny presents companies in the rental housing sector, including us, with additional litigation risk, including class action lawsuits. Additionally, political pressure and public sentiment regarding the rental housing industry could influence the introduction and passage of new regulations or legislation that may restrict our operations or otherwise materially adversely affect our business model. These factors could materially adversely affect our results of operations and our financial condition.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

The Company has developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity and availability of its critical systems and information. We design and assess our program based on the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF). Accordingly, we use NIST CSF as a

guide to help us identify, assess, and manage cybersecurity risks relevant to our business. The Company's cybersecurity risk management program is integrated into our overall risk management program, and shares common methodologies, reporting channels and governance processes that apply across the risk management program to other legal, compliance, strategic, operational and financial risk areas.

The Company's cybersecurity risk management program employs several different measures, including perimeter monitoring, endpoint monitoring and user management, designed to assess and identify cybersecurity risks. The Company's technology management team is principally responsible for managing the Company's cybersecurity risk assessment and management processes. The Company's technology management team conducts risk assessments designed to help identify material cybersecurity risks to our critical systems and information. The Company's technology management team and third-party professionals perform penetration tests, vulnerability scans, and patch management to assess and protect the confidentiality, integrity and availability of its critical systems and information. The Company's risk assessment and management processes also address emerging cybersecurity threats, including those that are AI-enabled. The Company provides training to its employees on cybersecurity matters, conducts periodic tabletop incident response exercises, performs recurring awareness testing to facilitate compliance with the Company's cybersecurity policies, and maintains a method for its employees and consultants to communicate any suspected cybersecurity incident. Furthermore, the Company has adopted internal guidelines designed to address employee use of third-party artificial intelligence tools and protect confidential Company information from unauthorized disclosure to such tools. In addition, the Company evaluates key third-party service providers before the Company grants the service provider access to its information systems and has a process in place to ensure that future access is appropriate.

The Company has an established incident response plan for responding to cybersecurity incidents. The goal of the incident response plan is to detect and react to cybersecurity incidents, evaluate the scope and risk, respond appropriately, communicate effectively to all stakeholders, and ultimately reduce the likelihood of an incident recurrence. The Company's incident response team consists of seasoned information technology, legal and financial reporting Company personnel. The incident response plan, members of the incident response team and the steps to respond to a security incident are evaluated for appropriateness and effectiveness, and key personnel from cross-functional departments are involved.

The Board of Directors considers cybersecurity risk as part of its risk oversight function and has delegated to the Audit Committee oversight of enterprise level risks, including any cybersecurity-related risks faced by the Company. At least quarterly, the Audit Committee reviews cyber risks and mitigation strategies with senior management. The Audit Committee periodically reports to the full Board regarding its activities, including those relating to cybersecurity. Additionally, on an annual basis, the Chief Technology Officer ("CTO") presents to the Audit Committee on any material updates to the cybersecurity program, such as process improvements, new initiatives and key vendor performance. Material cybersecurity events, if any, are escalated to the Board on an ongoing basis. The Board is also briefed annually on all major enterprise risks, including cybersecurity risks.

The Company's management team, including the CTO, is responsible for assessing and managing the Company's material risks from cybersecurity threats. The CTO leads the technology management team and has extensive cybersecurity knowledge and expertise developed through a career of serving in various roles in information technology for over 20 years. The CTO oversees the Company's initiatives to address existing or evolving cyber risks and is a member of the Enterprise Risk Committee. The CTO reports to the Chief Executive Officer and provides updates to the Company's senior leadership team on a regular basis, at least quarterly, about risks from cybersecurity threats, the results of penetration tests, vulnerability scans and userbase issues. The CTO and other members of the Company's management team take steps to stay informed about and monitor efforts to prevent, detect, mitigate and remediate cybersecurity risks and incidents through various means, such as briefings from internal security personnel; threat intelligence and other information obtained from governmental, public or private sources, including external consultants engaged; and alerts and reports produced by security tools deployed in our IT environment.

Over the past fiscal year, the Company has not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected or are reasonably likely to materially affect the Company, including its operations, business strategy, results of operations or financial condition. See the discussion under the caption, "Risks Related to Our Real Estate Investments and Operations - *We are subject to laws and regulations relating to the handling of personal information and we rely on information technology to sustain our operations. Any material failure, inadequacy, interruption or breach of the Company's privacy or information systems, or those of our vendors or other third parties, could materially adversely affect the Company's business, financial condition and results of operations.*" in Item 1A, Risk Factors of this Form 10-K for further information.

Item 2. Properties

The Company's portfolio as of December 31, 2025 (including communities owned by unconsolidated joint ventures, but excluding communities underlying preferred equity investments) was comprised of 259 stabilized operating apartment communities (comprising 63,077 apartment homes), of which 26,265 apartment homes are located in Southern California, 24,154 apartment homes are located in Northern California, and 12,658 apartment homes are located in the Seattle metropolitan area. The Company's apartment communities accounted for 99.2% of the Company's revenues for the year ended December 31, 2025.

Occupancy Rates

Financial occupancy is defined as the percentage resulting from dividing actual rental income by total scheduled rental income. Total scheduled rental income represents the value of all apartment homes, with occupied apartment homes valued at contractual rental rates pursuant to leases and vacant apartment homes valued at estimated market rents. When calculating actual rents for occupied apartment homes and market rents for vacant apartment homes, delinquencies and concessions are not taken into account. The Company believes that financial occupancy is a meaningful measure of occupancy because it considers the value of each vacant unit at its estimated market rate. Financial occupancy may not completely reflect short-term trends in physical occupancy and financial occupancy rates, and the Company's calculation of financial occupancy may not be comparable to financial occupancy as disclosed by other REITs. Market rates are determined using the recently signed effective rates on new leases at the property and are used as the starting point in the determination of the market rates of vacant apartment homes. The Company may increase or decrease these rates based on a variety of factors, including overall supply and demand for housing, concentration of new apartment deliveries within the same submarket which can cause periodic disruption due to greater rental concessions to increase leasing velocity, and rental affordability.

For communities that are development properties in lease-up without stabilized occupancy figures, the Company believes the physical occupancy rate is the appropriate performance metric. While a community is in the lease-up phase, the Company's primary motivation is to stabilize the property, which may entail the use of rent concessions and other incentives, and thus financial occupancy which is based on contractual income is not considered the best metric to quantify occupancy.

Communities

The Company's communities are primarily urban and suburban high density wood frame communities comprising of two to seven stories above grade construction situated on 1-20 acres of land with densities of approximately 10 to 80+ units per acre. As of December 31, 2025, the Company's communities include 105 garden-style, 146 mid-rise, and 8 high-rise communities. Garden-style communities are generally defined as on-grade properties with two and/or three-story buildings with no structured parking while mid-rise communities are generally defined as properties with three to seven story buildings and some structured parking. High-rise communities are typically defined as properties with buildings that are greater than seven stories, are steel or concrete framed, and frequently have structured parking. The communities have an average of approximately 244 apartment homes, with a mix of studio, one-, two- and some three-bedroom apartment homes. A wide variety of amenities are available at the Company's communities, including covered parking, fireplaces, swimming pools, clubhouses with fitness facilities, playground areas and dog parks.

The Company hires, trains and supervises on-site service and maintenance personnel. The Company believes that the following primary factors enhance the Company's ability to retain tenants:

- located near employment centers;
- attractive communities that are well maintained; and
- proactive customer service.

Commercial Buildings

The Company owns two operating commercial buildings (totaling approximately 185,000 square feet) located in California and Washington, of which the Company occupied an aggregate of approximately 50,000 square feet as of December 31, 2025. Furthermore, as of December 31, 2025, the commercial buildings' physical occupancy rate was 85% consisting of six tenants, including the Company.

Operating Portfolio

The table below describes the Company's operating portfolio as of December 31, 2025 (See Note 8, "Mortgage Notes Payable" to the Company's consolidated financial statements included in Part IV, Item 15 of this Annual Report on Form 10-K for more information about the Company's secured mortgage debt and Schedule III thereto for a list of secured mortgage loans related to the Company's portfolio.):

Communities [1]	Location	Type	Apartment Homes	Year Built	Year Acquired [2]	Occupancy[3]
Southern California						
Alpine Village	Alpine, CA	Garden	301	1971	2002	96%
Park Viridian	Anaheim, CA	Mid-rise	326	2008	2014	95%
The Barkley [4][5]	Anaheim, CA	Garden	161	1984	2000	96%
Bonita Cedars	Bonita, CA	Garden	120	1983	2002	96%
The Village at Toluca Lake	Burbank, CA	Mid-rise	146	1974	2017	97%
Camarillo Oaks	Camarillo, CA	Garden	564	1985	1996	96%
Camino Ruiz Square	Camarillo, CA	Garden	160	1990	2006	97%
Hacienda at Camarillo Oaks	Camarillo, CA	Garden	73	1984	2023	94%
Pinnacle at Otay Ranch I & II	Chula Vista, CA	Mid-rise	364	2001	2014	96%
Mesa Village	Clairemont, CA	Garden	133	1963	2002	96%
Villa Siena	Costa Mesa, CA	Garden	274	1974	2014	96%
Emerald Pointe	Diamond Bar, CA	Garden	160	1989	2014	97%
Regency at Encino	Encino, CA	Mid-rise	75	1989	2009	96%
The Havens	Fountain Valley, CA	Garden	440	1969	2014	96%
Valley Park	Fountain Valley, CA	Garden	160	1969	2001	97%
Capri at Sunny Hills [5]	Fullerton, CA	Garden	102	1961	2001	95%
Haver Hill [6]	Fullerton, CA	Garden	265	1973	2012	96%
Pinnacle at Fullerton	Fullerton, CA	Mid-rise	192	2004	2014	96%
Wilshire Promenade	Fullerton, CA	Mid-rise	149	1992	1997	96%
Montejo	Garden Grove, CA	Garden	124	1974	2001	96%
The Henley I	Glendale, CA	Mid-rise	83	1974	1999	96%
The Henley II	Glendale, CA	Mid-rise	132	1970	1999	96%
Huntington Breakers	Huntington Beach, CA	Mid-rise	344	1984	1997	96%
The Huntington	Huntington Beach, CA	Garden	276	1975	2012	96%
Hillsborough Park	La Habra, CA	Garden	235	1999	1999	97%
Village Green	La Habra, CA	Garden	272	1971	2014	97%
The Palms at Laguna Niguel	Laguna Niguel, CA	Garden	460	1988	2014	96%
Trabuco Villas	Lake Forest, CA	Mid-rise	132	1985	1997	98%
Marbrisa	Long Beach, CA	Mid-rise	202	1987	2002	97%
Pathways at Bixby Village	Long Beach, CA	Garden	296	1975	1991	96%
5600 Wilshire	Los Angeles, CA	Mid-rise	284	2008	2014	96%
Alessio	Los Angeles, CA	Mid-rise	624	2001	2014	95%
Ashton Sherman Village	Los Angeles, CA	Mid-rise	264	2014	2016	96%
Avant	Los Angeles, CA	Mid-rise	443	2014	2015	93%
The Avery	Los Angeles, CA	Mid-rise	122	2014	2014	96%
Bellerive	Los Angeles, CA	Mid-rise	63	2011	2011	95%
Belmont Station	Los Angeles, CA	Mid-rise	275	2009	2009	96%
Catalina Gardens	Los Angeles, CA	Mid-rise	128	1987	2014	96%
Cochran Apartments	Los Angeles, CA	Mid-rise	58	1989	1998	97%
Emerson Valley Village	Los Angeles, CA	Mid-rise	144	2012	2016	97%
Gas Company Lofts [6]	Los Angeles, CA	High-rise	251	2004	2013	95%

Marbella	Los Angeles, CA	Mid-rise	60	1991	2005	97%
Pacific Electric Lofts [7]	Los Angeles, CA	High-rise	314	2006	2012	94%
Park Catalina	Los Angeles, CA	Mid-rise	90	2002	2012	96%
Park Place	Los Angeles, CA	Mid-rise	60	1988	1997	97%
Regency Palm Court	Los Angeles, CA	Mid-rise	116	1987	2014	94%
Santee Court	Los Angeles, CA	High-rise	165	2004	2010	93%
Santee Village	Los Angeles, CA	High-rise	73	2011	2011	93%
Skye at Bunker Hill	Los Angeles, CA	High-rise	456	1968	1998	96%
TENTEN Downtown	Los Angeles, CA	Mid-rise	376	2021	2025	88%
The Blake LA	Los Angeles, CA	Mid-rise	196	1979	1997	96%
Tiffany Court	Los Angeles, CA	Mid-rise	101	1987	2014	95%
Wallace on Sunset	Los Angeles, CA	Mid-rise	200	2021	2021	95%
Wilshire La Brea	Los Angeles, CA	Mid-rise	478	2014	2014	96%
Windsor Court	Los Angeles, CA	Mid-rise	95	1987	2014	93%
Windsor Court	Los Angeles, CA	Mid-rise	58	1988	1997	97%
Aqua at Marina Del Rey	Marina Del Rey, CA	Mid-rise	500	2001	2014	96%
Marina City Club [8]	Marina Del Rey, CA	Mid-rise	101	1971	2004	96%
Mirabella	Marina Del Rey, CA	Mid-rise	188	2000	2000	95%
Mira Monte	Mira Mesa, CA	Garden	356	1982	2002	96%
Hillcrest Park	Newbury Park, CA	Garden	608	1973	1998	97%
Fairway at Big Canyon [9]	Newport Beach, CA	Mid-rise	74	1972	1999	96%
Muse	North Hollywood, CA	Mid-rise	152	2011	2011	95%
Country Villas	Oceanside, CA	Garden	180	1976	2002	95%
Mission Hills	Oceanside, CA	Garden	282	1984	2005	96%
Renaissance at Uptown Orange	Orange, CA	Mid-rise	460	2007	2014	97%
Arbors at Parc Rose [7]	Oxnard, CA	Mid-rise	373	2001	2011	96%
Mariner’s Place	Oxnard, CA	Garden	106	1987	2000	98%
Monterey Villas	Oxnard, CA	Garden	122	1974	1997	95%
Tierra Vista	Oxnard, CA	Mid-rise	404	2001	2001	97%
The Hallie	Pasadena, CA	Mid-rise	292	1972	1997	96%
The Stuart	Pasadena, CA	Mid-rise	188	2007	2014	97%
Villa Angelina	Placentia, CA	Garden	256	1970	2001	97%
Fountain Park	Playa Vista, CA	Mid-rise	705	2002	2004	93%
Cortesia	Rancho Santa Margarita, CA	Garden	308	1999	2014	97%
Pinnacle at Talega	San Clemente, CA	Mid-rise	362	2002	2014	96%
Allure at Scripps Ranch	San Diego, CA	Mid-rise	194	2002	2014	96%
Bernardo Crest	San Diego, CA	Garden	218	1988	2014	96%
Cambridge Park	San Diego, CA	Mid-rise	320	1998	2014	96%
Carmel Creek	San Diego, CA	Garden	348	2000	2014	96%
Carmel Landing	San Diego, CA	Garden	356	1989	2014	96%
Carmel Summit	San Diego, CA	Mid-rise	248	1989	2014	96%
CentrePointe	San Diego, CA	Garden	224	1974	1997	96%
Esplanade	San Diego, CA	Garden	614	1986	2014	95%
Form 15	San Diego, CA	Mid-rise	242	2014	2016	96%
LIVIA at Scripps Ranch [10][13]	San Diego, CA	Mid-rise	264	2024	2024	97%
Montanosa	San Diego, CA	Garden	472	1990	2014	97%
Summit Park	San Diego, CA	Garden	300	1972	2002	97%
Fairhaven [5]	Santa Ana, CA	Garden	164	1970	2001	96%

Parkside Court	Santa Ana, CA	Mid-rise	210	1986	2014	96%
Pinnacle at MacArthur Place	Santa Ana, CA	Mid-rise	253	2002	2014	97%
Hope Ranch	Santa Barbara, CA	Garden	108	1965	2007	95%
Bridgeport Coast (11)	Santa Clarita, CA	Mid-rise	188	2006	2014	96%
Meadowood	Simi Valley, CA	Garden	320	1986	1996	95%
Shadow Point	Spring Valley, CA	Garden	172	1983	2002	95%
The Fairways at Westridge (11)	Valencia, CA	Mid-rise	234	2004	2014	96%
The Vistas of West Hills (11)	Valencia, CA	Mid-rise	220	2009	2014	97%
Allegro	Valley Village, CA	Mid-rise	97	2010	2010	96%
Lofts at Pinehurst, The	Ventura, CA	Garden	118	1971	1997	95%
Pinehurst (12)	Ventura, CA	Garden	28	1973	2004	95%
Woodside Village	Ventura, CA	Garden	145	1987	2004	95%
Passage Buena Vista (13)	Vista, CA	Garden	179	2020	2021	97%
Walnut Heights	Walnut, CA	Garden	163	1964	2003	93%
The Dylan	West Hollywood, CA	Mid-rise	184	2014	2014	95%
The Huxley	West Hollywood, CA	Mid-rise	187	2014	2014	96%
Avondale at Warner Center	Woodland Hills, CA	Mid-rise	446	1970	1999	96%
Reveal	Woodland Hills, CA	Mid-rise	438	2010	2011	96%
Vela (15)	Woodland Hills, CA	Mid-rise	379	2018	2022	96%
			26,265			**96%**
Northern California						
Belmont Terrace	Belmont, CA	Mid-rise	71	1974	2006	96%
Revere Campbell (5)	Campbell, CA	Mid-rise	168	2015	2025	95%
The Commons	Campbell, CA	Garden	264	1973	2010	96%
The Parc at Pruneyard	Campbell, CA	Garden	252	1968	2025	95%
Pointe at Cupertino	Cupertino, CA	Garden	116	1963	1998	96%
Connolly Station	Dublin, CA	Mid-rise	309	2014	2014	97%
Avenue 64	Emeryville, CA	Mid-rise	224	2007	2014	96%
Emme	Emeryville, CA	Mid-rise	190	2015	2015	95%
The Courtyards at 65th Street (14)	Emeryville, CA	Mid-rise	331	2004	2019	96%
Foster's Landing	Foster City, CA	Garden	490	1987	2014	97%
One Hundred Grand (5)	Foster City, CA	Mid-rise	166	2016	2025	95%
The Plaza	Foster City, CA	Mid-rise	307	2013	2025	96%
Boulevard	Fremont, CA	Garden	172	1978	1996	96%
Briarwood (7)	Fremont, CA	Garden	160	1978	2011	97%
Mission Peaks	Fremont, CA	Mid-rise	453	1995	2014	97%
Mission Peaks II	Fremont, CA	Garden	336	1989	2014	97%
Paragon	Fremont, CA	Mid-rise	301	2013	2014	96%
Stevenson Place	Fremont, CA	Garden	200	1975	2000	96%
The Rexford (15)	Fremont, CA	Garden	203	1973	2021	94%
The Woods (7)	Fremont, CA	Garden	160	1978	2011	96%
City Centre (11)	Hayward, CA	Mid-rise	192	2000	2014	96%
City View	Hayward, CA	Garden	572	1975	1998	97%
Lafayette Highlands	Lafayette, CA	Garden	150	1973	2014	96%
777 Hamilton (16)	Menlo Park, CA	Mid-rise	195	2017	2019	97%
ROEN Menlo Park	Menlo Park, CA	Garden	146	2017	2025	94%
Apex	Milpitas, CA	Mid-rise	367	2014	2014	97%
ARLO Mountain View	Mountain View, CA	Mid-rise	164	2018	2024	97%
Regency at Mountain View (6)	Mountain View, CA	Mid-rise	142	1970	2013	97%

Bridgeport	Newark, CA	Garden	184	1987	1987	96%
Artizan	Oakland, CA	Mid-rise	241	2022	2025	94%
The Landing at Jack London Square	Oakland, CA	Mid-rise	282	2001	2014	96%
The Galloway	Pleasanton, CA	Mid-rise	506	2016	2016	96%
Radius	Redwood City, CA	Mid-rise	264	2015	2015	97%
Township	Redwood City, CA	Mid-rise	132	2014	2019	96%
San Marcos	Richmond, CA	Mid-rise	432	2003	2003	96%
500 Folsom (13)	San Francisco, CA	High-rise	537	2021	2021	97%
Bennett Lofts	San Francisco, CA	Mid-rise	178	2004	2012	96%
Fox Plaza	San Francisco, CA	High-rise	445	1968	2013	97%
MB 360	San Francisco, CA	Mid-rise	360	2014	2014	97%
Park West	San Francisco, CA	Mid-rise	126	1958	2012	96%
101 San Fernando	San Jose, CA	Mid-rise	323	2001	2010	96%
360 Residences (14)	San Jose, CA	Mid-rise	213	2010	2017	96%
Bella Villagio	San Jose, CA	Mid-rise	231	2004	2010	92%
Century Towers	San Jose, CA	High-rise	376	2017	2017	97%
Enso	San Jose, CA	Mid-rise	183	2014	2015	97%
Epic	San Jose, CA	Mid-rise	769	2013	2013	97%
Esplanade	San Jose, CA	Mid-rise	278	2002	2004	96%
Fountains at River Oaks	San Jose, CA	Mid-rise	226	1990	2014	97%
Marquis	San Jose, CA	Mid-rise	166	2015	2016	96%
Meridian at Midtown (14)	San Jose, CA	Mid-rise	218	2015	2018	96%
Mio	San Jose, CA	Mid-rise	103	2015	2016	97%
Palm Valley	San Jose, CA	Mid-rise	1,100	2008	2014	96%
Patina at Midtown	San Jose, CA	Mid-rise	269	2021	2021	96%
Sage at Cupertino (5)	San Jose, CA	Garden	230	1971	2017	97%
Silver (13)	San Jose, CA	Mid-rise	268	2019	2021	95%
The Carlyle	San Jose, CA	Garden	132	2000	2000	95%
ViO	San Jose, CA	Mid-rise	234	2016	2025	94%
Waterford Place	San Jose, CA	Mid-rise	238	2000	2000	96%
Willow Lake	San Jose, CA	Mid-rise	508	1989	2012	97%
Lakeshore Landing	San Mateo, CA	Mid-rise	308	1988	2014	97%
Station Park Green	San Mateo, CA	Mid-rise	599	2018	2018	97%
Deer Valley	San Rafael, CA	Garden	171	1996	2014	93%
Bel Air	San Ramon, CA	Garden	462	1988	1995	97%
Canyon Oaks	San Ramon, CA	Mid-rise	250	2005	2007	95%
Crow Canyon	San Ramon, CA	Mid-rise	400	1992	2014	96%
Foothill Gardens	San Ramon, CA	Garden	132	1985	1997	97%
Mill Creek at Windermere	San Ramon, CA	Mid-rise	400	2005	2007	96%
Twin Creeks	San Ramon, CA	Garden	44	1985	1997	97%
1000 Kiely	Santa Clara, CA	Garden	121	1971	2011	96%
Le Parc	Santa Clara, CA	Garden	140	1975	1994	97%
Marina Cove (17)	Santa Clara, CA	Garden	292	1974	1994	96%
Mylo	Santa Clara, CA	Mid-rise	476	2021	2021	98%
Riley Square (7)	Santa Clara, CA	Garden	156	1972	2012	98%
Villa Granada	Santa Clara, CA	Mid-rise	270	2010	2014	97%
Chestnut Street	Santa Cruz, CA	Garden	96	2002	2008	92%
1250 Lakeside	Sunnyvale, CA	Mid-rise	250	2021	2025	98%
Bristol Commons	Sunnyvale, CA	Garden	188	1989	1995	97%

Brookside Oaks [5]	Sunnyvale, CA	Garden	170	1973	2000	96%
Lawrence Station	Sunnyvale, CA	Mid-rise	336	2012	2014	96%
Magnolia Lane [18]	Sunnyvale, CA	Garden	32	2001	2007	97%
Magnolia Square [5]	Sunnyvale, CA	Garden	156	1963	2007	97%
Maxwell Sunnyvale	Sunnyvale, CA	Mid-rise	75	2022	2024	95%
Montclaire	Sunnyvale, CA	Mid-rise	390	1973	1988	97%
Reed Square	Sunnyvale, CA	Garden	100	1970	2011	97%
Solstice	Sunnyvale, CA	Mid-rise	280	2014	2014	97%
Summerhill Park	Sunnyvale, CA	Garden	100	1988	1988	97%
Via	Sunnyvale, CA	Mid-rise	284	2011	2011	97%
Windsor Ridge	Sunnyvale, CA	Mid-rise	216	1989	1989	96%
Vista Belvedere	Tiburon, CA	Mid-rise	76	1963	2004	96%
Verandas [11]	Union City, CA	Mid-rise	282	1989	2014	97%
Agora	Walnut Creek, CA	Mid-rise	49	2016	2016	95%
Brio [5]	Walnut Creek, CA	Mid-rise	300	2015	2019	97%
			24,154			**96%**
Seattle, Washington Metropolitan Area						
Belcarra	Bellevue, WA	Mid-rise	296	2009	2014	97%
BellCentre	Bellevue, WA	Mid-rise	249	2001	2014	97%
Cedar Terrace	Bellevue, WA	Garden	180	1984	2005	96%
Courtyard off Main	Bellevue, WA	Mid-rise	110	2000	2010	95%
Ellington	Bellevue, WA	Mid-rise	220	1994	2014	97%
Emerald Ridge	Bellevue, WA	Garden	180	1987	1994	96%
Foothill Commons	Bellevue, WA	Mid-rise	394	1978	1990	97%
Palisades, The	Bellevue, WA	Garden	192	1977	1990	97%
Park Highland	Bellevue, WA	Mid-rise	250	1993	2014	97%
Piedmont	Bellevue, WA	Garden	396	1969	2014	96%
Sammamish View	Bellevue, WA	Garden	153	1986	1994	97%
Woodland Commons	Bellevue, WA	Garden	302	1978	1990	96%
Bothell Ridge	Bothell, WA	Garden	214	1988	2014	96%
Canyon Pointe	Bothell, WA	Garden	250	1990	2003	96%
Inglenook Court	Bothell, WA	Garden	224	1985	1994	96%
Pinnacle Sonata	Bothell, WA	Mid-rise	268	2000	2014	97%
Salmon Run at Perry Creek	Bothell, WA	Garden	132	2000	2000	96%
Stonehedge Village	Bothell, WA	Garden	196	1986	1997	95%
Highlands at Wynhaven	Issaquah, WA	Mid-rise	333	2000	2008	97%
Park Hill at Issaquah	Issaquah, WA	Garden	245	1999	1999	95%
Wandering Creek	Kent, WA	Garden	156	1986	1995	96%
Ascent	Kirkland, WA	Garden	90	1988	2012	96%
Bridle Trails	Kirkland, WA	Garden	108	1986	1997	96%
Corbella at Juanita Bay	Kirkland, WA	Garden	169	1978	2010	96%
Evergreen Heights	Kirkland, WA	Garden	200	1990	1997	96%
Montebello	Kirkland, WA	Garden	248	1996	2012	96%
Slater 116	Kirkland, WA	Mid-rise	108	2013	2013	97%
Martha Lake [15]	Lynwood, WA	Mid-rise	155	1991	2021	95%
Aviara [18]	Mercer Island, WA	Mid-rise	166	2013	2014	96%
Laurels at Mill Creek	Mill Creek, WA	Garden	164	1981	1996	96%
Monterra in Mill Creek [15]	Mill Creek, WA	Garden	139	2003	2021	97%
Parkwood at Mill Creek	Mill Creek, WA	Garden	240	1989	2014	97%

The Elliot at Mukilteo [5]	Mukilteo, WA	Garden	301	1981	1997	97%
Castle Creek	Newcastle, WA	Garden	216	1998	1998	97%
Elevation	Redmond, WA	Garden	158	1986	2010	97%
Pure Redmond	Redmond, WA	Mid-rise	105	2016	2019	97%
Redmond Hill [7]	Redmond, WA	Garden	442	1985	2011	96%
Shadowbrook	Redmond, WA	Garden	418	1986	2014	96%
The Trails of Redmond	Redmond, WA	Garden	423	1985	2014	96%
Vesta [7]	Redmond, WA	Garden	440	1998	2011	96%
Brighton Ridge	Renton, WA	Garden	264	1986	1996	95%
Fairwood Pond	Renton, WA	Garden	194	1997	2004	95%
Forest View	Renton, WA	Garden	192	1998	2003	95%
Pinnacle on Lake Washington	Renton, WA	Mid-rise	180	2001	2014	95%
Annaliese	Seattle, WA	Mid-rise	56	2009	2013	97%
The Bernard	Seattle, WA	Mid-rise	63	2008	2011	96%
Cairns, The	Seattle, WA	Mid-rise	99	2006	2007	97%
Collins on Pine	Seattle, WA	Mid-rise	76	2013	2014	98%
Canvas	Seattle, WA	Mid-rise	123	2014	2021	97%
Domaine	Seattle, WA	Mid-rise	92	2009	2012	95%
Expo [13]	Seattle, WA	Mid-rise	275	2012	2012	96%
Fountain Court	Seattle, WA	Mid-rise	320	2000	2000	97%
Patent 523	Seattle, WA	Mid-rise	295	2010	2010	96%
Taylor 28	Seattle, WA	Mid-rise	197	2008	2014	97%
The Audrey at Belltown	Seattle, WA	Mid-rise	137	1992	2014	95%
Velo and Ray [14]	Seattle, WA	Mid-rise	308	2014	2019	95%
Vox	Seattle, WA	Mid-rise	58	2013	2013	95%
Wharfside Pointe	Seattle, WA	Mid-rise	155	1990	1994	96%
Beaumont	Woodinville, WA	Mid-rise	344	2009	2024	96%
			12,658			**96%**
		Total:	**63,077**		**Weighted Average:**	**96%**

Footnotes to the Company's Portfolio Listing as of December 31, 2025

(1) Unless otherwise specified, the Company consolidates each community in accordance with U.S. GAAP.
(2) Represents the initial year the joint venture or consolidated community was acquired.
(3) For communities, occupancy rates are based on financial occupancy for the year ended December 31, 2025, except for communities that were stabilized during the year, in which case physical occupancy was used. For an explanation of how financial occupancy is calculated, see "Occupancy Rates" in this Item 2.
(4) The community is subject to a ground lease, which, unless extended, will expire in 2083.
(5) Each of these communities is part of a DownREIT structure in which the Company is the general partner or manager and the other limited partners or members are granted rights of redemption for their interests.
(6) This community is owned by Wesco III, LLC ("Wesco III"). The Company has a 50% interest in Wesco III, which is accounted for using the equity method of accounting.
(7) This community is owned by Wesco I, LLC ("Wesco I"). The Company has a 58% interest in Wesco I, which is accounted for using the equity method of accounting.
(8) This community is subject to a ground lease, which, unless extended, will expire in 2067.
(9) This community is subject to a ground lease, which, unless extended, will expire in 2027.
(10) The community is subject to a ground lease, which, unless extended, will expire in 2086.
(11) This community is owned by Wesco IV, LLC ("Wesco IV"). The Company has a 65.1% interest in Wesco IV, which is accounted for using the equity method of accounting.
(12) This community is subject to a ground lease, which, unless extended, will expire in 2028.
(13) The Company has an interest in a single asset entity owning this community.

(14) This community is owned by Wesco V, LLC (“Wesco V”). The Company has a 50% interest in Wesco V, which is accounted for using the equity method of accounting.
(15) This community is owned by Wesco VI, LLC (“Wesco VI”). The Company has a 50% interest in Wesco VI, which is accounted for using the equity method of accounting.
(16) This community is owned by BEX IV, LLC (“BEX IV”). The Company has a 50.1% interest in BEX IV, which is accounted for using the equity method of accounting.
(17) A portion of this community on which 84 apartment homes are presently located is subject to a ground lease, which, unless extended, will expire in 2028.
(18) The community is subject to a ground lease, which, unless extended, will expire in 2070.

Item 3. Legal Proceedings

The information regarding lawsuits, other proceedings and claims, set forth in Note 17, “Commitments and Contingencies”, to our consolidated financial statements included in Part IV, Item 15 of this Annual Report on Form 10-K is incorporated by reference into this Item 3. In addition to such matters referred to in Note 17, the Company is subject to various other legal and/or regulatory proceedings arising in the course of its business operations. We believe that, with respect to such matters that we are currently a party to, the ultimate disposition of any such matter will not result in a material adverse effect on the Company’s financial condition, results of operations or cash flows.

Item 4. Mine Safety Disclosures

Not Applicable.

Part II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

The shares of the Company's common stock are traded on the New York Stock Exchange under the symbol "ESS."

There is no established public trading market for the Operating Partnership's limited partnership units ("OP Units").

Holders

The approximate number of holders of record of the shares of Essex's common stock was 931 as of February 13, 2026. This number does not include stockholders whose shares are held in investment accounts by other entities. Essex believes the actual number of stockholders is greater than the number of holders of record.

As of February 13, 2026, there were 61 holders of record of OP Units, including Essex.

Return of Capital

Under the applicable provisions of the Code, the portion of any cash distribution on Essex's common stock paid out of its current or accumulated earnings and profits is treated as a dividend, and the portion of such cash distribution, if any, that exceeds its earnings and profits is treated as a return of capital, for federal income tax purposes. Such return of capital may arise due to a variety of factors, including the deduction of non-cash expenses, primarily depreciation, in the determination of earnings and profits.

Cash dividends on Essex's common stock for the years ended December 31, 2025, 2024 and 2023 were classified for federal income tax purposes as follows:

	Year Ended December 31,		
	2025	**2024**	**2023**
Common Stock			
Ordinary income	96.74 %	98.19 %	88.46 %
Capital gain	1.43 %	1.81 %	8.32 %
Unrecaptured section 1250 capital gain	1.83 %	— %	3.22 %
	100.00 %	100.00 %	100.00 %

Dividends and Distributions

Future dividends and distributions by Essex and the Operating Partnership will be at the discretion of the Board of Directors of Essex and will depend on the actual cash flows from operations of the Company, its financial condition, capital requirements, the annual distribution requirements under the REIT provisions of the Code, applicable legal restrictions and such other factors as the Board of Directors deems relevant. There are currently no contractual restrictions on Essex's and the Operating Partnership's present or future ability to pay dividends or distributions, and we do not anticipate that our ability to pay dividends or distributions will be impaired; however, there can be no assurances in that regard.

The Board of Directors declared a dividend/distribution for the fourth quarter of 2025 of $2.57 per share. The dividend/distribution was paid on January 15, 2026 to stockholders/unitholders of record as of January 2, 2026.

Dividend Reinvestment and Share Purchase Plan

Essex has adopted a dividend reinvestment and share purchase plan designed to provide holders of common stock with a convenient and economical means to reinvest all or a portion of their cash dividends in shares of common stock and to acquire additional shares of common stock through voluntary purchases. Computershare, LLC, which serves as Essex's transfer agent, administers the dividend reinvestment and share purchase plan. For a copy of the plan, contact Computershare, LLC at (312) 360-5354.

Securities Authorized for Issuance under Equity Compensation Plans

The information required by this section is incorporated herein by reference from our Proxy Statement, relating to our 2026 Annual Meeting of Shareholders, under the heading “Equity Compensation Plans,” to be filed with the SEC within 120 days of December 31, 2025.

Issuance of Registered Equity Securities

In August 2024, the Company entered into the 2024 ATM Program. In connection with the 2024 ATM Program, the Company may also enter into related forward sale agreements whereby, at the Company’s discretion, it may sell shares of its common stock under the 2024 ATM Program under forward sale agreements. The use of a forward sale agreement would allow the Company to lock in a share price on the sale of shares of its common stock at the time the agreement is executed, but defer receipt of the proceeds from the sale of shares until a later date.

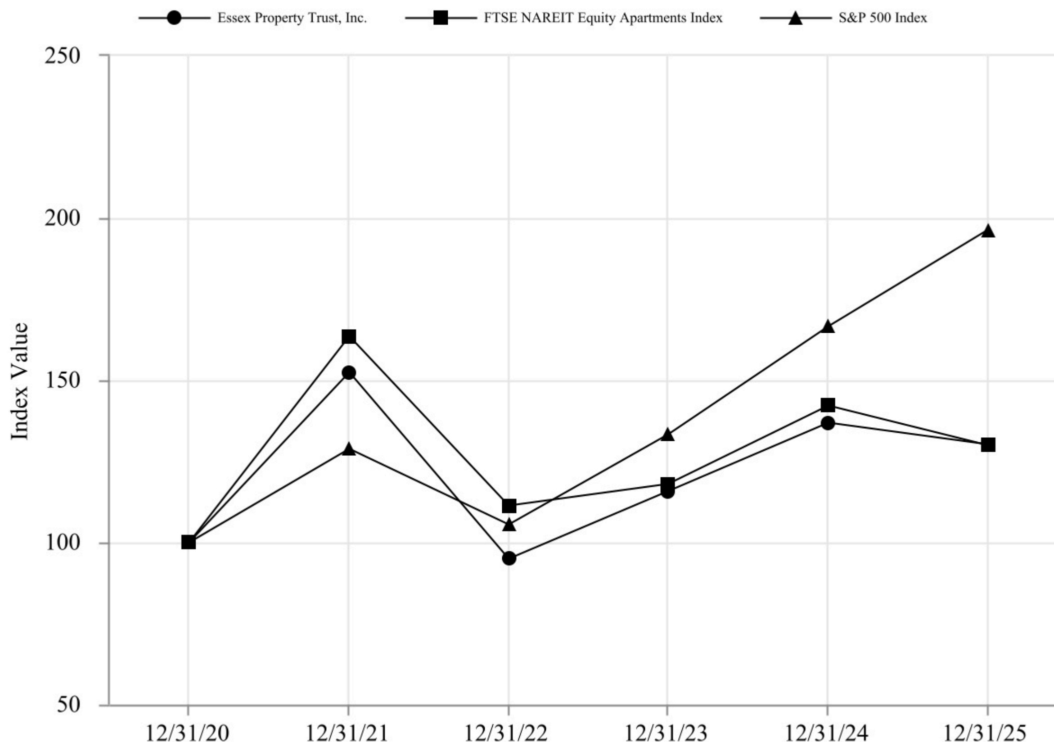
During the year ended December 31, 2025, the Company did not issue any shares of common stock under the 2024 ATM Program. As of December 31, 2025, the Company had outstanding forward sale agreements with respect to 52,600 shares of common stock at an initial gross weighted average forward price of $314.06 per share, which are to be settled by September 2026, and $900.0 million of shares remained available to be sold under the 2024 ATM Program, pending the settlement of outstanding forward sale agreements.

Issuer Purchases of Equity Securities

In September 2022, the Company’s Board of Directors approved a stock repurchase plan to allow the Company to acquire shares of common stock up to an aggregate value of $500.0 million. The plan supersedes the Company’s previous common stock repurchase plan announced in December 2015. During the year ended December 31, 2025, the Company did not repurchase any shares. As of December 31, 2025, the Company had $302.7 million of purchase authority remaining under the stock repurchase plan.

Performance Graph

The line graph below compares the cumulative total stockholder return on Essex’s common stock for the last five years with the cumulative total return on the S&P 500 and the FTSE NAREIT Equity Apartments index over the same period. This comparison assumes that the value of the investment in the common stock and each index was $100 on December 31, 2020 and that all dividends were reinvested.



Index		12/31/2020		12/31/2021		12/31/2022		12/31/2023		12/31/2024		12/31/2025
Essex Property Trust, Inc.	$	100.00	$	152.40	$	94.85	$	115.70	$	136.94	$	130.12
FTSE NAREIT Equity Apartments Index	$	100.00	$	163.61	$	111.34	$	117.87	$	142.02	$	129.86
S&P 500 Index	$	100.00	$	128.71	$	105.40	$	133.10	$	166.40	$	196.16

(1) Common stock performance data is provided by S&P Global Market Intelligence.

The graph and other information furnished under the above caption “Performance Graph” in this Part II Item 5 of this Form 10-K shall not be deemed to be “soliciting material” or to be “filed” with the SEC or subject to Regulation 14A or 14C, or to the liabilities of the Exchange Act.

Unregistered Sales of Equity Securities

During the years ended December 31, 2025 and 2024, the Operating Partnership issued OP Units in private placements in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act, in the amounts and for the consideration set forth below:

During the years ended December 31, 2025 and 2024, Essex issued an aggregate of 41,408 and 56,304 shares of its common stock upon the exercise of stock options, respectively. Essex contributed the proceeds from the option exercises of $8.9 million to the Operating Partnership in exchange for an aggregate of 41,408 OP Units, as required by the Operating Partnership’s partnership agreement, during the year ended December 31, 2025.

During the years ended December 31, 2025 and 2024, Essex issued an aggregate of 39,402 and 13,217 shares, respectively, of its common stock in connection with restricted stock awards for no cash consideration. For each share of common stock issued by Essex in connection with such awards, the Operating Partnership issued OP Units to Essex as required by the Operating Partnership’s partnership agreement, for an aggregate of 39,402 and 13,217 OP Units during the years ended December 31, 2025 and 2024, respectively.

During the years ended December 31, 2025 and 2024, Essex issued an aggregate of 81,014 and 7,448 shares of its common stock in connection with the exchange of OP Units by limited partners into shares of common stock. For each share of common stock issued by Essex in connection with such exchange, the Operating Partnership issued OP Units to Essex as required by the Operating Partnership's partnership agreement, for an aggregate of 81,014 and 7,448 OP Units during the years ended December 31, 2025 and 2024, respectively.

Essex may sell shares through its equity distribution program, then contribute the net proceeds from these share issuances to the Operating Partnership in exchange for OP Units as required by the Operating Partnership's partnership agreement. During the years ended December 31, 2025 and 2024, the Company did not issue or sell any shares of common stock pursuant to the 2024 ATM Program. As of December 31, 2025, the Company had outstanding forward sale agreements with respect to 52,600 shares of common stock at an initial gross weighted average forward price of $314.06 per share, which are to be settled by September 2026.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the accompanying consolidated financial statements and notes thereto. These consolidated financial statements include all adjustments which are, in the opinion of management, necessary to reflect a fair statement of the results and all such adjustments are of a normal recurring nature.

OVERVIEW

Essex is a self-administered and self-managed REIT that acquires, develops, redevelops, and manages apartment home communities in selected residential areas located on the West Coast of the United States. Essex owns all of its interests in its real estate investments, directly or indirectly, through the Operating Partnership. Essex is the sole general partner of the Operating Partnership and, as of December 31, 2025, had an approximately 96.6% general partner interest in the Operating Partnership.

The Company's investment strategy has two components: constant monitoring of existing markets, and evaluation of new markets to identify areas with the characteristics that underlie rental growth. The Company's strong financial condition supports its investment strategy by enhancing its ability to quickly shift acquisition, development, redevelopment, and disposition activities to markets that will optimize the performance of the Company's portfolio.

As of December 31, 2025, the Company owned or had ownership interests in 259 operating apartment communities, comprising 63,077 apartment homes, excluding the Company's ownership in preferred equity co-investments, loan investments, two operating commercial buildings and a development pipeline comprised of one consolidated project and various predevelopment projects.

The Company's apartment home communities are predominately located in the following major regions:

Southern California (primarily Los Angeles, Orange, San Diego, and Ventura counties)
Northern California (the San Francisco Bay Area)
Seattle Metro (Seattle metropolitan area)

By region, the Company's operating results for 2025 and 2024 and projection for 2026 new housing supply (defined as new multifamily apartment homes and single family homes, excluding developments with fewer than 50 apartment homes as well as student, senior and 100% affordable housing) are as follows:

Southern California Region: As of December 31, 2025, this region represented 42% of the Company's consolidated operating apartment homes. Revenues for "2025 Same-Properties" (as defined below), or "Same-Property revenues," increased 3.3% in 2025 as compared to 2024.

Northern California Region: As of December 31, 2025, this region represented 38% of the Company's consolidated operating apartment homes. 2025 Same-Property revenues increased 3.6% in 2025 as compared to 2024.

Seattle Metro Region**:** As of December 31, 2025, this region represented 20% of the Company's consolidated operating apartment homes. 2025 Same-Property revenues increased 2.8% in 2025 as compared to 2024.

In each of these regions, projected 2026 growth in new residential supply of apartment homes and single family homes is expected to be less than 1% of the total housing stock.

The Company's consolidated operating communities as of December 31, 2025 and 2024 were as follows:

	December 31, 2025		December 31, 2024	
	Apartment Homes	%	Apartment Homes	%
Southern California	23,598	42 %	23,817	44 %
Northern California	21,097	38 %	19,747	36 %
Seattle Metro	10,899	20 %	10,899	20 %
Total	55,594	100 %	54,463	100 %

Co-investments, including Wesco I, Wesco III, Wesco IV, Wesco V, Wesco VI, BEX IV, and other co-investments, developments under construction, and preferred equity interest co-investment communities are not included in the table presented above for both periods.

Market Considerations

Domestic and international policy actions, including tariff and trade policy, as well as continuing geopolitical tensions and regional conflicts have the potential to trigger broad market uncertainty. The long-term impact of these developments on our company will largely depend on the impact on broader trends in job growth, inflation, the economy, and reactions by consumers, companies, governmental entities and capital market participants.

The foregoing macroeconomic conditions have not negatively impacted the Company's ability to access traditional funding sources which have been historically available to it. The Company is not at material risk of failing to meet the covenants in its credit agreements and is able to timely service its debt and other obligations.

RESULTS OF OPERATIONS

Comparison of Year Ended December 31, 2025 to the Year Ended December 31, 2024

The average financial occupancy for the Company's 2025 Same-Property portfolio (stabilized properties consolidated by the Company for the years ended December 31, 2025 and 2024) was 96.2% for each of the years ended December 31, 2025 and 2024. Financial occupancy is defined as the percentage resulting from dividing actual rental income by total scheduled rental income. Actual rental income represents contractual rental income pursuant to leases without considering delinquency and concessions. Total scheduled rental income represents the value of all apartment homes, with occupied apartment homes valued at contractual rental rates pursuant to leases and vacant apartment homes valued at estimated market rents. The Company believes that financial occupancy is a meaningful measure of occupancy because it considers the value of each vacant apartment home at its estimated market rate.

Market rates are determined using the recently signed effective rates on new leases at the property and are used as the starting point in the determination of the market rates of vacant apartment homes. The Company may increase or decrease these rates based on a variety of factors, including overall supply and demand for housing, concentration of new apartment deliveries within the same submarket which can cause periodic disruption due to greater rental concessions to increase leasing velocity, and rental affordability. Financial occupancy may not completely reflect short-term trends in physical occupancy and financial occupancy rates, and the Company's calculation of financial occupancy may not be comparable to financial occupancy disclosed by other REITs.

The Company does not take into account delinquency and concessions to calculate actual rent for occupied apartment homes and market rents for vacant apartment homes. The calculation of financial occupancy compares contractual rates for occupied apartment homes to estimated market rents for unoccupied apartment homes, and thus the calculation compares the gross value of all apartment homes excluding delinquency and concessions. For apartment communities that are development properties in lease-up without stabilized occupancy figures, the Company believes the physical occupancy rate is the appropriate performance metric. While an apartment community is in the lease-up phase, the Company's primary motivation is to stabilize the property, which may entail the use of rent concessions and other incentives, and thus financial occupancy, which is based on contractual income, is not considered the best metric to quantify occupancy.

The regional breakdown of the Company's 2025 Same-Property portfolio for financial occupancy for the years ended December 31, 2025 and 2024 was as follows:

	Year Ended December 31,	
	2025	2024
Southern California	95.9 %	95.8 %
Northern California	96.5 %	96.3 %
Seattle Metro	96.2 %	96.7 %

The following table provides a breakdown of rental and other property revenues, including the revenues attributable to 2025 Same-Properties ($ in thousands):

	Number of Apartment Homes	Year Ended December 31, 2025	Year Ended December 31, 2024	Dollar Change	Percentage Change
2025 Same-Properties:					
Southern California	20,654	$ 679,826	$ 658,315	$ 21,511	3.3 %
Northern California	18,037	664,800	641,795	23,005	3.6 %
Seattle Metro	10,341	298,363	290,294	8,069	2.8 %
Total 2025 Same-Property	49,032	1,642,989	1,590,404	52,585	3.3 %
2025 Non-Same Property		234,975	173,781	61,194	35.2 %
Total rental and other property revenues		$ 1,877,964	$ 1,764,185	$ 113,779	6.4 %

2025 Same-Property Revenues increased by $52.6 million or 3.3%. The increase was primarily attributable to an increase of 2.3% in average rental rates from $2,638 for 2024 to $2,699 for 2025 and 0.5% from a decrease in delinquencies.

2025 Non-Same Property Revenues increased by $61.2 million or 35.2% to $235.0 million in 2025 compared to $173.8 million in 2024. The increase was primarily due to the acquisitions of The Plaza, One Hundred Grand, ROEN Menlo Park, Revere
Campbell, The Parc at Pruneyard, ViO, 1250 Lakeside, and the consolidation of Artizan and TENTEN Downtown in 2025, as well as ARLO Mountain View, Maxwell Sunnyvale, and Beaumont, along with the Company's acquisition of its joint venture partner's interests in the BEXAEW and BEX II portfolios, Patina at Midtown, and Century Towers in 2024. The increases were partially offset by the sale of Highridge, Essex Skyline, The Grand, and Fourth & U in 2025 and Hillsdale Garden in 2024.

Property operating expenses, excluding real estate taxes increased by $25.3 million or 7.7% to $353.4 million in 2025 compared to $328.1 million in 2024, primarily due to acquisitions in 2024 and 2025 identified in the Non-Same Property revenues section above and the increase of Same-Property operating expenses discussed below, partially offset by dispositions in 2024 and 2025. 2025 Same-Property operating expenses, excluding real estate taxes, increased by $16.4 million or 5.5% to $316.5 million in 2025 compared to $300.1 million in 2024, primarily due to increases of $8.1 million in utilities expenses resulting from increases in trash removal, water and sewer costs, $3.7 million in personnel costs due to wage inflation, and $2.6 million in maintenance and repairs expenses due to increases in water damage remediation costs.

Real estate taxes increased by $12.2 million or 6.3% to $205.6 million in 2025 compared to $193.4 million in 2024, primarily due to the net impact of acquisitions and dispositions in 2024 and 2025 identified in the Non-Same Property revenues section above. 2025 Same-Property real estate taxes increased by $0.4 million or 0.3% to $176.1 million in 2025 compared to $175.7 million in 2024 primarily due to increases in tax rates in California, partially offset by decreases in both assessed values and tax rates in the Seattle Metro region for 2025.

Depreciation and amortization expense increased by $27.3 million or 4.7% to $607.5 million in 2025 compared to $580.2 million in 2024, primarily due to acquisitions in 2024 and 2025 identified in the Non-Same Property revenues section above. The increase was partially offset by dispositions in 2024 and 2025.

General and administrative expense decreased by $27.0 million or 27.3% to $71.9 million in 2025 compared to $98.9 million in 2024, primarily due to a decrease of $31.3 million in political advocacy costs, partially offset by an increase of $5.8 million in personnel costs due to wage inflation.

Gain on sale of real estate and land increased to $299.5 million in 2025 compared to $175.6 million in 2024. The increase was primarily attributable to the dispositions of Highridge, Essex Skyline, The Grand and Fourth & U in 2025 compared to the disposition of Hillsdale Garden in 2024.

Interest expense increased by $22.9 million or 9.7% to $258.4 million in 2025 compared to $235.5 million in 2024, primarily due to the issuance in March 2024 and August 2024 of $550.0 million senior unsecured notes due April 2034, the issuance in February 2025 of $400.0 million senior unsecured notes due April 2035, borrowing on the new $300.0 million unsecured term loan in June and September 2025, and increased borrowing on the two unsecured lines of credit and the commercial paper program which resulted in an increase in interest expense of $46.2 million in 2025. These increases to interest expense were partially offset by various debt that was paid off, matured, or due to regular principal amortization during and after 2024, primarily due to the payoff of $400.0 million of senior unsecured notes due May 1, 2024 and $500.0 million of senior unsecured notes due April 1, 2025, which resulted in a decrease in interest expense of $19.9 million in 2025. Additionally, there

was an increase in capitalized interest of $3.4 million in 2025 due to an increase in development activity as compared to the same period in 2024.

Interest and other income decreased by $61.0 million or 75.3% to $20.0 million in 2025 compared to $81.0 million in 2024, primarily due to a decrease of $42.9 million in gains from legal settlements. During the first quarter of 2024, the Company settled two lawsuits related to construction defects at two communities and received cash recoveries of $42.5 million. The Company determined that all uncertainties were resolved upon receipt of cash and recorded a gain. There were no material gains from legal settlements during 2025.

Equity income from co-investments decreased by $12.7 million or 26.3% to $35.5 million in 2025 compared to $48.2 million in 2024, primarily due to $12.6 million of impairment losses from unconsolidated co-investments in 2025 compared to $3.7 million in 2024. Additionally, there was a decrease of $9.8 million in income from preferred equity investments due to a lower average outstanding investment balance in 2025 compared to 2024. The overall decrease was offset by a $5.2 million gain recognized on the sale of a co-investment community during 2025 with no prior year equivalent.

Gain on remeasurement of co-investment of $0.3 million in 2025 resulted from the Company's consolidation of its investment in Artizan. Gain on remeasurement of $210.6 million in 2024 resulted from the Company's acquisition of its joint venture partner's interests in the BEXAEW and BEX II portfolios, Patina at Midtown and Century Towers.

Comparison of Year Ended December 31, 2024 to the Year Ended December 31, 2023

For the comparison of the years ended December 31, 2024 and December 31, 2023, refer to Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on February 21, 2025 under the subheading "Comparison of Year Ended December 31, 2024 to the Year Ended December 31, 2023."

Liquidity and Capital Resources

The following table sets forth the Company's cash flows for the periods presented ($ in thousands):

	Year Ended December 31,		
	2025	**2024**	**2023**
Cash flow provided by (used in):			
Operating activities	$ 1,074,423	$ 1,068,305	$ 980,064
Investing activities	$ (552,483)	$ (973,051)	$ (145,140)
Financing activities	$ (512,200)	$ (419,742)	$ (477,271)

Essex's business is operated primarily through the Operating Partnership. Essex issues public equity from time to time, but does not otherwise generate any capital itself or conduct any business itself, other than incurring certain expenses from operating as a public company which are fully reimbursed by the Operating Partnership.

Essex itself does not hold any indebtedness, and its only material asset is its ownership of partnership interests of the Operating Partnership. Essex's principal funding requirement is the payment of dividends on its common stock. Essex's sole source of funding for its dividend payments is distributions it receives from the Operating Partnership.

As of December 31, 2025, Essex owned a 96.6% general partner interest and the limited partners owned the remaining 3.4% interest in the Operating Partnership.

The liquidity of Essex is dependent on the Operating Partnership's ability to make sufficient distributions to Essex. The primary cash requirement of Essex is its payment of dividends to its stockholders. Essex also guarantees some of the Operating Partnership's debt, as discussed further in Note 7, "Unsecured Debt", and Note 8, "Mortgage Notes Payable", to our consolidated financial statements included in Part IV, Item 15 of this Annual Report on Form 10-K. If the Operating Partnership fails to fulfill certain of its debt requirements, which trigger Essex's guarantee obligations, then Essex will be required to fulfill its cash payment commitments under such guarantees. However, Essex's only significant asset is its investment in the Operating Partnership.

For Essex to maintain its qualification as a REIT, it must pay dividends to its stockholders aggregating annually at least 90% of its REIT taxable income, excluding net capital gains. While historically Essex has satisfied this distribution requirement by

making cash distributions to its stockholders, it may choose to satisfy this requirement by making distributions of other property, including, in limited circumstances, Essex's own stock. As a result of this distribution requirement, the Operating Partnership cannot rely on retained earnings to fund its ongoing operations to the same extent that other companies whose parent companies are not REITs can. Essex may need to continue to raise capital in the equity markets to fund the Operating Partnership's working capital needs, acquisitions and developments.

As of December 31, 2025, the Company had $76.2 million of unrestricted cash and cash equivalents and $98.1 million in marketable securities, all of which were equity securities or available for sale debt securities. The Company believes that cash flows generated by its operations, existing cash and cash equivalents, marketable securities balances and availability under existing lines of credit are sufficient to meet all of its anticipated cash needs during 2026. Additionally, the capital markets continue to be available and the Company is able to generate cash from the disposition of real estate assets to finance additional cash flow needs, including continued development and select acquisitions. In the event that economic disruptions occur, the Company may further utilize other resources such as its cash reserves, lines of credit, commercial paper or decreased investment in redevelopment activities to supplement operating cash flows. The timing, source and amounts of cash flows provided by or used in financing activities and investing activities are sensitive to changes in interest rates and other fluctuations in the capital markets environment, which can affect the Company's plans for acquisitions, dispositions, development and redevelopment activities.

As of December 31, 2025, Moody's Investor Service and S&P's credit agencies rated Essex Property Trust, Inc. and Essex Portfolio, L.P. Baa1/Stable and BBB+/Stable, respectively.

As of December 31, 2025, the Company had $5.5 billion of fixed rate public bonds outstanding at an average interest rate of 3.7% with maturity dates ranging from 2026 to 2050.

As of December 31, 2025, the Company's mortgage notes payable totaled $784.3 million, net of unamortized premiums and debt issuance costs, which consisted of $526.7 million in fixed rate debt at an average interest rate of 4.7% with maturity dates ranging from 2026 to 2033 and $257.7 million of variable rate debt at an average interest rate of 3.6% with maturity dates ranging from 2027 to 2046. A total of $258.8 million of variable rate debt is tax-exempt demand notes which are subject to total return swaps.

As of December 31, 2025, the Company had two unsecured lines of credit aggregating $1.58 billion, including a $1.5 billion unsecured line of credit and a $75.0 million working capital unsecured line of credit. As of December 31, 2025, there was no amount outstanding on the $1.5 billion unsecured line of credit. The underlying interest rate is based on a tiered rate structure tied to the Company's long-term unsecured credit ratings and was at SOFR plus 0.775% as of December 31, 2025. This facility is scheduled to mature in January 2030, with two six-month extensions, exercisable at the Company's option. The Company may elect to increase the facility by up to an additional $1.0 billion, to an aggregate size of $2.5 billion, if the lenders permit. As of December 31, 2025, there was no amount outstanding on the Company's $75.0 million working capital unsecured line of credit. The underlying interest rate on the $75.0 million line is based on a tiered rate structure tied to the Company's credit ratings and was at Adjusted SOFR plus 0.775% as of December 31, 2025. This facility is scheduled to mature in July 2026.

As of December 31, 2025, the Company had an unsecured commercial paper program (the "Commercial Paper Program") to issue unsecured commercial paper notes with varying maturities up to 397 days from the date of issue (the "Notes"). As of December 31, 2025, there was no amount of Notes outstanding under the Commercial Paper Program. Amounts available under the Commercial Paper Program may be borrowed, repaid and re-borrowed from time to time, with the maximum aggregate face or principal amount outstanding at any one time not exceeding $750.0 million. The Company's $1.5 billion unsecured line of credit facility serves as a liquidity backstop and any issuances under the Commercial Paper Program reduce the available borrowing capacity. The Notes rank equally in right of payment with all other senior unsecured senior obligations of the Operating Partnership and are unconditionally guaranteed by the Company. The Company has used and expects to continue to use the proceeds from the Notes for general corporate purposes and working capital purposes.

The Company's unsecured lines of credit and unsecured debt agreements contain debt covenants related to limitations on indebtedness and liabilities and maintenance of minimum levels of consolidated earnings before depreciation, interest and amortization. The Company was in compliance with the debt covenants as of December 31, 2025 and 2024.

Essex pays quarterly dividends from cash available for distribution. Until it is distributed, cash available for distribution is invested by the Company primarily in investment grade securities held available for sale or is used by the Company to reduce balances outstanding under its lines of credit or commercial paper.

Derivative Activity

The Company uses interest rate swaps, interest rate caps, and total return swap contracts to manage certain interest rate risks. The valuation of these instruments is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves. The fair values of interest rate swaps and total return swaps are determined using the market standard methodology of netting the discounted future fixed cash receipts (or payments) and the discounted expected variable cash payments (or receipts). The variable cash payments (or receipts) are based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves. The Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements.

The Company has five total return swap contracts, with an aggregate notional amount of $258.8 million, that effectively convert mortgage notes payable to a floating interest rate based on the Securities Industry and Financial Markets Association Municipal Swap Index ("SIFMA") plus a spread. The total return swaps provide fair market value protection on the mortgage notes payable to our counterparties during the initial period of the total return swap until the Company's option to call the mortgage notes at par can be exercised. The Company can currently settle all five total return swaps, with $258.8 million of the outstanding debt at par. These derivatives do not qualify for hedge accounting. The aggregate carrying and fair value of the total return swaps was zero at both December 31, 2025 and 2024.

As of December 31, 2025 and 2024 the aggregate carrying value of the interest rate swap contracts is an asset of $2.0 million and $5.5 million, respectively, and is included in prepaid expenses and other assets in the consolidated balance sheets.

The Company had no interest rate cap agreements as of December 31, 2025 and 2024, respectively.

Issuance of Common Stock

In August 2024, the Company entered into the 2024 ATM Program. In connection with the 2024 ATM Program, the Company may also enter into related forward sale agreements whereby, at the Company's discretion, it may sell shares of its common stock under the 2024 ATM Program under forward sale agreements. The use of a forward sale agreement would allow the Company to lock in a share price on the sale of shares of its common stock at the time the agreement is executed, but defer receipt of the proceeds from the sale of shares until a later date. Furthermore, it would permit the Company, at its election, to settle the agreements by issuing common stock in exchange for net proceeds at the then-applicable forward sale price specified by the agreement or, alternatively, to settle the agreements in whole or in part through the delivery or receipt of common stock or cash. Issuances of shares under these forward sale agreements are classified as equity transactions. Accordingly, no amounts relating to the forward sale agreements are recorded in the consolidated financial statements until settlement occurs. Prior to any settlements, the only impact to the consolidated financial statements is the inclusion of incremental shares, if any, within the calculation of diluted earnings per share and diluted earnings per unit using the treasury stock method. The actual forward price per share to be received by the Company upon settlement will be determined on the applicable settlement date based on adjustments made to the initial forward price to reflect the then-current overnight federal funds rate and the amount of dividends paid to holders of the Company's common stock over the term of the forward sale agreement.

The 2024 ATM Program replaced the prior equity distribution agreement entered into in September 2021 (the "2021 ATM Program"), which was terminated upon the establishment of the 2024 ATM Program.

For the years ended December 31, 2025, 2024 and 2023, the Company did not issue any shares of common stock through the 2024 ATM Program nor the 2021 ATM Program.

For the year ended December 31, 2025, the Company entered into forward sale agreements with certain financial institutions acting as forward purchasers under the 2024 ATM Program with respect to 52,600 shares of common stock at an initial gross weighted average forward price of $314.06 per share, which are to be settled by September 2026.

As of December 31, 2025, $900.0 million of shares of common stock remained available to be sold under the 2024 ATM Program, pending the settlement of outstanding forward sale agreements.

Capital Expenditures

Non-revenue generating capital expenditures are improvements and upgrades that extend the useful life of the property. For the year ended December 31, 2025, non-revenue generating capital expenditures averaged approximately $2,258 per apartment home. These expenditures do not include expenditures for deferred maintenance on acquisition properties, expenditures for property renovations and improvements which are expected to generate additional revenue or cost savings, and do not include expenditures incurred due to changes in government regulations that the Company would not have incurred otherwise, retail, furniture and fixtures, or expenditures for which the Company has been reimbursed or expects to be reimbursed. The Company expects that cash from operations and/or its lines of credit will fund such expenditures.

Development Pipeline

The Company defines development projects as new communities that are being constructed, or are newly constructed and are in a phase of lease-up and have not yet reached stabilized operations.

The Company defines predevelopment projects as proposed communities in negotiation or in the entitlement process with an expected high likelihood of becoming entitled development projects. The Company may also acquire land for future development purposes or sale. As of December 31, 2025, the Company's development pipeline was comprised of one consolidated development project and various predevelopment projects, with total incurred costs of $157.1 million, and estimated remaining project costs of approximately $200.9 million, for total estimated project costs of $358.0 million.

The Company expects to fund the development and predevelopment communities by using a combination of some or all of the following sources: its working capital, amounts available on its lines of credit, commercial paper, construction loans, net proceeds from public and private equity and debt issuances, and proceeds from the disposition of assets, if any.

Alternative Capital Sources

The Company utilizes co-investments as an alternative source of capital for acquisitions of both operating and development communities. The Company had an interest in 7,483 apartment homes in operating communities with joint ventures and technology co-investments for a total book value of $304.4 million as of December 31, 2025.

Real Estate and Other Commitments

The following table summarizes the Company's unfunded real estate and other future commitments as of December 31, 2025 ($ in thousands):

	Number of Properties	Investment	Remaining Unfunded Commitment
Joint ventures:			
Preferred equity investments	1	$ 85,000	$ 35,000
Technology co-investments	N/A	86,000	23,215
Consolidated:			
Real estate under development	1	157,122	200,883
		$ 328,122	$ 259,098

As of December 31, 2025, the Company had remaining unfunded commitments of $94.8 million for operating co-investments. As of December 31, 2025, the Company had operating lease commitments of $122.0 million for ground, building and garage leases with maturity dates ranging from 2026 to 2083. $6.3 million of these commitments are due during the year ended December 31, 2026.

Variable Interest Entities

In accordance with accounting standards for consolidation of variable interest entities ("VIEs"), the Company consolidated the Operating Partnership, 18 DownREIT entities (comprising ten communities) and four co-investments as of December 31, 2025. As of December 31, 2024, the Company consolidated the Operating Partnership, 18 DownREIT entities (comprising nine

communities) and five co-investments. The Company consolidates these entities because it is the primary beneficiary. Essex has no assets or liabilities other than its investment in the Operating Partnership. The consolidated total assets and liabilities related to the above consolidated co-investments and DownREIT entities, net of intercompany eliminations, were $970.6 million and $242.5 million, respectively, as of December 31, 2025, and $893.0 million and $319.1 million, respectively, as of December 31, 2024. Noncontrolling interests in these entities were $101.2 million and $105.1 million as of December 31, 2025 and 2024, respectively. The Company's financial risk in each VIE is limited to its equity investment in the VIE. As of December 31, 2025, the Company did not have any VIEs of which it was not the primary beneficiary.

Critical Accounting Estimates

The preparation of consolidated financial statements, in accordance with U.S. GAAP, requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures of contingent assets and liabilities. The Company defines critical accounting estimates as those that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on the financial condition or results of operations of the Company. The Company's critical accounting estimates relate principally to the following key areas: (i) accounting for the acquisition of investments in real estate; and (ii) evaluation of events and changes in circumstances indicating that the carrying value of any of the Company's rental properties may not be recoverable.

The Company accounts for its acquisitions of investments in real estate by assessing each acquisition to determine if it meets the definition of a business or if it qualifies as an asset acquisition. We expect that acquisitions of individual operating communities will generally be viewed as asset acquisitions, and result in the capitalization of acquisition costs, and the allocation of purchase price to the assets acquired and liabilities assumed based on the relative fair value of the respective assets and liabilities.

In making estimates of fair values for purposes of allocating purchase price, the Company utilizes a number of sources, including independent land appraisals which consider comparable market transactions, its own analysis of recently acquired or developed comparable properties in our portfolio for land comparables and building replacement costs, and other publicly available market data. In calculating the fair value of identified intangible assets of an acquired property, the in-place leases are valued based on in-place rent rates and amortized over the average remaining term of all acquired leases. The allocation of the total consideration exchanged for a real estate acquisition between the identifiable assets and liabilities and the depreciation we recognize over the estimated useful life of the asset could be impacted by different assumptions and estimates used in the calculation. The reasonable likelihood that the estimate could have a material impact on the financial condition of the Company is based on the total consideration exchanged for real estate during any given year.

The Company periodically assesses its real estate investments for events or changes in circumstances that indicate the carrying value may not be recoverable. The judgments regarding the existence of impairment indicators are based on monitoring investment market conditions and performance for operating properties including the net operating income for the most recent 12 month period, monitoring estimated costs for properties under development, the Company's ability to hold and its intent with regard to each asset, and each property's remaining useful life. Although each of these may result in an impairment indicator, the shortening of an expected holding period due to the potential sale of a property is the most likely impairment indicator. Whenever events or changes in circumstances indicate that the carrying amount of a property held for investment may not be fully recoverable, the carrying amount is evaluated. If the sum of the property's expected future cash flows (undiscounted and without interest charges) is less than the carrying amount of the property, then the Company will recognize an impairment loss equal to the excess of the carrying amount over the fair value of the property. Changes in operating and market conditions may result in a change of our intent to hold the property through the end of its useful life and may impact the assumptions utilized to determine the future cash flows of the real estate investment.

The Company bases its accounting estimates on historical experience, current market conditions and various other assumptions that are believed to be reasonable under the circumstances. Actual results may vary from those estimates made by management and those estimates could be different under different assumptions or conditions.

Funds from Operations Attributable to Common Stockholders and Unitholders

Funds from Operations Attributable to Common Stockholders and Unitholders ("FFO") is a financial measure that is commonly used in the REIT industry. The Company presents FFO and FFO excluding non-core items (referred to as "Core FFO") as supplemental operating performance measures. FFO and Core FFO are not used by the Company as, nor should they be considered to be, alternatives to net income computed under U.S. GAAP as an indicator of the Company's operating performance or as alternatives to cash from operating activities computed under U.S. GAAP as an indicator of the Company's ability to fund its cash needs.

FFO and Core FFO are not meant to represent a comprehensive system of financial reporting and do not present, nor do they intend to present, a complete picture of the Company's financial condition and operating performance. The Company believes that net income computed under U.S. GAAP is the primary measure of performance and that FFO and Core FFO are only meaningful when they are used in conjunction with net income.

The Company considers FFO and Core FFO to be useful financial performance measurements of an equity REIT because, together with net income and cash flows, FFO and Core FFO provide investors with additional bases to evaluate operating performance and ability of a REIT to incur and service debt and to fund acquisitions and other capital expenditures and to pay dividends. By excluding gains or losses related to sales of depreciated operating properties and land, excluding real estate depreciation (which can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates) and excluding impairment write-downs from operating real estate and unconsolidated co-investments driven by a measurable decrease in the fair value of real estate held by the co-investment, FFO can help investors compare the operating performance of a real estate company between periods or as compared to different companies. By further adjusting for items that are not considered part of the Company's core business operations, Core FFO allows investors to compare the core operating performance of the Company to its performance in prior reporting periods and to the operating performance of other real estate companies without the effect of items that by their nature are not comparable from period to period and tend to obscure the Company's actual operating results. The Company believes that its consolidated financial statements, prepared in accordance with U.S. GAAP, provide the most meaningful picture of its financial condition and its operating performance.

In calculating FFO, the Company follows the definition for this measure published by NAREIT, which is the leading REIT industry association. The Company believes that, under the NAREIT FFO definition, the two most significant adjustments made to net income are (i) the exclusion of historical cost depreciation and (ii) the exclusion of gains and losses from the sale of previously depreciated properties. The Company agrees that these two NAREIT adjustments are useful to investors for the following reasons:

(a) Historical cost accounting for real estate assets in accordance with U.S. GAAP assumes, through depreciation charges, that the value of real estate assets diminishes predictably over time. NAREIT stated in its White Paper on Funds from Operations "since real estate asset values have historically risen or fallen with market conditions, many industry investors have considered presentations of operating results for real estate companies that use historical cost accounting to be insufficient by themselves." Consequently, NAREIT's definition of FFO reflects the fact that real estate, as an asset class, generally appreciates over time and depreciation charges required by U.S. GAAP do not reflect the underlying economic realities.

(b) REITs were created as a legal form of organization in order to encourage public ownership of real estate as an asset class through investment in firms that were in the business of long-term ownership and management of real estate. The exclusion, in NAREIT's definition of FFO, of gains and losses from the sales of previously depreciated operating real estate assets allows investors and analysts to readily identify the operating results of the long-term assets that form the core of a REIT's activity and assists in comparing those operating results between periods.

Management believes that it has consistently applied the NAREIT definition of FFO to all periods presented. However, there is judgment involved and other REITs' calculation of FFO may vary from the NAREIT definition for this measure, and thus their disclosure of FFO may not be comparable to the Company's calculation.

The table below is a reconciliation of net income available to common stockholders to FFO and Core FFO for the periods presented ($ in thousands, except per share amounts):

	Year Ended December 31,		
	2025	2024	2023
Net income available to common stockholders	$ 669,666	$ 741,522	$ 405,825
Adjustments:			
Depreciation and amortization	607,542	580,220	548,438
Gains not included in FFO	(305,043)	(386,138)	(59,238)
Casualty loss	—	—	433
Impairment loss from unconsolidated co-investments	12,634	3,726	33,700
Depreciation and amortization from unconsolidated co-investments	56,848	66,943	71,745
Noncontrolling interest related to Operating Partnership units	23,649	26,414	14,284
Depreciation attributable to third party ownership and other	(160)	31,191	(1,474)
Funds from operations attributable to common stockholders and unitholders	$ 1,065,136	$ 1,063,878	$ 1,013,713
FFO per share-diluted	$ 15.98	$ 15.99	$ 15.24
Non-core items:			
Expensed acquisition and investment related costs	$ 25	$ 72	$ 595
Tax (benefit) expense on unconsolidated technology co-investments	(2,096)	(929)	697
Realized and unrealized gains on marketable securities, net	(3,809)	(8,347)	(10,006)
Provision for credit losses	26	(179)	70
Equity income from unconsolidated technology co-investments	(6,552)	(10,344)	(1,685)
Loss on early retirement of debt	762	—	—
Loss on early retirement of debt from unconsolidated co-investments	122	—	—
Co-investment promote income	—	(1,531)	—
Income from early redemption of preferred equity investments and notes receivable	(70)	—	(285)
General and administrative and other, net [1]	10,004	39,341	6,629
Insurance reimbursements, legal settlements, and other, net [2]	(808)	(43,794)	(9,821)
Core funds from operations attributable to common stockholders and unitholders	$ 1,062,740	$ 1,038,167	$ 999,907
Core FFO per share-diluted	$ 15.94	$ 15.60	$ 15.03
Weighted average number of shares outstanding, diluted [3]	66,669,649	66,533,908	66,514,456

(1) Includes political advocacy costs of $2.0 million, $33.3 million, and $4.1 million for the years ended December 31, 2025, 2024 and 2023, respectively.

(2) There were no material gains from legal settlements for the year ended December 31, 2025. For the year ended December 31, 2024, the Company settled two lawsuits related to construction defects at two communities and received cash recoveries of $42.5 million. For the year ended December 31, 2023, the Company settled a lawsuit related to construction defects at one of its communities and received cash recovery of $7.7 million. The Company determined that all uncertainties were resolved upon receipt of cash and recorded a gain which was excluded from Core FFO.

(3) Assumes conversion of all outstanding OP Units into shares of the Company's common stock and excludes DownREIT limited partnership units.

Net Operating Income

Net operating income ("NOI") and Same-Property NOI are considered by management to be important supplemental performance measures to earnings from operations included in the Company's consolidated statements of income. The presentation of Same-Property NOI assists with the presentation of the Company's operations prior to the allocation of depreciation and any corporate-level or financing-related costs. NOI reflects the operating performance of a community and allows for an easy comparison of the operating performance of individual communities or groups of communities. In addition, because prospective buyers of real estate have different financing and overhead structures, with varying marginal impacts to overhead by acquiring real estate, NOI is considered by many in the real estate industry to be a useful measure for determining the value of a real estate asset or group of assets. The Company defines Same-Property NOI as Same-Property revenues less Same-Property operating expenses, including property taxes. Please see the reconciliation of earnings from operations to NOI and Same-Property NOI, which in the table below is the NOI for stabilized properties consolidated by the Company for the periods presented ($ in thousands):

	Year Ended December 31,		
	2025	**2024**	**2023**
Earnings from operations	$ 899,316	$ 703,095	$ 584,342
Adjustments:			
Corporate-level property management expenses	49,052	46,208	43,593
Depreciation and amortization	607,542	580,220	548,438
Management and other fees from affiliates	(9,381)	(10,265)	(11,131)
General and administrative	71,948	98,902	63,474
Expensed acquisition and investment related costs	25	72	595
Casualty loss	—	—	433
Gain on sale of real estate and land	(299,524)	(175,583)	(59,238)
NOI	1,318,978	1,242,649	1,170,506
Less: Non Same-Property NOI	(168,608)	(128,084)	(83,727)
Same-Property NOI	$ 1,150,370	$ 1,114,565	$ 1,086,779

Forward-Looking Statements

Certain statements in this "Management's Discussion and Analysis of Financial Condition and Results of Operations," and elsewhere in this Annual Report on Form 10-K which are not historical facts may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding the Company's expectations, estimates, assumptions, hopes, intentions, beliefs and strategies regarding the future. Words such as "expects," "assumes," "anticipates," "may," "will," "intends," "plans," "projects," "believes," "seeks," "future," "estimates," and variations of such words and similar expressions are intended to identify such forward-looking statements. Such forward-looking statements include, among other things, statements regarding expected operating performance and results (including projected Same-Property revenues and expenses), qualification as a REIT under the Internal Revenue Code of 1986, as amended, property stabilizations, property acquisition and disposition activity, joint venture and co-investment activity, development and redevelopment activity and other capital expenditures, capital raising and financing activity, revenue and expense growth, financial occupancy, interest rate and other economic expectations, including estimated remaining and total project costs related to the Company's development pipeline and projected new housing supply.

While the Company's management believes the assumptions underlying its forward-looking statements are reasonable, such forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control, which could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Company cannot assure the future results or outcome of the matters described in these statements; rather, these statements merely reflect the Company's current expectations of the approximate outcomes of the matters discussed. Factors that might cause the Company's actual results, performance or achievements to differ materially from those expressed or implied by these forward-looking statements include, but are not limited to, the following: occupancy rates and rental demand may be adversely affected by competition and local economic and market conditions; there may be increased interest rates, inflation, escalated operating costs and possible recessionary impacts; including from tariffs imposed by the current presidential administration and the threat of such tariffs; geopolitical tensions and regional conflicts, and the related impacts on macroeconomic conditions, including, among other things, interest rates and inflation; the terms of any refinancing may not be as favorable as the terms of

existing indebtedness; the Company's inability to maintain its investment grade credit rating with the rating agencies; the Company may be unsuccessful in the management of its relationships with its co-investment partners; the Company may fail to achieve its business objectives; time of actual completion and/or stabilization of development and redevelopment projects; including potential delays due to supply shortages related to tariffs and/or labor shortages related to deportations or threat of deportations; estimates of future income from an acquired property may prove to be inaccurate; future cash flows may be inadequate to meet operating requirements and/or may be insufficient to provide for dividend payments in accordance with REIT requirements; changes in laws or regulations and the anticipated or actual impact of future changes in laws or regulations; including eviction moratoria; unexpected difficulties in leasing of future development projects; volatility in financial and securities markets; the Company's failure to successfully operate acquired properties; unforeseen consequences from cyber-intrusion; government approvals, actions and initiatives, including the need for compliance with environmental requirements; and those further risks, special considerations, and other factors discussed in Item 1A, Risk Factors, of this Form 10-K, and those risk factors and special considerations set forth in the Company's other filings with the SEC which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. All forward-looking statements are made as of the date hereof, the Company assumes no obligation to update or supplement this information for any reason, and therefore, they may not represent the Company's estimates and assumptions after the date of this report.

Item 7A. Quantitative and Qualitative Disclosures About Market Risks

Interest Rate Hedging Activities

The Company's objective in using derivatives is to add stability to interest expense and to manage its exposure to interest rate movements or other identified risks. To accomplish this objective, the Company uses interest rate swaps as part of its cash flow hedging strategy. As of December 31, 2025, the Company had five interest rate swap contracts and two forward starting interest rate swap contracts to mitigate the risk of changes in the interest-related cash outflows on the Company's $600.0 million unsecured term loan. The Company's interest rate swap was designated as a cash flow hedge as of December 31, 2025. The following table summarizes the notional amount, carrying value, and estimated fair value of the Company's cash flow hedge derivative instruments used to hedge interest rates as of December 31, 2025. The notional amount represents the aggregate amount of a particular security that is currently hedged at one time, but does not represent exposure to credit, interest rates or market risks. The table also includes a sensitivity analysis to demonstrate the impact on the Company's derivative instruments from an increase or decrease in 10-year Treasury bill interest rates by 50 basis points, as of December 31, 2025 ($ in thousands):

				Estimated Carrying Value	
	Notional Amount	Maturity Date	Carrying and Estimated Fair Value	+50 Basis Points	-50 Basis Points
Cash flow hedges:					
Interest rate swaps	$ 497,500	2026-2030	$ 1,270	$ 5,293	$ (2,820)
Forward starting interest rate swap	150,000	2030	703	3,521	(2,169)
Total cash flow hedges	$ 647,500	2026-2030	$ 1,973	$ 8,814	$ (4,989)

Additionally, the Company has entered into total return swap contracts, with an aggregate notional amount of $258.8 million that effectively convert $258.8 million of fixed mortgage notes payable to a floating interest rate based on the SIFMA plus a spread and had a carrying value of zero as of December 31, 2025. The Company is exposed to insignificant interest rate risk on these total return swaps as the related mortgages are callable, at par, by the Company, co-terminus with the termination of any related swap. These derivatives do not qualify for hedge accounting.

Interest Rate Sensitive Liabilities

The Company is exposed to interest rate changes primarily as a result of its lines of credit, commercial paper, and long-term debt used to maintain liquidity and fund capital expenditures and expansion of the Company's real estate investment portfolio and operations. The Company's interest rate risk management objective is to limit the impact of interest rate changes on earnings and cash flows and to lower its overall borrowing costs. To achieve its objectives, the Company borrows primarily at fixed rates and may enter into derivative financial instruments such as interest rate swaps, caps and treasury locks in order to mitigate its interest rate risk on a related financial instrument. The Company does not enter into derivative or interest rate transactions for speculative purposes.

The Company's interest rate risk is monitored using a variety of techniques. The table below presents the principal amounts and weighted average interest rates by year of expected maturity to evaluate the expected cash flows. Management has estimated the fair value of the Company's $6.0 billion of fixed rate debt as of December 31, 2025, to be $5.8 billion. Management has estimated the fair value of the Company's $858.8 million of variable rate debt as of December 31, 2025, to be $853.2 million based on the terms of existing mortgage notes payable and variable rate demand notes compared to those available in the marketplace. The following table represents scheduled principal payments ($ in thousands):

	Year Ended December 31,							
	2026	2027	2028	2029	2030	Thereafter	Total	Fair value
Fixed rate debt	$ 548,291	$ 350,000	$ 517,000	$ 500,000	$ 615,000	$ 3,448,000	$ 5,978,291	$ 5,767,386
Average interest rate	3.5 %	3.8 %	2.2 %	4.1 %	3.4 %	4.0 %		
Variable rate debt [1]	$ 1,114	$ 84,397	$ 1,332	$ 1,456	$ 301,592	$ 468,889	$ 858,780	$ 853,192
Average interest rate	3.7 %	3.5 %	3.7 %	3.7 %	4.0 %	4.0 %		

(1) $258.8 million of variable rate debt is tax exempt to the note holders.

The table incorporates only those exposures that exist as of December 31, 2025. It does not consider those exposures or positions that could arise after that date. As a result, the Company's ultimate realized gain or loss, with respect to interest rate fluctuations and hedging strategies would depend on the exposures that arise prior to settlement.

Item 8. Financial Statements and Supplementary Data

The response to this item is submitted as a separate section of this Form 10-K. See Item 15.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

Essex Property Trust, Inc.

As of December 31, 2025, Essex carried out an evaluation, under the supervision and with the participation of management, including Essex's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of Essex's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based upon that evaluation, Essex's Chief Executive Officer and Chief Financial Officer concluded that as of December 31, 2025, Essex's disclosure controls and procedures were effective at a reasonable assurance level to ensure that the information required to be disclosed by Essex in the reports that Essex files or submits under the Exchange Act was recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such disclosure controls and procedures were also effective to ensure that information required to be disclosed in the reports that Essex files or submits under the Exchange Act is accumulated and communicated to Essex's management, including Essex's Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

There were no changes in Essex's internal control over financial reporting, that occurred during the quarter ended December 31, 2025, that have materially affected, or are reasonably likely to materially affect, Essex's internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Essex's management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Essex's management assessed the effectiveness of Essex's internal control over financial reporting as of December 31, 2025. In making this assessment, Essex's management used the criteria set forth in the report entitled "Internal Control-Integrated Framework (2013)" published by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Essex's management has concluded that, as of December 31, 2025, its internal control

over financial reporting was effective based on these criteria. Essex's independent registered public accounting firm, KPMG LLP, has issued an attestation report over Essex's internal control over financial reporting, which is included herein.

Limitations on Effectiveness of Controls

In designing and evaluating the disclosure controls and procedures and internal control over financial reporting, Essex's management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Essex Portfolio, L.P.

As of December 31, 2025, the Operating Partnership carried out an evaluation, under the supervision and with the participation of management, including Essex's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Operating Partnership's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that as of December 31, 2025, the Operating Partnership's disclosure controls and procedures were effective at a reasonable assurance level to ensure that the information required to be disclosed by the Operating Partnership in the reports that the Operating Partnership files or submits under the Exchange Act was recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such disclosure controls and procedures were also effective to ensure that information required to be disclosed in the reports that the Operating Partnership files or submits under the Exchange Act is accumulated and communicated to the Operating Partnership's management, including Essex's Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

There were no changes in the Operating Partnership's internal control over financial reporting, that occurred during the quarter ended December 31, 2025, that have materially affected, or are reasonably likely to materially affect, the Operating Partnership's internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

The Operating Partnership's management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). The Operating Partnership's management assessed the effectiveness of the Operating Partnership's internal control over financial reporting as of December 31, 2025. In making this assessment, the Operating Partnership's management used the criteria set forth in the report entitled "Internal Control-Integrated Framework (2013)" published by COSO. The Operating Partnership's management has concluded that, as of December 31, 2025, its internal control over financial reporting was effective based on these criteria.

Limitations on Effectiveness of Controls

In designing and evaluating the disclosure controls and procedures and internal control over financial reporting, the Operating Partnership's management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Item 9B. Other Information

Securities Trading Plans of Directors and Executive Officers

During the three months ended December 31, 2025, none of our officers or directors adopted, modified or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non Rule 10b5-1 trading arrangement."

Federal Income Tax Considerations

The discussion under the heading "Material Federal Income Tax Considerations" in Exhibit 99.1 hereto (incorporated herein by reference) replaces and supersedes in all respects the information contained under the heading "Material Federal Income Tax Considerations" that is contained in the prospectus dated August 5, 2024, which is part of the Company's and the Operating

Partnership’s Registration Statement on Form S-3 (File No. 333-281244) filed with the Securities and Exchange Commission on August 5, 2024.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this Item is incorporated herein by reference from our Proxy Statement, relating to our 2026 Annual Meeting of Stockholders, under the heading "Board and Corporate Governance Matters," to be filed with the SEC within 120 days of December 31, 2025. The Company has insider trading policies and procedures that govern the purchase, sale and other dispositions of its securities by directors, officers and employees. We believe these policies and procedures are reasonably designed to promote compliance with insider trading laws, rules and regulations and applicable listing standards. A copy of our insider trading policy is filed with this Annual Report on Form 10-K as Exhibit 19.1.

Item 11. Executive Compensation

The information required by this Item is incorporated herein by reference from our Proxy Statement, relating to our 2026 Annual Meeting of Stockholders, under the headings "Director Compensation" and "Compensation Discussion and Analysis," to be filed with the SEC within 120 days of December 31, 2025.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item is incorporated herein by reference from our Proxy Statement, relating to our 2026 Annual Meeting of Stockholders, under the heading "Security Ownership of Certain Beneficial Owners and Management," to be filed with the SEC within 120 days of December 31, 2025.

Item 13. Certain Relationships and Related Transactions and Director Independence

The information required by this Item is incorporated herein by reference from our Proxy Statement, relating to our 2026 Annual Meeting of Stockholders, under the heading "Certain Relationships and Related Person Transactions," to be filed with the SEC within 120 days of December 31, 2025.

Item 14. Principal Accounting Fees and Services

The information required by this Item is incorporated herein by reference from our Proxy Statement, relating to our 2026 Annual Meeting of Stockholders, under the headings "Report of the Audit Committee" and "Fees Paid to KPMG LLP," to be filed with the SEC within 120 days of December 31, 2025.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(A) Financial Statements

(1) Consolidated Financial Statements of Essex Property Trust, Inc.	**Page**
Reports of Independent Registered Public Accounting Firm (PCAOB ID: 185)	F-1
Consolidated Balance Sheets: As of December 31, 2025 and 2024	F-6
Consolidated Statements of Income: Years ended December 31, 2025, 2024 and 2023	F-7
Consolidated Statements of Comprehensive Income: Years ended December 31, 2025, 2024 and 2023	F-8
Consolidated Statements of Equity: Years ended December 31, 2025, 2024 and 2023	F-9
Consolidated Statements of Cash Flows: Years ended December 31, 2025, 2024 and 2023	F-11
Notes to Consolidated Financial Statements	F-20
(2) Consolidated Financial Statements of Essex Portfolio, L.P.	
Report of Independent Registered Public Accounting Firm	F-4
Consolidated Balance Sheets: As of December 31, 2025 and 2024	F-13
Consolidated Statements of Income: Years ended December 31, 2025, 2024 and 2023	F-14
Consolidated Statements of Comprehensive Income: Years ended December 31, 2025, 2024 and 2023	F-15
Consolidated Statements of Capital: Years ended December 31, 2025, 2024 and 2023	F-16
Consolidated Statements of Cash Flows: Years ended December 31, 2025, 2024 and 2023	F-18
Notes to Consolidated Financial Statements	F-20
(3) Financial Statement Schedule – Schedule III – Real Estate and Accumulated Depreciation as of December 31, 2025	F-55
(4) See the Exhibit Index immediately preceding the signature page and certifications for a list of exhibits filed or incorporated by reference as part of this report.	

(B) Exhibits

The Company hereby files, as exhibits to this Form 10-K, those exhibits listed on the Exhibit Index referenced in Item 15(A)(4) above.

Item 16. Form 10-K Summary

None.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Essex Property Trust, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Essex Property Trust, Inc. and subsidiaries (the Company) as of December 31, 2025 and 2024, the related consolidated statements of income, comprehensive income, equity, and cash flows for each of the years in the three-year period ended December 31, 2025, and the related notes and financial statement schedule III (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 20, 2026 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Evaluation of events or changes in circumstances that indicate rental properties may not be recoverable

As discussed in Note 2(d) to the consolidated financial statements, the Company evaluates the carrying amount of rental properties for impairment whenever events or changes in circumstances indicate that the carrying value of any of the rental properties may not be recoverable. The evaluation of impairment indicators includes an assessment of the Company's ability to hold and its intent with regard to each asset, and each property's remaining useful life. As of December 31, 2025, the Company had $11.9 billion in rental properties.

We identified the assessment of events or changes in circumstances that indicate the carrying value of rental properties may not be recoverable as a critical audit matter. Specifically, subjective auditor judgment was required to evaluate the Company's estimated holding period of rental properties. Changes to shorten the holding period the Company expects to receive cash flows from rental properties could have had a significant impact on the determination of impairment indicators.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of the internal control over the Company's process to estimate the holding period for rental properties. We assessed management's assumptions and the likelihood that a rental property will be sold significantly before the end of its previously estimated useful life or holding period. We assessed the Company's intent and ability to hold each rental property by examining documents to assess the Company's plans, if any, to dispose of individual rental properties significantly before the end of its previously estimated useful life or holding period. We inquired of Company officials and obtained written representations regarding the status of potential plans, if any, to dispose of individual rental properties, and discussed the Company's plans with others in the organization who are responsible for, and have the authority over, potential disposition activities.

/s/ KPMG LLP

We have served as the Company's auditor since 1994.

San Francisco, California
February 20, 2026

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Essex Property Trust, Inc.:

Opinion on Internal Control Over Financial Reporting

We have audited Essex Property Trust, Inc. and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2025 and 2024, the related consolidated statements of income, comprehensive income, equity, and cash flows for each of the years in the three-year period ended December 31, 2025, and the related notes and financial statement schedule III (collectively, the consolidated financial statements), and our report dated February 20, 2026 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

San Francisco, California
February 20, 2026

Report of Independent Registered Public Accounting Firm

To the Partners of Essex Portfolio, L.P. and the Board of Directors of Essex Property Trust, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Essex Portfolio, L.P. and subsidiaries (the Operating Partnership) as of December 31, 2025 and 2024, the related consolidated statements of income, comprehensive income, capital, and cash flows for each of the years in the three-year period ended December 31, 2025, and the related notes and financial statement schedule III (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Operating Partnership as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These consolidated financial statements are the responsibility of the Operating Partnership's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Operating Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Operating Partnership is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Operating Partnership's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Evaluation of events or changes in circumstances that indicate rental properties may not be recoverable

As discussed in Note 2(d) to the consolidated financial statements, the Operating Partnership evaluates the carrying amount of rental properties for impairment whenever events or changes in circumstances indicate that the carrying value of any of the rental properties may not be recoverable. The evaluation of impairment indicators includes an assessment of the Operating Partnership's ability to hold and its intent with regard to each asset, and each property's remaining useful life. As of December 31, 2025, the Operating Partnership had $11.9 billion in rental properties.

We identified the assessment of events or changes in circumstances that indicate the carrying value of rental properties may not be recoverable as a critical audit matter. Specifically, subjective auditor judgment was required to evaluate the Operating Partnership's estimated holding period of rental properties. Changes to shorten the holding period the Operating Partnership expects to receive cash flows from rental properties could have had a significant impact on the determination of impairment indicators.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of the internal control over the Operating Partnership's process to estimate the holding period for rental properties. We assessed management's assumptions and the likelihood that a rental property will be sold significantly before the end of its previously estimated useful life or holding period. We assessed the Operating Partnership's intent and ability to hold each rental property by examining documents to assess the Operating Partnership's plans, if any, to dispose of individual rental properties significantly before the end of its previously estimated useful life or holding period. We inquired of Operating Partnership officials and obtained written representations regarding the status of potential plans, if any, to dispose of individual rental properties, and discussed the Operating Partnership's plans with others in the organization who are responsible for, and have the authority over, potential disposition activities.

/s/ KPMG LLP

We have served as the Operating Partnership's auditor since 2013.

San Francisco, California
February 20, 2026

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2025 and 2024
(In thousands, except parenthetical and share amounts)

	2025	2024
ASSETS		
Real estate investments:		
Rental properties:		
Land and land improvements	$ 3,363,169	$ 3,246,789
Buildings and improvements	15,073,416	14,342,729
	18,436,585	17,589,518
Less: accumulated depreciation	(6,532,003)	(6,150,618)
	11,904,582	11,438,900
Real estate under development	157,122	52,682
Co-investments	630,550	935,014
	12,692,254	12,426,596
Cash and cash equivalents-unrestricted	76,241	66,795
Cash and cash equivalents-restricted	9,345	9,051
Marketable securities	98,070	69,794
Notes and other receivables, net of allowance for credit losses of $0.6 million and $0.5 million as of December 31, 2025 and December 31, 2024, respectively	141,591	206,706
Operating lease right-of-use assets	50,833	51,556
Prepaid expenses and other assets	90,675	96,861
Total assets	$ 13,159,009	$ 12,927,359
LIABILITIES AND EQUITY		
Unsecured debt, net	$ 6,015,921	$ 5,473,788
Mortgage notes payable, net	784,348	989,884
Lines of credit and commercial paper	—	137,945
Accounts payable and accrued liabilities	221,351	212,747
Construction payable	24,743	14,347
Dividends payable	173,698	165,443
Distributions in excess of investments in co-investments	98,837	79,273
Operating lease liabilities	51,487	52,473
Other liabilities	51,729	50,220
Total liabilities	7,422,114	7,176,120
Commitments and contingencies (Note 17)		
Redeemable noncontrolling interest	28,263	30,849
Equity:		
Common stock; $0.0001 par value, 670,000,000 shares authorized; 64,442,290 and 64,280,466 shares issued and outstanding, respectively	6	6
Additional paid-in capital	6,683,514	6,668,047
Distributions in excess of accumulated earnings	(1,148,195)	(1,155,662)
Accumulated other comprehensive income, net	6,047	24,655
Total stockholders’ equity	5,541,372	5,537,046
Noncontrolling interest	167,260	183,344
Total equity	5,708,632	5,720,390
Total liabilities and equity	$ 13,159,009	$ 12,927,359

See accompanying notes to consolidated financial statements.

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Consolidated Statements of Income
Years ended December 31, 2025, 2024 and 2023
(In thousands, except share and per share amounts)

	2025	2024	2023
Revenues:			
Rental and other property	$ 1,877,964	$ 1,764,185	$ 1,658,264
Management and other fees from affiliates	9,381	10,265	11,131
	1,887,345	1,774,450	1,669,395
Expenses:			
Property operating, excluding real estate taxes	353,355	328,123	301,951
Real estate taxes	205,631	193,413	185,807
Corporate-level property management expenses	49,052	46,208	43,593
Depreciation and amortization	607,542	580,220	548,438
General and administrative	71,948	98,902	63,474
Expensed acquisition and investment related costs	25	72	595
Casualty loss	—	—	433
	1,287,553	1,246,938	1,144,291
Gain on sale of real estate and land	299,524	175,583	59,238
Earnings from operations	899,316	703,095	584,342
Interest expense	(258,404)	(235,529)	(212,905)
Total return swap income	4,729	3,099	3,148
Interest and other income	20,004	80,951	46,259
Equity income from co-investments	35,464	48,206	10,561
Tax benefit (expense) on unconsolidated co-investments	2,096	929	(697)
Loss on early retirement of debt	(762)	—	—
Gain on remeasurement of co-investment	330	210,555	—
Net income	702,773	811,306	430,708
Net income attributable to noncontrolling interest	(33,107)	(69,784)	(24,883)
Net income available to common stockholders	$ 669,666	$ 741,522	$ 405,825
Per share data:			
Basic:			
Net income available to common stockholders	$ 10.40	$ 11.55	$ 6.32
Weighted average number of shares outstanding during the year	64,379,418	64,228,356	64,252,232
Diluted:			
Net income available to common stockholders	$ 10.40	$ 11.54	$ 6.32
Weighted average number of shares outstanding during the year	64,399,459	64,251,234	64,253,385

See accompanying notes to consolidated financial statements.

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
Years ended December 31, 2025, 2024 and 2023
(In thousands)

	2025	2024	2023
Net income	$ 702,773	$ 811,306	$ 430,708
Other comprehensive (loss) income:			
Change in fair value of derivatives and amortization of swap settlements	(19,508)	(9,217)	(13,364)
Change in fair value of marketable debt securities, net	244	—	—
Reversal of unrealized gains upon the sale of marketable debt securities	(27)	—	—
Total other comprehensive loss	(19,291)	(9,217)	(13,364)
Comprehensive income	683,482	802,089	417,344
Comprehensive income attributable to noncontrolling interest	(32,424)	(69,468)	(24,429)
Comprehensive income attributable to controlling interest	$ 651,058	$ 732,621	$ 392,915

See accompanying notes to consolidated financial statements.

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Consolidated Statements of Equity
Years ended December 31, 2025, 2024 and 2023
(In thousands, except per share amounts)

	Common stock		Additional paid-in capital	Distributions in excess of accumulated earnings	Accumulated other comprehensive income (loss), net	Noncontrolling interest	Total
	Shares	Amount					
Balances at December 31, 2022	64,605	$ 6	$ 6,750,076	$ (1,080,176)	$ 46,466	$ 178,744	$5,895,116
Net income	—	—	—	405,825	—	24,883	430,708
Change in fair value of derivatives and amortization of swap settlements	—	—	—	—	(12,910)	(454)	(13,364)
Issuance of common stock under:							
Stock option and restricted stock plans, net	21	—	(3,825)	—	—	—	(3,825)
Sale of common stock, net	—	—	(347)	—	—	—	(347)
Equity based compensation costs	—	—	11,723	—	—	412	12,135
Retirement of common stock, net	(437)	—	(95,657)	—	—	—	(95,657)
Changes in the redemption value of redeemable noncontrolling interest	—	—	(5,150)	—	—	95	(5,055)
Distributions to noncontrolling interest	—	—	—	—	—	(31,939)	(31,939)
Redemptions of noncontrolling interest	14	—	(100)	—	—	(509)	(609)
Common stock dividends ($9.24 per share)	—	—	—	(593,185)	—	—	(593,185)
Balances at December 31, 2023	64,203	$ 6	$ 6,656,720	$ (1,267,536)	$ 33,556	$ 171,232	$5,593,978
Net income	—	—	—	741,522	—	69,784	811,306
Change in fair value of derivatives and amortization of swap settlements	—	—	—	—	(8,901)	(316)	(9,217)
Issuance of common stock under:							
Stock option and restricted stock plans, net	70	—	9,096	—	—	—	9,096
Sale of common stock, net	—	—	(296)	—	—	—	(296)
Equity based compensation costs	—	—	7,408	—	—	263	7,671
Changes in the redemption value of redeemable noncontrolling interest	—	—	373	—	—	462	835
Issuance of OP units to noncontrolling interest	—	—	—	—	—	24,930	24,930
Distributions to noncontrolling interest	—	—	—	—	—	(81,812)	(81,812)
Redemptions of noncontrolling interest	7	—	(5,254)	—	—	(1,199)	(6,453)
Common stock dividends ($9.80 per share)	—	—	—	(629,648)	—	—	(629,648)
Balances at December 31, 2024	64,280	$ 6	$ 6,668,047	$ (1,155,662)	$ 24,655	$ 183,344	$5,720,390

Net income	—	—	—	669,666	—	33,107	702,773
Reversal of unrealized gains upon the sale of marketable debt securities	—	—	—	—	(26)	(1)	(27)
Change in fair value of derivatives and amortization of swap settlements	—	—	—	—	(18,818)	(690)	(19,508)
Change in fair value of marketable debt securities, net	—	—	—	—	236	8	244
Issuance of common stock under:							
Stock option and restricted stock plans, net	81	—	816	—	—	—	816
Sale of common stock, net	—	—	(391)	—	—	—	(391)
Equity based compensation costs	—	—	9,879	—	—	345	10,224
Changes in the redemption value and redemptions of redeemable noncontrolling interest	6	—	2,805	—	—	(219)	2,586
Distributions to noncontrolling interest	—	—	—	—	—	(32,801)	(32,801)
Redemptions of noncontrolling interest	75	—	2,358	—	—	(15,833)	(13,475)
Common stock dividends ($10.28 per share)	—	—	—	(662,199)	—	—	(662,199)
Balances at December 31, 2025	64,442	$ 6	$ 6,683,514	$ (1,148,195)	$ 6,047	$ 167,260	$5,708,632

See accompanying notes to consolidated financial statements.

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Years ended December 31, 2025, 2024 and 2023
(In thousands)

	2025	2024	2023
Cash flows from operating activities:			
Net income	$ 702,773	$ 811,306	$ 430,708
Adjustments to reconcile net income to net cash provided by operating activities:			
Straight-lined rents	(1,115)	34	2,773
Depreciation and amortization	607,542	580,220	548,438
Amortization of discount and debt financing costs, net	7,162	7,795	6,911
Realized and unrealized gains on marketable securities, net	(3,809)	(8,347)	(10,006)
Provision for credit losses	26	(179)	70
Company’s share of gain on the sales of co-investment	(5,189)	—	—
Equity income from co-investments	(30,275)	(48,206)	(10,561)
Operating distributions from co-investments	93,010	62,868	76,787
Accrued interest from notes and other receivables	(9,201)	(13,497)	(12,631)
Casualty loss	—	—	433
Gain on the sale of real estate and land	(299,524)	(175,583)	(59,238)
Equity-based compensation	9,640	7,158	8,031
Loss on early retirement of debt	762	—	—
Gain on remeasurement of co-investment	(330)	(210,555)	—
Changes in operating assets and liabilities:			
Prepaid expenses, receivables, operating lease right-of-use assets, and other assets	(2,002)	32,007	(9,721)
Accounts payable, accrued liabilities, and operating lease liabilities	7,217	25,194	5,335
Other liabilities	(2,264)	(1,910)	2,735
Net cash provided by operating activities	1,074,423	1,068,305	980,064
Cash flows from investing activities:			
Additions to real estate:			
Acquisitions of real estate and acquisition related capital expenditures, net of cash acquired	(831,661)	(940,440)	(25,098)
Redevelopment	(81,619)	(70,572)	(72,577)
Development acquisitions of and additions to real estate under development	(61,878)	(2,874)	(7,872)
Capital expenditures on rental properties	(140,348)	(136,395)	(140,371)
Investments in notes receivable	(169,644)	(130,635)	(58,127)
Collections of notes and other receivables	84,801	33,504	—
Proceeds from insurance for property losses	3,522	2,299	3,431
Proceeds from dispositions of real estate	509,946	247,286	99,388
Contributions to co-investments	(33,752)	(34,073)	(37,405)
Changes in refundable deposits	8,000	(8,000)	10,200
Purchases of marketable securities	(25,515)	(1,002)	(20,780)
Sales and maturities of marketable securities	1,264	27,348	64,320
Non-operating distributions from co-investments	184,401	40,503	39,751
Net cash used in investing activities	(552,483)	(973,051)	(145,140)
Cash flows from financing activities:			
Proceeds from unsecured debt and mortgage notes	1,148,242	554,875	598,000

Payments on unsecured debt and mortgage notes	(808,611)	(403,108)	(302,429)
Proceeds from lines of credit and commercial paper	7,935,548	1,667,476	844,046
Repayments of lines of credit and commercial paper	(8,073,493)	(1,529,531)	(896,119)
Retirement of common stock	—	—	(95,657)
Additions to deferred charges	(13,394)	(9,568)	(1,736)
Payments related to debt prepayment penalties	(697)	—	—
Net costs from issuance of common stock	(391)	(296)	(347)
Net proceeds from stock options exercised	8,930	12,313	—
Payments related to tax withholding for share-based compensation	(8,114)	(3,217)	(3,825)
Distributions to noncontrolling interest	(32,677)	(81,246)	(31,619)
Redemptions of noncontrolling interest	(13,475)	(6,453)	(609)
Redemptions of redeemable noncontrolling interest	—	(521)	—
Common stock dividends paid	(654,068)	(620,466)	(586,976)
Net cash used in financing activities	(512,200)	(419,742)	(477,271)
Net increase (decrease) in unrestricted and restricted cash and cash equivalents	9,740	(324,488)	357,653
Unrestricted and restricted cash and cash equivalents at beginning of year	75,846	400,334	42,681
Unrestricted and restricted cash and cash equivalents at end of year	$ 85,586	$ 75,846	$ 400,334
Supplemental disclosure of cash flow information:			
Cash paid for interest, net of capitalized interest	$ 252,651	$ 223,220	$ 207,038
Interest capitalized	$ 3,659	$ 251	$ 823
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ 6,431	$ 6,934	$ 6,962
Supplemental disclosure of noncash investing and financing activities:			
Issuance of Operating Partnership units for contributed properties	$ —	$ 24,930	$ —
Redemption of preferred equity investments upon acquisition or consolidation of co-investments	$ 262,449	$ 44,670	$ —
Reclassifications (from) to redeemable noncontrolling interest (to) from additional paid in capital and noncontrolling interest	$ (2,209)	$ (835)	$ 5,055
Leased assets obtained in exchange for new operating lease liabilities	$ 2,727	$ —	$ —
Debt assumed in connection with acquisition	$ —	$ 95,000	$ —
Debt financed by seller in connection with acquisition	$ —	$ 11,000	$ —

See accompanying notes to consolidated financial statements

ESSEX PORTFOLIO, L.P. AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2025 and 2024
(In thousands, except parenthetical and unit amounts)

	2025	2024
ASSETS		
Real estate investments:		
Rental properties:		
Land and land improvements	$ 3,363,169	$ 3,246,789
Buildings and improvements	15,073,416	14,342,729
	18,436,585	17,589,518
Less: accumulated depreciation	(6,532,003)	(6,150,618)
	11,904,582	11,438,900
Real estate under development	157,122	52,682
Co-investments	630,550	935,014
	12,692,254	12,426,596
Cash and cash equivalents-unrestricted	76,241	66,795
Cash and cash equivalents-restricted	9,345	9,051
Marketable securities	98,070	69,794
Notes and other receivables, net of allowance for credit losses of $0.6 million and $0.5 million as of December 31, 2025 and December 31, 2024, respectively	141,591	206,706
Operating lease right-of-use assets	50,833	51,556
Prepaid expenses and other assets	90,675	96,861
Total assets	$ 13,159,009	$ 12,927,359
LIABILITIES AND CAPITAL		
Unsecured debt, net	$ 6,015,921	$ 5,473,788
Mortgage notes payable, net	784,348	989,884
Lines of credit and commercial paper	—	137,945
Accounts payable and accrued liabilities	221,351	212,747
Construction payable	24,743	14,347
Distributions payable	173,698	165,443
Distributions in excess of investments in co-investments	98,837	79,273
Operating lease liabilities	51,487	52,473
Other liabilities	51,729	50,220
Total liabilities	7,422,114	7,176,120
Commitments and contingencies (Note 17)		
Redeemable noncontrolling interest	28,263	30,849
Capital:		
General Partner:		
Common equity (64,442,290 and 64,280,466 units issued and outstanding, respectively)	5,535,325	5,512,391
	5,535,325	5,512,391
Limited Partners:		
Common equity (2,250,339 and 2,331,251 units issued and outstanding, respectively)	61,876	73,418
Accumulated other comprehensive income	10,138	29,429
Total partners' capital	5,607,339	5,615,238
Noncontrolling interest	101,293	105,152
Total capital	5,708,632	5,720,390
Total liabilities and capital	$ 13,159,009	$ 12,927,359

See accompanying notes to consolidated financial statements

ESSEX PORTFOLIO, L.P. AND SUBSIDIARIES
Consolidated Statements of Income
Years ended December 31, 2025, 2024 and 2023
(In thousands, except unit and per unit amounts)

	2025	2024	2023
Revenues:			
Rental and other property	$ 1,877,964	$ 1,764,185	$ 1,658,264
Management and other fees from affiliates	9,381	10,265	11,131
	1,887,345	1,774,450	1,669,395
Expenses:			
Property operating, excluding real estate taxes	353,355	328,123	301,951
Real estate taxes	205,631	193,413	185,807
Corporate-level property management expenses	49,052	46,208	43,593
Depreciation and amortization	607,542	580,220	548,438
General and administrative	71,948	98,902	63,474
Expensed acquisition and investment related costs	25	72	595
Casualty loss	—	—	433
	1,287,553	1,246,938	1,144,291
Gain on sale of real estate and land	299,524	175,583	59,238
Earnings from operations	899,316	703,095	584,342
Interest expense	(258,404)	(235,529)	(212,905)
Total return swap income	4,729	3,099	3,148
Interest and other income	20,004	80,951	46,259
Equity income from co-investments	35,464	48,206	10,561
Tax benefit (expense) on unconsolidated co-investments	2,096	929	(697)
Loss on early retirement of debt	(762)	—	—
Gain on remeasurement of co-investment	330	210,555	—
Net income	702,773	811,306	430,708
Net income attributable to noncontrolling interest	(9,458)	(43,370)	(10,599)
Net income available to common unitholders	$ 693,315	$ 767,936	$ 420,109
Per unit data:			
Basic:			
Net income available to common unitholders	$ 10.40	$ 11.55	$ 6.32
Weighted average number of common units outstanding during the year	66,649,608	66,511,030	66,513,303
Diluted:			
Net income available to common unitholders	$ 10.40	$ 11.54	$ 6.32
Weighted average number of common units outstanding during the year	66,669,649	66,533,908	66,514,456

See accompanying notes to consolidated financial statements

ESSEX PORTFOLIO, L.P. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
Years Ended December 31, 2025, 2024 and 2023
(In thousands)

	2025	2024	2023
Net income	$ 702,773	$ 811,306	$ 430,708
Other comprehensive (loss) income:			
Change in fair value of derivatives and amortization of swap settlements	(19,508)	(9,217)	(13,364)
Change in fair value of marketable debt securities, net	244	—	—
Reversal of unrealized gains upon the sale of marketable debt securities	(27)	—	—
Total other comprehensive loss	(19,291)	(9,217)	(13,364)
Comprehensive income	683,482	802,089	417,344
Comprehensive income attributable to noncontrolling interest	(9,458)	(43,370)	(10,599)
Comprehensive income attributable to controlling interest	$ 674,024	$ 758,719	$ 406,745

See accompanying notes to consolidated financial statements.

ESSEX PORTFOLIO, L.P. AND SUBSIDIARIES
Consolidated Statements of Capital
Years ended December 31, 2025, 2024 and 2023
(In thousands, except per unit amounts)

	General Partner Common Equity		Limited Partners Common Equity		Accumulated other comprehensive income (loss), net	Noncontrolling interest	Total
	Units	Amount	Units	Amount			
Balances at December 31, 2022	64,605	$ 5,669,906	2,272	$ 51,454	$ 52,010	$ 121,746	$ 5,895,116
Net income	—	405,825	—	14,284	—	10,599	430,708
Change in fair value of derivatives and amortization of swap settlements	—	—	—	—	(13,364)	—	(13,364)
Issuance of common units under:							
General partner's stock based compensation, net	21	(3,825)	—	—	—	—	(3,825)
Sale of common stock by general partner, net	—	(347)	—	—	—	—	(347)
Equity based compensation costs	—	11,723	—	412	—	—	12,135
Retirement of common units, net	(437)	(95,657)	—	—	—	—	(95,657)
Changes in the redemption value of redeemable noncontrolling interest	—	(5,150)	—	75	—	20	(5,055)
Distributions to noncontrolling interest	—	—	—	—	—	(11,060)	(11,060)
Redemptions	14	(100)	(13)	(355)	—	(154)	(609)
Distributions declared ($9.24 per unit)	—	(593,185)	—	(20,879)	—	—	(614,064)
Balances at December 31, 2023	64,203	$ 5,389,190	2,259	$ 44,991	$ 38,646	$ 121,151	$ 5,593,978
Net income	—	741,522	—	26,414	—	43,370	811,306
Change in fair value of derivatives and amortization of swap settlements	—	—	—	—	(9,217)	—	(9,217)
Issuance of common stock under:							
General partner's stock based compensation, net	70	9,096	—	—	—	—	9,096
Sale of common stock by general partner, net	—	(296)	—	—	—	—	(296)
Equity based compensation costs	—	7,408	—	263	—	—	7,671
Changes in the redemption value of redeemable noncontrolling interest	—	373	—	99	—	363	835
Issuance of OP units to noncontrolling interest	—	—	82	24,930	—	—	24,930
Distributions to noncontrolling interest	—	—	—	—	—	(59,317)	(59,317)
Redemptions	7	(5,254)	(10)	(784)	—	(415)	(6,453)
Distributions declared ($9.80 per unit)	—	(629,648)	—	(22,495)	—	—	(652,143)

Balances at December 31, 2024	64,280	$ 5,512,391	2,331	$ 73,418	$ 29,429	$ 105,152	$ 5,720,390
Net income	—	669,666	—	23,649	—	9,458	702,773
Reversal of unrealized gains upon the sale of marketable debt securities	—	—	—	—	(27)	—	(27)
Change in fair value of derivatives and amortization of swap settlements	—	—	—	—	(19,508)	—	(19,508)
Change in fair value of marketable debt securities, net	—	—	—	—	244	—	244
Issuance of common stock under:							
General partner's stock based compensation, net	81	816	—	—	—	—	816
Sale of common stock by general partner, net	—	(391)	—	—	—	—	(391)
Equity based compensation costs	—	9,879	—	345	—	—	10,224
Changes in the redemption value and redemptions of redeemable noncontrolling interest	6	2,805	(6)	(441)	—	222	2,586
Distributions to noncontrolling interest	—	—	—	—	—	(9,551)	(9,551)
Redemptions	75	2,358	(75)	(11,845)	—	(3,988)	(13,475)
Distributions declared ($10.28 per unit)	—	(662,199)	—	(23,250)	—	—	(685,449)
Balances at December 31, 2025	64,442	$ 5,535,325	2,250	$ 61,876	$ 10,138	$ 101,293	$ 5,708,632

See accompanying notes to consolidated financial statements

ESSEX PORTFOLIO, L.P. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
Years ended December 31, 2025, 2024 and 2023
(In thousands)

	2025	2024	2023
Cash flows from operating activities:			
Net income	$ 702,773	$ 811,306	$ 430,708
Adjustments to reconcile net income to net cash provided by operating activities:			
Straight-lined rents	(1,115)	34	2,773
Depreciation and amortization	607,542	580,220	548,438
Amortization of discount and debt financing costs, net	7,162	7,795	6,911
Realized and unrealized gains on marketable securities, net	(3,809)	(8,347)	(10,006)
Provision for credit losses	26	(179)	70
Company’s share of gain on the sales of co-investments	(5,189)	—	—
Equity income from co-investments	(30,275)	(48,206)	(10,561)
Operating distributions from co-investments	93,010	62,868	76,787
Accrued interest from notes and other receivables	(9,201)	(13,497)	(12,631)
Casualty loss	—	—	433
Gain on the sale of real estate and land	(299,524)	(175,583)	(59,238)
Equity-based compensation	9,640	7,158	8,031
Loss on early retirement of debt	762	—	—
Gain on remeasurement of co-investment	(330)	(210,555)	—
Changes in operating assets and liabilities:			
Prepaid expenses, receivables, operating lease right-of-use assets, and other assets	(2,002)	32,007	(9,721)
Accounts payable, accrued liabilities, and operating lease liabilities	7,217	25,194	5,335
Other liabilities	(2,264)	(1,910)	2,735
Net cash provided by operating activities	1,074,423	1,068,305	980,064
Cash flows from investing activities:			
Additions to real estate:			
Acquisitions of real estate and acquisition related capital expenditures, net of cash acquired	(831,661)	(940,440)	(25,098)
Redevelopment	(81,619)	(70,572)	(72,577)
Development acquisitions of and additions to real estate under development	(61,878)	(2,874)	(7,872)
Capital expenditures on rental properties	(140,348)	(136,395)	(140,371)
Investments in notes receivable	(169,644)	(130,635)	(58,127)
Collections of notes and other receivables	84,801	33,504	—
Proceeds from insurance for property losses	3,522	2,299	3,431
Proceeds from dispositions of real estate	509,946	247,286	99,388
Contributions to co-investments	(33,752)	(34,073)	(37,405)
Changes in refundable deposits	8,000	(8,000)	10,200
Purchases of marketable securities	(25,515)	(1,002)	(20,780)
Sales and maturities of marketable securities	1,264	27,348	64,320
Non-operating distributions from co-investments	184,401	40,503	39,751
Net cash used in investing activities	(552,483)	(973,051)	(145,140)
Cash flows from financing activities:			
Proceeds from unsecured debt and mortgage notes	1,148,242	554,875	598,000

Payments on unsecured debt and mortgage notes	(808,611)	(403,108)	(302,429)
Proceeds from lines of credit and commercial paper	7,935,548	1,667,476	844,046
Repayments of lines of credit and commercial paper	(8,073,493)	(1,529,531)	(896,119)
Retirement of common units	—	—	(95,657)
Additions to deferred charges	(13,394)	(9,568)	(1,736)
Payments related to debt prepayment penalties	(697)	—	—
Net costs from issuance of common units	(391)	(296)	(347)
Net proceeds from stock options exercised	8,930	12,313	—
Payments related to tax withholding for share-based compensation	(8,114)	(3,217)	(3,825)
Distributions to noncontrolling interest	(9,498)	(56,582)	(8,558)
Redemptions of noncontrolling interest	(13,475)	(6,453)	(609)
Redemptions of redeemable noncontrolling interest	—	(521)	—
Common unit distributions paid	(677,247)	(645,130)	(610,037)
Net cash used in financing activities	(512,200)	(419,742)	(477,271)
Net increase (decrease) in unrestricted and restricted cash and cash equivalents	9,740	(324,488)	357,653
Unrestricted and restricted cash and cash equivalents at beginning of year	75,846	400,334	42,681
Unrestricted and restricted cash and cash equivalents at end of year	$ 85,586	$ 75,846	$ 400,334
Supplemental disclosure of cash flow information:			
Cash paid for interest, net of capitalized interest	$ 252,651	$ 223,220	$ 207,038
Interest capitalized	$ 3,659	$ 251	$ 823
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ 6,431	$ 6,934	$ 6,962
Supplemental disclosure of noncash investing and financing activities:			
Issuance of Operating Partnership units for contributed properties	$ —	$ 24,930	$ —
Redemption of preferred equity investments upon acquisition or consolidation of co-investments	$ 262,449	$ 44,670	$ —
Reclassifications (from) to redeemable noncontrolling interest (to) from general and limited partner capital and noncontrolling interest	$ (2,209)	$ (835)	$ 5,055
Leased assets obtained in exchange for new operating lease liabilities	$ 2,727	$ —	$ —
Debt assumed in connection with acquisition	$ —	$ 95,000	$ —
Debt financed by seller in connection with acquisition	$ —	$ 11,000	$ —

See accompanying notes to consolidated financial statements

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
ESSEX PORTFOLIO, L.P. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
December 31, 2025, 2024 and 2023

(1) Organization

The accompanying consolidated financial statements present the accounts of Essex Property Trust, Inc. (“Essex” or the “Company”), which include the accounts of the Company and Essex Portfolio, L.P. and its subsidiaries (the “Operating Partnership,” which holds the operating assets of the Company). Unless otherwise indicated, the notes to consolidated financial statements apply to both the Company and the Operating Partnership.

Essex is the sole general partner of the Operating Partnership with a 96.6% general partner interest and the limited partners owned a 3.4% interest as of December 31, 2025. The limited partners may convert their Operating Partnership units into an equivalent number of shares of Essex common stock. Total Operating Partnership limited partnership units (“OP Units,” and the holders of such OP Units, “Unitholders”) outstanding were 2,250,339 and 2,331,251 as of December 31, 2025 and 2024, respectively, and the redemption value of the OP Units, based on the closing price of the Company’s common stock, totaled $588.9 million and $665.4 million, as of December 31, 2025 and 2024, respectively. The Company has reserved shares of common stock for such conversions.

As of December 31, 2025, the Company owned or had ownership interests in 259 operating apartment communities, comprising 63,077 apartment homes, excluding the Company’s ownership interests in preferred equity co-investments, loan investments, two operating commercial buildings and a development pipeline comprised of one consolidated project and various predevelopment projects. The operating apartment communities are located in Southern California (primarily Los Angeles, Orange, San Diego, and Ventura counties), Northern California (the San Francisco Bay Area) and the Seattle metropolitan areas.

(2) Summary of Critical and Significant Accounting Policies

(a) Principles of Consolidation and Basis of Presentation

The accounts of the Company, its controlled subsidiaries and the variable interest entities ("VIEs") in which it is the primary beneficiary are consolidated in the accompanying financial statements and prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). In the opinion of management, all adjustments necessary for a fair presentation of the financial position, results of operations and cash flows for the periods presented have been included and are normal and recurring in nature. All significant intercompany accounts and transactions have been eliminated in the consolidated financial statements. Certain reclassifications have been made to conform to the current year's presentation.

Noncontrolling interest includes the 3.4% and 3.5% limited partner interests in the Operating Partnership not held by the Company as of December 31, 2025 and 2024, respectively. These percentages include the Operating Partnership's vested long-term incentive plan units (see Note 14, Equity Based Compensation Plans).

(b) Recently Adopted Accounting Pronouncements

In August 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-05 "Business Combinations — Joint Venture Formations (Subtopic 805-60)" under which an entity that qualifies as a joint venture is required to apply a new basis of accounting upon the formation of the joint venture. The amendments in ASU 2023-05 require that a joint venture must initially measure its assets and liabilities at fair value on the formation date. ASU 2023-05 is effective for all joint ventures that are formed on or after January 1, 2025 and early adoption is permitted. The Company adopted ASU No. 2023-05 as of January 1, 2025. This adoption did not have a material impact on the Company's consolidated results of operations or financial position.

(c) Recent Accounting Pronouncements

In September 2025, the FASB issued ASU No. 2025-06 "Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software". ASU 2025-06 eliminates project stages and requires capitalizing software costs to begin when (1) management has authorized and committed to funding the software project and (2) it is probable that the project will be completed and the software will be used to perform the function intended. When evaluating if a project is probable to be completed, significant development uncertainty must be assessed. In addition, disclosures for property, plant and equipment will be required for all capitalized software costs. ASU 2025-06 will be effective for the Company beginning January 1, 2028 and early adoption is permitted. Upon adoption, the new standard may be applied prospectively, retrospectively or using a modified transition approach. The Company is currently evaluating the impact of ASU 2025-06 on its consolidated results of operations and financial position.

In July 2025, the FASB issued ASU No. 2025-05, "Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets". ASU 2025-05 provides for a practical expedient that allows an entity to assume that conditions as of the balance sheet date will remain unchanged over the remaining life of the asset when estimating expected credit losses for current accounts receivable and current contract assets arising from revenue transactions from contracts with customers. ASU 2025-05 will be effective for the Company beginning January 1, 2026, with early adoption permitted, and is required to be applied prospectively. The Company has evaluated the impact of ASU 2025-05 and has determined that the ASU would not have a material impact on its consolidated results of operations or financial position.

In November 2024, the FASB issued ASU No. 2024-03 "Income Statement —Reporting Comprehensive Income —Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses", and in January 2025, the FASB issued ASU No. 2025-01 "Income Statement —Reporting Comprehensive Income —Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date." ASU 2024-03 requires disaggregated information for specified categories of expenses to be presented in the notes to the financial statements. ASU 2024-03, as clarified by ASU 2025-01, will be effective for the Company for annual periods beginning January 1, 2027 and interim periods beginning January 1, 2028. Early adoption is permitted. The new standards may be applied either prospectively, to financial statements issued after the effective date, or retrospectively, to all prior periods presented. The Company is currently evaluating the impact of these standards on its consolidated results of operations and financial position.

(d) Real Estate Rental Properties

Significant expenditures, which improve or extend the life of an asset and have a useful life of greater than one year, are capitalized. Operating real estate assets are stated at cost and consist of land and land improvements, buildings and improvements, furniture, fixtures and equipment, and other costs incurred during their development, redevelopment and acquisition. Expenditures for maintenance and repairs are charged to expense as incurred.

The depreciable life of various categories of fixed assets is as follows:

Computer software and equipment	3 - 5 years
Interior apartment home improvements	5 years
Furniture, fixtures and equipment	5 - 10 years
Land improvements and certain exterior components of real property	10 years
Real estate structures	30 years

The Company capitalizes all costs incurred with the predevelopment, development or redevelopment of real estate assets or costs associated with the construction or expansion of real property. Such capitalized costs include land, land improvements, allocated costs of the Company's project management staff, construction costs, as well as interest and related loan fees, property taxes and insurance. Capitalization begins for predevelopment, development, and redevelopment projects when activity commences. Capitalization ends when the apartment home is completed and the property is available for a new tenant or if the development activities cease.

The Company allocates the purchase price of real estate on a fair value basis to land and building, including personal property and identifiable intangible assets, such as the value of above-market, below-market and in-place leases. In making estimates of relative fair values for purposes of allocating purchase price, the Company utilizes a number of sources, including independent land and building appraisals which consider comparable market transactions, its own analysis of recently acquired or developed comparable properties in its portfolio for land comparables and building replacement costs, and other publicly available market data. In calculating the fair value of identified intangible assets of an acquired property, the in-place leases are valued based on in-place rent rates and amortized over the average remaining term of all acquired leases.

The values of the above and below market leases are amortized and recorded as either a decrease (in the case of above market leases) or an increase (in the case of below market leases) to rental revenue over the remaining term of the associated leases acquired. The value of acquired in-place leases is amortized to expense over the average remaining term of the leases acquired. The net carrying value of acquired in-place leases was $7.5 million and $7.7 million as of December 31, 2025 and 2024, respectively, and are included in prepaid expenses and other assets on the Company's consolidated balance sheets.

The Company periodically assesses the carrying value of its consolidated real estate investments for indicators of impairment. The judgments regarding the existence of impairment indicators are based on monitoring investment market conditions and performance compared to budget for operating properties including the net operating income for the most recent 12 month period, monitoring estimated costs for properties under development, the Company's ability to hold and its intent with regard to each asset, and each property's remaining useful life. Whenever events or changes in circumstances indicate that the carrying amount of a property held for investment may not be recoverable, the carrying amount is evaluated. If the sum of the expected future cash flows (undiscounted and without interest charges) is less than the carrying amount (including intangible assets) of a property held for investment, then the Company will recognize an impairment loss equal to the excess of the carrying amount over the fair value of the property. Fair value of a property is determined using conventional real estate valuation methods, such as discounted cash flow, the property's unleveraged yield in comparison to the unleveraged yields and/or sales prices of similar communities that have been recently sold, and other third party information, if available. Communities held for sale are carried at the lower of cost or fair value less estimated costs to sell. As of December 31, 2025 and 2024, no properties were classified as held for sale. The Company did not record an impairment charge on any of its consolidated real estate investments for the years ended December 31, 2025, 2024 and 2023.

In the normal course of business, the Company will receive purchase offers for its communities, either solicited or unsolicited. For those offers that are accepted, the prospective buyer will usually require a due diligence period before consummation of the transaction. It is not unusual for matters to arise that result in the withdrawal or rejection of the offer during this process. The

Company classifies real estate as "held for sale" when the Company has obtained necessary management approvals to sell a property and the sale of the property is expected to be completed within a year. Evaluating solicited or unsolicited offers generally does not cause properties to be classified as held for sale.

(e) Co-investments

The Company owns investments in joint ventures in which it has significant influence, but its ownership interest does not meet the criteria for consolidation in accordance with U.S. GAAP. Therefore, the Company accounts for co-investments using the equity method of accounting. Under the equity method of accounting, the investment is carried at the cost of assets contributed, plus the Company's equity in earnings, less distributions received and the Company's share of losses. The significant accounting policies of the Company's co-investment entities are consistent with those of the Company in all material respects.

Upon the acquisition of a controlling interest of a co-investment, the co-investment entity is consolidated and a gain or loss is recognized upon the remeasurement of the co-investment in the consolidated statements of income equal to the amount by which the fair value of the co-investment interest, using Level 2 inputs, exceeds the Company's carrying value of the co-investment. A majority of the co-investments, excluding most preferred equity investments, compensate the Company for its asset management services and some of these investments may provide promote income if certain financial return benchmarks are achieved. Management fees are recognized when earned, and promote fees are recognized when the earnings events have occurred and the amount is determinable and collectible. Any promote fees are reflected in equity income from co-investments.

The Company evaluates its co-investments for impairment and records a loss if the carrying value is greater than the fair value of the investment and the impairment is other-than-temporary.

(f) Revenues and Gains on Sale of Real Estate and Land

Revenues from tenants renting or leasing apartment homes are recorded when due from tenants and are recognized monthly as they are earned, which generally approximates a straight-line basis, else, adjustments are made to conform to a straight-line basis. Apartment homes are rented under short-term leases (generally, lease terms of 9 to 12 months). Revenues from tenants leasing commercial space are recorded on a straight-line basis over the life of the respective lease. See Note 4, Revenues, and Note 10, Lease Agreements - Company as Lessor, for additional information regarding such revenues.

The Company also generates other property-related revenue associated with the leasing of apartment homes, including storage income, pet rent, and other miscellaneous revenue. Similar to rental income, such revenues are recorded when due from tenants and recognized monthly as they are earned.

Apart from rental and other property-related revenue, revenues from contracts with customers are recognized as control of the promised services is passed to the customer. For customer contracts related to management and other fees from affiliates (which includes asset management and property management), the transaction price and amount of revenue to be recognized are determined each quarter based on the management fee calculated and earned for that month or quarter. The contract will contain a description of the service and the fee percentage for management services. Payments from such services are one month or one quarter in arrears of the service performed.

The Company recognizes any gains on sales of real estate when it transfers control of a property and when it is probable that the Company will collect substantially all of the related consideration.

(g) Cash, Cash Equivalents and Restricted Cash

Highly liquid investments generally with original maturities of three months or less when purchased are classified as cash equivalents. Restricted cash balances relate primarily to reserve requirements for capital replacement at certain communities in connection with the Company's mortgage debt.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows ($ in thousands):

	December 31,		
	2025	2024	2023
Cash and cash equivalents - unrestricted	$ 76,241	$ 66,795	$ 391,749
Cash and cash equivalents - restricted	9,345	9,051	8,585
Total unrestricted and restricted cash and cash equivalents shown in the consolidated statements of cash flows	$ 85,586	$ 75,846	$ 400,334

(h) Marketable Securities

The Company reports its equity securities and available for sale debt securities at fair value, based on quoted market prices (Level 1 for the equity securities and Level 2 for the available for sale debt securities, as defined by the FASB standard for fair value measurements). As of both December 31, 2025 and 2024, less than $0.1 million of equity securities presented within common stock, preferred stock, and stock funds in the tables below represented investments measured at fair value, using net asset value as a practical expedient, and were not categorized in the fair value hierarchy.

Any unrealized gain or loss in debt securities classified as available for sale is recorded as other comprehensive income. Any realized and unrealized gain or loss in equity securities, realized gain in debt securities and interest income are included in interest and other income in the consolidated statements of income. There were no other-than-temporary impairment charges for the years ended December 31, 2025, 2024 and 2023.

As of December 31, 2025 and 2024, equity securities and available for sale debt securities consisted primarily of investment funds-debt securities, common stock, preferred stock and stock funds, U.S. Treasury and agency securities, certificates of deposit, corporate debt securities and municipal debt securities.

As of December 31, 2025 and 2024, marketable securities consisted of the following ($ in thousands):

	December 31, 2025		
	Amortized Cost	Gross Unrealized Gain	Carrying Value
Equity securities:			
Investment funds - debt securities	$ 2,677	$ 6	$ 2,683
Common stock, preferred stock and stock funds	48,738	21,736	70,474
Available for sale debt securities:			
U.S. Treasury and agency securities	10,186	103	10,289
Certificates of deposit	5,000	—	5,000
Corporate debt securities	8,954	105	9,059
Municipal debt securities	556	9	565
Total - Marketable securities	$ 76,111	$ 21,959	$ 98,070

	December 31, 2024		
	Amortized Cost	Gross Unrealized Gain (Loss)	Carrying Value
Equity securities:			
Investment funds - debt securities	$ 2,645	$ (67)	$ 2,578
Common stock, preferred stock and stock funds	49,195	18,021	67,216
Total - Marketable securities	$ 51,840	$ 17,954	$ 69,794

(i) Notes Receivable

Notes receivable relate to real estate financing arrangements including mezzanine and bridge loans. Interest is recognized over the life of the note as interest income.

Each note is analyzed to determine if it is impaired. A note is impaired if it is probable that the Company will not collect all contractually due principal and interest. The Company does not accrue interest when a note is considered impaired and an allowance is recorded for any principal and previously accrued interest that are not believed to be collectible. All cash receipts on impaired notes are applied to reduce the principal amount of such notes until the principal has been recovered and, thereafter, are recognized as interest income.

In the normal course of business, the Company originates and holds two types of loans: mezzanine loans issued to entities that are pursuing apartment development and short-term bridge loans issued to joint ventures with the Company.

The Company categorizes development project mezzanine loans into risk categories based on relevant information about the ability of the borrowers to service their debt, such as: current financial information, credit documentation, public information, and previous experience with the borrower. The Company initially analyzes each mezzanine loan individually to classify the credit risk of the loan. On a periodic basis the Company evaluates financial information on the project, its sponsors, and its guarantors and additionally performs site visits of the development projects associated with the mezzanine loans to confirm whether they are on budget and whether there are any delays in development that could impact the Company's assessment of credit loss.

All bridge loans that the Company issues are, by their nature, short-term and meant only to provide time for the Company's joint ventures to obtain long-term funding for newly acquired communities. As the Company is a partner in the joint ventures that are borrowing such funds and has performed a detailed review of each community as part of the acquisition process, there is little to no credit risk associated with such loans. As such, the Company does not review credit quality indicators for bridge loans on an ongoing basis.

The Company estimates the allowance for credit losses for each loan type using relevant available information from internal and external sources, relating to past events, current conditions, and reasonable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses.

Adjustments to historical loss information are made, if necessary, for differences in current loan-specific risk characteristics. For example, in the case of mezzanine loans, adjustments may be made due to differences in track record and experience of the mezzanine loan sponsor as well as the percent of equity that the sponsor has contributed to the project.

(j) Capitalization Policy

The Company capitalizes all direct and certain indirect costs, including interest, employee compensation costs, real estate taxes and insurance, incurred during development and redevelopment activities. Interest is capitalized on real estate assets that require a period of time to get them ready for their intended use. The amount of interest capitalized is based upon the average amount of accumulated development expenditures during the reporting period. Included in capitalized costs are management's estimates of the direct and incremental personnel costs and indirect project costs associated with the Company's development and redevelopment activities. Indirect project costs consist primarily of personnel costs associated with construction administration and development, including accounting, legal fees, and various corporate and community onsite costs that clearly relate to projects under development. Those costs, inclusive of capitalized interest, as well as capitalized development and redevelopment fees totaled $26.2 million, $20.2 million and $19.5 million for the years ended December 31, 2025, 2024 and 2023, respectively. The Company amortizes the capitalized costs over the useful life of the development.

(k) Fair Value of Financial Instruments

The Company values its financial instruments based on the fair value hierarchy of valuation techniques described in the FASB's accounting standard for fair value measurements. Level 1 inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date. Level 2 inputs include quoted prices for similar assets and liabilities in active markets and inputs other than quoted prices observable for the asset or liability. Level 3 inputs are unobservable inputs for the asset or liability. The Company uses Level 1 inputs for the fair values of its cash equivalents and its marketable securities. The Company uses Level 2 inputs for its notes receivable, notes payable, and derivative balances. These inputs include interest rates for similar financial instruments. The Company's valuation methodology for derivatives is described in Note 9, Derivative Instruments and Hedging Activities. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

Management estimates that the carrying amounts of the outstanding balances under its lines of credit, commercial paper and notes and other receivables approximate fair value as of December 31, 2025 and 2024, because interest rates, yields, and other terms for these instruments are consistent with interest rates, yields, and other terms currently available for similar instruments. Management has estimated that the fair value of the Company's fixed rate debt with a carrying value of $5.9 billion and $5.8 billion as of December 31, 2025 and 2024, respectively, was approximately $5.8 billion and $5.5 billion, respectively. Management has estimated that the fair value of the Company's $854.4 million and $752.3 million of variable rate debt as of December 31, 2025 and 2024, respectively, was approximately $853.2 million and $749.4 million, respectively, based on the terms of existing mortgage notes payable, unsecured debt, and lines of credit compared to those available in the marketplace. Management estimates that the carrying amounts of cash and cash equivalents, restricted cash, accounts payable and accrued liabilities, construction payables, other liabilities and dividends payable approximate fair value as of December 31, 2025 and 2024 due to the short-term maturity of these instruments. Marketable securities are carried at fair value as of December 31, 2025 and 2024.

(l) Interest Rate Protection, Swap, and Forward Contracts

The Company uses interest rate swaps, interest rate caps, and total return swap contracts to manage interest rate risks. The Company's objective in using derivatives is to add stability to interest expense and to manage its exposure to interest rate movements or other identified risks. To accomplish this objective, the Company uses interest rate swaps as part of its cash flow hedging strategy.

The Company records all derivatives on its consolidated balance sheets at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative and the resulting designation. Derivatives used to hedge the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Derivatives used to hedge the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges.

For derivatives designated for accounting purposes as fair value hedges, changes in the fair value of the derivative and the hedged item related to the hedged risk are recognized in earnings. For derivatives designated for accounting purposes as cash flow hedges, the effective portion of changes in the fair value of the derivative is initially reported in other comprehensive income (outside of earnings) and subsequently reclassified to earnings when the hedged transaction affects earnings, and the

ineffective portion of changes in the fair value of the derivative is recognized directly in earnings. The Company assesses the initial and ongoing effectiveness of each hedging relationship by comparing the changes in fair value or cash flows of the derivative hedging instrument with the changes in fair value or cash flows of the designated hedged item or transaction. For derivatives not designated for accounting purposes as cash flow hedges, changes in fair value are recognized in earnings. The Company's interest rate swaps are considered cash flow hedges.

(m) Income Taxes

Generally in any year in which Essex qualifies as a real estate investment trust ("REIT") under the Internal Revenue Code of 1986, as amended (the "IRC"), it is not subject to federal income tax on that portion of its income that it distributes to stockholders. No provision for federal income taxes, other than with respect to the taxable REIT subsidiaries discussed below, has been made in the accompanying consolidated financial statements for each of the years in the three-year period ended December 31, 2025 as Essex has elected to be and believes it qualifies under the IRC as a REIT and has made distributions during the periods in amounts to preclude Essex from paying federal income tax.

In order to maintain compliance with REIT tax rules, the Company utilizes taxable REIT subsidiaries for various revenue generating or investment activities. A domestic taxable REIT subsidiary is subject to federal income tax as a regular C corporation. The taxable REIT subsidiaries are consolidated by the Company for financial reporting purposes. In general, the activities and tax related provisions, assets and liabilities are not material.

As a partnership, the Operating Partnership is not subject to federal or state income taxes, except that in order to maintain Essex's compliance with REIT tax rules that are applicable to Essex, the Operating Partnership utilizes taxable REIT subsidiaries for various revenue generating or investment activities. The taxable REIT subsidiaries are consolidated by the Operating Partnership for financial reporting purposes.

Cash dividends on Essex's common stock for the years ended December 31, 2025, 2024 and 2023 were classified for federal income tax purposes as follows:

	Year Ended December 31,		
	2025	2024	2023
Common Stock			
Ordinary income	96.74 %	98.19 %	88.46 %
Capital gain	1.43 %	1.81 %	8.32 %
Unrecaptured section 1250 capital gain	1.83 %	— %	3.22 %
	100.00 %	100.00 %	100.00 %

(n) Equity-based Compensation

The cost of share and unit-based compensation awards is measured at the grant date based on the estimated fair value of the awards. The estimated fair value of stock options and restricted stock granted by the Company are being amortized over the vesting period. The estimated grant date fair values of the long-term incentive plan units (discussed in Note 14, Equity Based Compensation Plans) are being amortized over the expected service periods.

(o) Changes in Accumulated Other Comprehensive Income, Net by Component

Essex Property Trust, Inc.
($ in thousands)

	Change in fair value of derivatives and amortization of swap settlements	Unrealized gain on available for sale debt securities	Total
Balance at December 31, 2024	$ 24,655	$ —	$ 24,655
Other comprehensive (loss) income before reclassification	(23,990)	236	(23,754)
Amounts reclassified from accumulated other comprehensive income	5,172	(26)	5,146
Other comprehensive (loss) income	(18,818)	210	(18,608)
Balance at December 31, 2025	$ 5,837	$ 210	$ 6,047

Essex Portfolio, L.P.
($ in thousands)

	Change in fair value of derivatives and amortization of swap settlements	Unrealized gain on available for sale debt securities	Total
Balance at December 31, 2024	$ 29,429	$ —	$ 29,429
Other comprehensive (loss) income before reclassification	(24,863)	244	(24,619)
Amounts reclassified from accumulated other comprehensive income	5,355	(27)	5,328
Other comprehensive (loss) income	(19,508)	217	(19,291)
Balance at December 31, 2025	$ 9,921	$ 217	$ 10,138

Amounts reclassified from accumulated other comprehensive income, net in connection with derivatives are recorded in interest expense in the consolidated statements of income. Realized gains and losses on available for sale debt securities are included in interest and other income on the consolidated statements of income.

(p) Redeemable Noncontrolling Interest

The carrying value of redeemable noncontrolling interest in the accompanying consolidated balance sheets was $28.3 million and $30.8 million as of December 31, 2025 and 2024, respectively. The limited partners may redeem their noncontrolling interests for cash in certain circumstances.

The changes in the redemption value of redeemable noncontrolling interest for the years ended December 31, 2025, 2024 and 2023 were as follows:

	2025	2024	2023
Balance at January 1,	$ 30,849	$ 32,205	$ 27,150
Reclassifications due to change in redemption value and other	(2,209)	(835)	5,055
Redemptions	(377)	(521)	—
Balance at December 31,	$ 28,263	$ 30,849	$ 32,205

(q) Accounting Estimates

The preparation of consolidated financial statements, in accordance with U.S. GAAP, requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures of contingent assets and liabilities. On an ongoing basis, the Company evaluates its estimates, including those related to acquiring, developing and assessing the carrying values of its real estate portfolio, its investments in and advances to joint ventures and affiliates, its notes receivable, and its qualification as a REIT. The Company bases its estimates on historical experience, current market conditions, and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may vary from those estimates and those estimates could be different under different assumptions or conditions.

(r) Variable Interest Entities

In accordance with accounting standards for consolidation of VIEs, the Company consolidated the Operating Partnership, 18 DownREIT entities (comprising ten communities), and four co-investments as of December 31, 2025. The Company consolidated the Operating Partnership, 18 DownREIT entities (comprising nine communities), and five co-investments as of December 31, 2024. The Company consolidated these entities because it was the primary beneficiary. Essex has no assets or liabilities other than its investment in the Operating Partnership. The consolidated total assets and liabilities related to the above consolidated co-investments and DownREIT entities, net of intercompany eliminations, were $970.6 million and $242.5 million, respectively, as of December 31, 2025, and $893.0 million and $319.1 million, respectively, as of December 31, 2024. Noncontrolling interests in these entities were $101.2 million and $105.1 million as of December 31, 2025 and 2024, respectively. The Company's financial risk in each VIE is limited to its equity investment in the VIE.

The DownREIT VIEs collectively own ten apartment communities in which the Company is the general partner or manager of the DownREIT entity, the Operating Partnership is a special limited partner or member, and the other limited partners or members were granted rights of redemption for their interests. Such limited partners or members can request to be redeemed and the Company, subject to certain restrictions, can elect to redeem their rights for cash or by issuing shares of its common stock on a one share per unit basis. Conversion values will be based on the market value of the Company's common stock at the time of redemption multiplied by the number of units stipulated under various arrangements, as noted above. The other limited partners or members receive distributions based on the Company's current dividend rate multiplied by the number of units held. Total DownREIT units outstanding were 892,572 and 914,505 as of December 31, 2025 and 2024, respectively, and the redemption value of the units, based on the closing price of the Company's common stock totaled $233.6 million and $261.0 million, as of December 31, 2025 and 2024, respectively. The carrying value of redeemable noncontrolling interest in the accompanying balance sheets was $28.3 million and $30.8 million as of December 31, 2025 and 2024, respectively. Of these amounts, $8.9 million and $9.0 million as of December 31, 2025 and 2024, respectively, represent units of limited partners' or members' interests in DownREIT VIEs as to which it is outside of the Company's control to redeem the DownREIT units with Company common stock and may potentially be redeemed for cash, and are presented at either their redemption value or historical cost, depending on the limited partner's or members' right to redeem their units as of the balance sheet date. The carrying value of DownREIT units as to which it is within the control of the Company to redeem the units with its common stock was $96.6 million and $96.9 million as of December 31, 2025 and 2024, and is classified within noncontrolling interests in the accompanying consolidated balance sheets.

Interest holders in VIEs consolidated by the Company are allocated a priority of net income equal to the cash payments made to those interest holders or distributions from cash flow. The remaining results of operations are generally allocated to the Company.

As of December 31, 2025 and 2024, the Company was not deemed to be the primary beneficiary of any other VIEs and did not have any VIEs of which it was not deemed to be the primary beneficiary.

(s) Gain Contingencies

Contingencies, commonly resulting from legal settlements, will periodically arise that may result in a gain. Gain contingencies are typically not recognized in the financial statements until all uncertainties related to the contingency have been resolved. In the case of legal settlements, the Company determines that all uncertainties have been resolved when cash or other consideration has been received by the Company. There were no material gains from legal settlements for the year ended December 31, 2025. For the year ended December 31, 2024, the Company settled two lawsuits related to construction defects at

two communities and received cash recoveries of $42.5 million. For the year ended December 31, 2023, the Company settled a lawsuit related to construction defects at one of its communities and received cash recovery of $7.7 million. The Company determined that all uncertainties were resolved upon receipt of cash and recorded a gain within interest and other income on the consolidated statements of income.

(3) Real Estate Investments

***(a)* Acquisitions of Real Estate Interests**

The table below summarizes acquisition activity for the year ended December 31, 2025 ($ in millions):

Property Name	Location	Date	Apartment Homes	Contract Price at Pro Rata Share
The Plaza	CA	Jan-25	307	$ 161.4
One Hundred Grand	CA	Feb-25	166	105.3 [(1)]
ROEN Menlo Park	CA	Feb-25	146	78.8
Revere Campbell	CA	May-25	168	118.0 [(1)]
The Parc at Pruneyard	CA	May-25	252	122.5
ViO	CA	Sep-25	234	100.0
1250 Lakeside	CA	Nov-25	250	143.5
Total acquisitions			1,523	$ 829.5

(1) One Hundred Grand and Revere Campbell replaced Highridge, an apartment home community owned by DownREIT entities that are consolidated by the Company, within the DownREIT structures of those entities pursuant to the like-kind exchange rules under Section 1031 of the Internal Revenue Code of 1986, as amended (“Section 1031 Exchange”).

The consolidated fair value of the acquisitions listed above was included on the Company’s consolidated balance sheets as follows: $156.1 million addition to land and land improvements, $670.7 million was included in buildings and improvements, and $7.3 million addition to prepaid expenses and other assets.

Acquisition activity for the year ended December 31, 2024 includes 13 apartment communities for a total pro-rata contract price of $849.4 million. The consolidated fair value of the acquisitions was included on the Company’s consolidated balance sheets as follows: $231.6 million addition to land and land improvements, $1,178.0 million was included in buildings and improvements, $9.0 million addition to prepaid expenses and other assets, $26.3 million addition to real estate under development, and $106.0 million addition to mortgage notes payable. A gain on remeasurement of co-investments for $210.6 million was recorded as 10 of the apartment communities were acquired from joint venture partners.

(b) Dispositions of Real Estate Interests

The table below summarizes disposition activity for the year ended December 31, 2025 ($ in millions):

Property Name	Location	Date	Apartment Homes	Sale Price at Pro Rata Share
Highridge	CA	Feb-25	255	$ 127.0 [(1)]
Essex Skyline	CA	Apr-25	350	239.6 [(2)]
The Grand	CA	Jul-25	243	97.5 [(3)]
Fourth & U	CA	Sep-25	171	52.3 [(4)]
Total dispositions			1,019	$ 516.4

(1) Highridge, an apartment home community owned by DownREIT entities that are consolidated by the Company, was replaced by One Hundred Grand and Revere Campbell within the DownREIT structures of those entities pursuant to a Section 1031 Exchange. The Company recognized a $111.0 million gain on sale of real estate and land in the consolidated statements of income. In conjunction with the sale, $69.6 million in debt associated with the property was paid off and the Company recorded a $0.8 million loss on early extinguishment of debt.
(2) The Company recognized a $126.2 million gain on sale of real estate and land in the consolidated statements of income.
(3) The Company recognized a $47.8 million gain on sale of real estate and land in the consolidated statements of income.
(4) The Company recognized a $14.5 million gain on sale of real estate and land in the consolidated statements of income.

For the year ended December 31, 2024, the Company sold its 81.5% interest in a consolidated co-investment, a 697-unit apartment home community, for a contract price of $252.4 million on a gross basis ($205.7 million at pro rata), resulting in a $175.6 million gain on sale of real estate and land in the consolidated statements of income.

For the year ended December 31, 2023, the Company sold an apartment community consisting of 239 apartment homes for $91.7 million, resulting in a gain on sale of $54.5 million. Additionally, the Company sold land that had been held for future development, for $8.7 million and recognized a gain on sale of $4.7 million.

(c) Co-investments

The Company has joint ventures which are accounted for under the equity method. The co-investments' accounting policies are similar to the Company's accounting policies. The co-investments typically own, operate, and develop apartment home communities. The Company also invests in five unconsolidated technology co-investments with an aggregate commitment of $86.0 million as of December 31, 2025 and 2024, respectively. The unconsolidated technology co-investment balance of these investments was $74.7 million and $57.3 million as of December 31, 2025 and 2024, respectively.

In September 2025, Wesco V, LLC, a joint venture in which the Company owns a 50.0% interest, sold one of its apartment home communities named 8th & Republican for a total contract price of $94.9 million. The Company recorded a $5.2 million gain from the sale as equity income from co-investments within the consolidated statements of income.

The carrying values of the Company's co-investments as of December 31, 2025 and 2024 were as follows ($ in thousands, except in parenthetical):

	Weighted Average Essex Ownership Percentage [1]	December 31,	
		2025	2024
Ownership interest in:			
Wesco I, Wesco III, Wesco IV, Wesco V and Wesco VI [2]	54%	$ 73,002	$ 147,232
BEX IV and 500 Folsom	50%	135,518	146,142
Other [2]	53%	95,851	86,089
Total operating and other co-investments, net		304,371	379,463
Total preferred equity co-investments [3] (includes related party investments of $52.8 million and $48.1 million as of December 31, 2025 and 2024, respectively. See Note 6, Related Party Transactions, for further discussion)		227,342	476,278
Total co-investments, net		$ 531,713	$ 855,741

(1) Weighted average Company ownership percentages are as of December 31, 2025.
(2) As of December 31, 2025 and 2024, the Company's investments in Wesco I, Wesco III, Wesco IV, and Expo were classified as a liability of $98.8 million and $79.3 million, respectively, due to distributions received in excess of the Company's investment. The weighted average Essex ownership percentage excludes the Company's investments in non-core technology co-investments which are carried at fair value.
(3) Includes one preferred equity investment held by Wesco VII, LLC.

The combined summarized financial information of co-investments was as follows ($ in thousands):

	December 31,	
	2025	2024
Combined balance sheets: [1]		
Rental properties and real estate under development	$ 3,220,390	$ 4,094,826
Other assets	194,413	277,420
Total assets	$ 3,414,803	$ 4,372,246
Debt	$ 2,412,106	$ 3,001,303
Other liabilities	163,358	235,111
Equity	839,339	1,135,832
Total liabilities and equity	$ 3,414,803	$ 4,372,246

	Year Ended December 31,		
	2025	2024	2023
Combined statements of income: [1]			
Property revenues	$ 332,330	$ 390,850	$ 409,910
Property operating expenses	(124,504)	(154,245)	(158,520)
Net operating income	207,826	236,605	251,390
Gain on sale of real estate	10,378	—	—
Interest expense	(104,097)	(142,601)	(154,038)
General and administrative	(17,237)	(21,157)	(20,594)
Depreciation and amortization	(138,729)	(167,875)	(174,028)
Net loss	$ (41,859)	$ (95,028)	$ (97,270)
Company's share of net income [2]	$ 35,464	$ 48,206	$ 10,561

(1) Includes preferred equity investments held by the Company and excludes investments in technology co-investments.
(2) Includes the Company's share of equity income from joint ventures and preferred equity investments, gain on sales of co-investments, co-investment promote income and income from early redemption of preferred equity investments. Includes related party income of $5.1 million, $4.6 million and $7.6 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Operating Co-investments

As of December 31, 2025 and 2024, the Company, through several co-investments, owned 7,483 and 7,694 apartment homes, respectively, in operating communities. The Company's book value of these co-investments was $304.4 million and $379.5 million as of December 31, 2025 and 2024, respectively.

Predevelopment and Development Co-investments

As of December 31, 2025 and 2024, the Company did not have any projects in unconsolidated predevelopment or development communities.

Preferred Equity Investments

The Company holds preferred equity investment interests in several joint ventures which own real estate. Preferred equity investments are included in the co-investments line in the accompanying consolidated balance sheets. In the event of an acquisition of a controlling interest in a co-investment, the value recorded is determined in accordance with the Company's accounting policy for real estate property acquisitions.

As of December 31, 2025, the Company had 10 preferred equity investments with total commitments of $206.7 million, of which $171.7 million had been funded, with maturities ranging from March 2026 to September 2032, and a weighted average rate of return on the outstanding balances of 10.5%.

In November 2025, the Company repaid an $88.2 million senior mortgage associated with a $79.5 million preferred equity investment in TENTEN Downtown, a 376-unit apartment home community, located in Los Angeles, CA, and concurrently issued a default notice and assumed full managerial control. The community was consolidated on the Company's financial statements with a valuation of $167.7 million.

In July 2025, the Company formed a new joint venture, Wesco VII, LLC ("Wesco VII"), with the State of Wisconsin Investment Board, for the purpose of investing in multifamily real estate projects. Each partner has an initial equity commitment of $50.0 million and holds a 50% ownership interest. The investment is recorded to co-investments in the consolidated balance sheets. Wesco VII subsequently funded a preferred equity investment of $42.6 million in a 480-unit apartment home community development located in California. The investment has an initial preferred return of 13.5% subject to adjustment upon the occurrence of specified events and mandatory redemption in July 2030.

In October 2024, the Company repaid a $72.0 million senior mortgage associated with a $22.7 million preferred equity investment in Artizan, a 241-unit stabilized apartment home community located in Oakland, CA, and subsequently issued a default notice to the third-party sponsor in January 2025, assumed full managerial control and consolidated the property with a valuation of $95.0 million. The Company recorded $0.3 million as a gain on remeasurement of co-investment in the consolidated statements of income.

The Company recorded $12.6 million, $3.7 million and $33.7 million of impairment loss from unconsolidated co-investments for the years ended December 31, 2025, 2024 and 2023, respectively, as a result of an other-than-temporary decrease in the fair value of the underlying real estate investment which is included in the equity income from co-investments line in the accompanying consolidated statements of income. The valuation for the underlying real estate investments was estimated using an income approach valuation technique.

During 2025, the Company received cash proceeds of $186.5 million from the redemption of eight preferred equity co-investments.

During 2024, the Company received cash proceeds of $58.8 million for the full redemption of two preferred equity investments and partial redemption of one preferred equity investment in joint ventures that hold properties located in Washington and California.

(d) Real Estate under Development

The Company defines development projects as new communities that are being constructed, or are newly constructed and are in a phase of lease-up and have not yet reached stabilized operations. The Company's development pipeline is comprised of one consolidated development project and various predevelopment projects.

(4) Revenues

Disaggregated Revenue

The following table presents the Company's revenues disaggregated by revenue source for the periods presented ($ in thousands):

	Year Ended December 31,		
	2025	2024	2023
Rental income	$ 1,850,551	$ 1,735,411	$ 1,636,070
Other property	27,413	28,774	22,194
Management and other fees from affiliates	9,381	10,265	11,131
Total revenues	$ 1,887,345	$ 1,774,450	$ 1,669,395

The following table presents the Company's rental and other property revenues disaggregated by geographic operating segment for the periods presented ($ in thousands):

	Year Ended December 31,		
	2025	2024	2023
Southern California	$ 763,124	$ 714,975	$ 654,422
Northern California	760,821	663,825	628,880
Seattle Metro	313,410	295,002	282,092
Other real estate assets [1]	40,609	90,383	92,870
Total rental and other property revenues	$ 1,877,964	$ 1,764,185	$ 1,658,264

(1) Other real estate assets consist of revenues generated from retail space, commercial properties, held for sale properties, disposition properties and straight-line rent adjustments for concessions. Executive management does not evaluate such operating performance geographically.

The following table presents the Company's rental and other property revenues disaggregated by current property category status for the periods presented ($ in thousands):

	Year Ended December 31,		
	2025	2024	2023
Same-property [1]	$ 1,642,989	$ 1,590,404	$ 1,540,045
Acquisitions [2]	169,002	58,158	1,037
Non-residential/other, net [3]	64,952	115,644	119,725
Straight line rent concessions [4]	1,021	(21)	(2,543)
Total rental and other property revenues	$ 1,877,964	$ 1,764,185	$ 1,658,264

(1) Same-property includes properties that have comparable stabilized results as of January 1, 2024 and are consolidated by the Company for the years ended December 31, 2025, 2024 and 2023. A community is considered to have reached stabilized operations once it achieves an initial occupancy of 90%.
(2) Acquisitions include properties acquired which did not have comparable stabilized results as of January 1, 2024.
(3) Non-residential/other, net consists of revenues generated from retail space, commercial properties, held for sale properties, disposition properties, student housing, properties undergoing significant construction activities that do not meet our redevelopment criteria, and two communities located in the California counties of Santa Barbara and Santa Cruz, which the Company does not consider its core markets.
(4) Represents straight-line concessions for residential operating communities. Same-property revenues reflect concessions on a cash basis. Total rental and other property revenues reflect concessions on a straight-line basis in accordance with U.S. GAAP.

Deferred Revenues and Remaining Performance Obligations

When cash payments are received or due in advance of the Company’s performance of contracts with customers, deferred revenue is recorded. The total deferred revenue balance related to such contracts was $0.2 million and $0.3 million as of December 31, 2025 and 2024, respectively, and was included in accounts payable and accrued liabilities within the consolidated balance sheets. The amount of revenue recognized for the year ended December 31, 2025 that was included in the December 31, 2024 deferred revenue balance was $0.1 million, which was included in rental and other property revenue within the consolidated statements of income.

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer, and is the unit of account in the revenue recognition accounting standard. As of December 31, 2025, the Company had $0.2 million of remaining performance obligations. The Company expects to recognize approximately 74% of these remaining performance obligations in 2026 and the remaining 26% through 2027.

Practical Expedients

The Company does not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less or when variable consideration is allocated entirely to a wholly unsatisfied performance obligation.

(5) Notes and Other Receivables

Notes and other receivables consisted of the following as of December 31, 2025 and 2024 ($ in thousands):

	December 31,	
	2025	2024
Note receivable, secured, bearing interest at 9.00%, due October 2026 (Originated October 2021)	$ 64,193	$ 60,538
Note receivable, secured, bearing interest at 12.00%, due January 2025 (Originated August 2022)	—	3,167
Note receivable, secured, bearing interest at 11.25%, due October 2027 (Originated October 2022)	43,941	39,187
Receivable from preferred equity investment sponsor [(1)]	—	72,002
Other receivables from affiliates [(2)]	5,215	5,646
Straight line rent receivables [(3)]	10,259	9,235
Other receivables	18,538	17,460
Allowance for credit losses	(555)	(529)
Total notes and other receivables	$ 141,591	$ 206,706

(1) In the fourth quarter of 2024, the Company repaid a $72.0 million senior mortgage associated with a preferred equity investment in Artizan, a 241-unit stabilized apartment home community located in Oakland, CA, and subsequently issued a default notice to the third-party sponsor in January 2025, assumed full managerial control and consolidated the property. See Note 3, Real Estate Investments, for additional details.

(2) These amounts consist of short-term loans outstanding and due from various joint ventures as of December 31, 2025 and 2024, respectively. See Note 6, Related Party Transactions, for additional details.

(3) These amounts are receivables from lease concessions recorded on a straight-line basis for the Company’s operating properties.

The following table presents the activity in the allowance for credit losses for notes receivable, secured for the periods presented ($ in thousands):

	Notes Receivable, Secured	
Balance as of December 31, 2022	$	334
Provision for credit losses		353
Balance as of December 31, 2023	$	687
Provision for credit losses		(158)
Balance as of December 31, 2024	$	529
Provision for credit losses		26
Balance as of December 31, 2025	$	555

(6) Related Party Transactions

The Company has adopted written related party transaction guidelines that are intended to cover transactions in which the Company (including entities it controls) is a party and in which any "related person" has a direct or indirect interest. A "related person" means any person who is or was (since the beginning of the last fiscal year) a Company director, director nominee, or executive officer, any beneficial owner of more than 5% of the Company's outstanding common stock, and any immediate family member of any of the foregoing persons. A related person may be considered to have an indirect interest in a transaction if he or she (i) is an owner, director, officer or employee of or otherwise associated with another company that is engaging in a transaction with the Company, or (ii) otherwise, through one or more entities or arrangements, has an indirect financial interest in or personal benefit from the transaction.

The related person transaction review and approval process is intended to determine, among any other relevant issues, the dollar amount involved in the transaction; the nature and value of any related person's direct or indirect interest (if any) in the transaction; and whether or not (i) a related person's interest is material, (ii) the transaction is fair, reasonable, and serves the best interest of the Company and its shareholders, and (iii) whether the transaction or relationship should be entered into, continued or ended.

The Company's Chairman and founder, Mr. George M. Marcus, is the Chairman of the Marcus & Millichap Company ("MMC"), which is a parent company of a diversified group of real estate service, investment, and development firms. Mr. Marcus is also the Chairman of and owns a controlling interest in Marcus & Millichap, Inc. ("MMI"), a national brokerage firm listed on the New York Stock Exchange. For the years ended December 31, 2025, 2024 and 2023, the Company did not pay brokerage commissions related to real estate transactions to MMI and its affiliates.

The Company charges certain fees relating to its co-investments for asset management, property management, development and redevelopment services. These fees from affiliates totaled $9.5 million, $11.1 million, and $12.7 million for the years ended December 31, 2025, 2024 and 2023, respectively. All of these fees are net of intercompany amounts eliminated by the Company. The Company netted development and redevelopment fees of $0.2 million, $0.8 million, and $1.8 million against general and administrative expenses for the years ended December 31, 2025, 2024 and 2023, respectively.

As described in Note 5, Notes and Other Receivables, the Company has provided short-term loans to affiliates. As of December 31, 2025 and 2024, $5.2 million and $5.6 million, respectively, of short-term loans remained outstanding due from joint venture affiliates and are classified within notes and other receivables in the consolidated balance sheets.

In August 2025, the Company funded an $81.2 million related party bridge loan to Wesco I in connection with the payoff of a mortgage related to one of Wesco I's properties located in Southern California. The note receivable accrued interest at 5.50% and was paid off at maturity in December 2025.

In April 2024, the Company funded a $53.6 million related party bridge loan to BEX II in connection with the payoff of a mortgage associated with one of BEX II's properties located in Southern California. The note receivable accrued interest at SOFR plus 1.50% and was scheduled to mature in September 2024. In September 2024, the maturity date of the loan was extended to October 2024 and settled following the purchase of the BEX II portfolio in October 2024.

In August 2022, the Company funded an $11.2 million preferred equity investment in an entity whose sponsor includes an affiliate of MMC. The entity owns three multifamily communities located in Azusa, CA. The investment accrues interest based on a 9.5% preferred return and is scheduled to mature in August 2027.

In February 2019, the Company funded a $24.5 million preferred equity investment in an entity whose sponsor is an affiliate of MMC, which owns a multifamily development community located in Mountain View, CA. The investment initially accrued interest based on an 11.0% preferred return which was reduced to 9.0% upon completion and lease-up of the project. The investment was scheduled to mature in February 2024, but was paid off in December 2023.

In October 2018, the Company funded an $18.6 million preferred equity investment in an entity whose sponsor is an affiliate of MMC. The entity wholly owns a 268-unit apartment home community development located in Burlingame, CA. The investment initially accrued interest based on a 12.0% preferred return which was reduced to 9.0% upon completion and lease-up of the project. In April 2023, the investment's maturity date was extended from April 2024 to May 2026 with the investment accruing interest based on an 11.0% preferred return. In April 2023, the Company received cash of $11.2 million for the partial redemption of this preferred equity investment.

In May 2018, the Company made a commitment to fund a $26.5 million preferred equity investment in an entity whose sponsors include an affiliate of MMC. The entity wholly owns a 400-unit apartment home community located in Ventura, CA. The investment accrued interest based on a 10.25% initial preferred return. The investment was scheduled to mature in May 2023. In November 2021, the Company received cash of $18.3 million for the partial redemption of this preferred equity investment resulting in a remaining total commitment of $13.0 million, and the maturity was extended to December 2028. As of December 31, 2025, $11.0 million of this commitment was funded and the Company accrues interest based on a 9.0% preferred return. The remaining unfunded commitment of $2.0 million expired in November 2024.

(7) Unsecured Debt

Essex does not have indebtedness as debt is incurred by the Operating Partnership. Essex guarantees the Operating Partnership's unsecured debt including the revolving credit facilities for the full term of the facilities.

Unsecured debt consisted of the following as of December 31, 2025 and 2024 ($ in thousands):

	December 31,		Weighted Average Maturity In Years as of December 31, 2025
	2025	2024	
Term loan - variable rate, net	$ 596,668	$ 298,571	4.7
Bonds public offering - fixed rate, net	5,419,253	5,175,217	7.1
Unsecured debt, net [(1)]	6,015,921	5,473,788	
Lines of credit	—	137,945	N/A
Commercial paper	—	—	N/A
Total unsecured debt	$ 6,015,921	$ 5,611,733	
Weighted average interest rate on fixed rate unsecured bonds private placement and bonds public offering	3.7 %	3.4 %	
Weighted average interest rate on variable rate term loan	4.1 %	4.2 %	
Weighted average interest rate on lines of credit	4.8 %	5.7 %	
Weighted average interest rate on commercial paper	— %	N/A	

(1) Includes unamortized discounts, net of premiums, of $3.6 million and unamortized premiums, net of discounts, of $0.1 million and unamortized debt issuance costs of $30.4 million and $26.3 million as of December 31, 2025 and 2024, respectively.

Term loan

In October 2022, the Operating Partnership obtained a $300.0 million unsecured term loan priced at Adjusted SOFR plus 0.85% with an original maturity date of October 2024 with three 12-month extension options, exercisable at the Company's option. In September 2024, the Company exercised its first option, extending the maturity date to October 2025. In October 2025, the Company executed an amendment of its existing $300.0 million unsecured term loan to extend the maturity date from October 2027 to January 2031, inclusive of extension options exercisable at the Company's option. The interest rate was reduced to SOFR plus 0.85% and is swapped to an all-in fixed rate of 4.2% and the swap has a termination date of October 2026.

In May 2025, the Operating Partnership obtained a new $300.0 million unsecured term loan priced at SOFR plus 0.85% which is based on a tiered rate structure tied to the Company's long-term unsecured credit rating with a one-year delayed draw feature. The Company may elect to increase this facility by up to an additional $300.0 million, to an aggregate size of $600.0 million, if the lenders permit. This term loan is scheduled to mature in May 2028, with two one-year extension options, exercisable at the option of the Company. As of December 31, 2025, the Company had drawn $300.0 million on the new term loan facility. The Company has entered into floating-to-fixed interest rate swaps to fix the interest rate for $197.5 million of the new term loan facility to an all-in rate of 4.1%.

Bonds public offering

In December 2025, the Operating Partnership issued $350.0 million of senior unsecured notes due on February 15, 2036 with a coupon rate of 4.875% per annum (the "2036 Notes"), which are payable on February 15 and August 15 of each year, beginning on August 15, 2025. The 2036 Notes were offered to investors at a price of 99.093% of the principal amount. The Company intends to use the net proceeds of this offering to repay upcoming debt maturities, including to fund a portion of the repayment of the Company's $450.0 million aggregate principal amount outstanding of 3.375% senior notes due April 2026, and for other general corporate and working capital purposes, which may include the funding of potential acquisition opportunities. These proceeds initially may be used to fund the repayment of outstanding indebtedness under the Company's commercial paper program and unsecured credit facilities and/or invested in short-term securities. These bonds are included in the line "Bonds public offering-fixed rate" in the table above, and as of December 31, 2025, and 2024, the carrying value of the 2036 Notes, net of discount and debt issuance costs, was $344.0 million and zero, respectively.

In February 2025, the Operating Partnership issued $400.0 million of senior unsecured notes due on April 1, 2035 with a coupon rate of 5.375% per annum (the "2035 Notes"), which are payable on April 1 and October 1 of each year, beginning on October 1, 2025. The 2035 Notes were offered to investors at a price of 99.604% of the principal amount. The Company used the net proceeds of this offering to repay the Company's $500.0 million senior unsecured notes at maturity in April 2025. These bonds are included in the line "Bonds public offering-fixed rate" in the table above, and as of December 31, 2025, and 2024, the carrying value of the 2035 Notes, net of discount and debt issuance costs, was $395.0 million and zero, respectively.

In March 2024, the Operating Partnership issued $350.0 million of senior unsecured notes due on April 1, 2034 with a coupon rate of 5.500% per annum (the "2034 Notes"), which are payable on April 1 and October 1 of each year, beginning on October 1, 2024. The 2034 Notes were offered to investors at a price of 99.752% of the principal amount. In May 2024, the Company repaid its $400.0 million unsecured notes, due May 1, 2024, at maturity. In August 2024, the Operating Partnership issued an additional $200.0 million of the 2034 Notes at a price of 102.871% of the principal amount, plus accrued interest from and including March 2024, up to, but excluding, the settlement date of August 21, 2024, with an effective yield of 5.110% per annum. These bonds are included in the line "Bonds public offering-fixed rate" in the table above, and as of December 31, 2025, and 2024, the carrying value of the 2034 Notes, net of discount and debt issuance costs, was $549.9 million and $549.8 million, respectively.

In June 2021, the Operating Partnership issued $300.0 million of senior unsecured notes due on June 15, 2031 with a coupon rate of 2.550% per annum (the "June 2031 Notes"), which are payable on June 15 and December 15 of each year, beginning on December 15, 2021. The June 2031 Notes were offered to investors at a price of 99.367% of par value. The June 2031 Notes are general unsecured senior obligations of the Operating Partnership, rank equally in right of payment with all other senior unsecured indebtedness of the Operating Partnership and are unconditionally guaranteed by Essex. The Company used the net proceeds of this offering to repay upcoming debt maturities, including to fund the redemption of $300.0 million aggregate principal amount (plus the make-whole amount and accrued and unpaid interest) of its outstanding 3.375% senior unsecured notes due January 2023, and for other general corporate and working capital purposes. These bonds are included in the line "Bonds public offering-fixed rate" in the table above, and as of December 31, 2025, and 2024, the carrying value of the June 2031 Notes, net of discount and debt issuance costs, was $297.6 million and $297.1 million, respectively.

In March 2021, the Operating Partnership issued $450.0 million of senior unsecured notes due on March 1, 2028 with a coupon rate of 1.700% per annum (the "2028 Notes"), which are payable on March 1 and September 1 of each year, beginning on September 1, 2021. The 2028 Notes were offered to investors at a price of 99.423% of par value. The 2028 Notes are general unsecured senior obligations of the Operating Partnership, rank equally in right of payment with all other senior unsecured indebtedness of the Operating Partnership and are unconditionally guaranteed by Essex. The Company used the net proceeds of this offering to repay upcoming debt maturities, including all or a portion of certain unsecured term loans, and for general corporate and working capital purposes. These bonds are included in the line "Bonds public offering-fixed rate" in the table above, and as of December 31, 2025, and 2024, the carrying value of the 2028 Notes, net of discount and debt issuance costs, was $448.2 million and $447.2 million, respectively.

In February 2020, the Operating Partnership issued $500.0 million of senior unsecured notes due on March 15, 2032, with a coupon rate of 2.650% (the "2032 Notes"), which are payable on March 15 and September 15 of each year, beginning on September 15, 2020. The 2032 Notes were offered to investors at a price of 99.628% of par value. The 2032 Notes are general unsecured senior obligations of the Operating Partnership, rank equally in right of payment with all other senior unsecured indebtedness of the Operating Partnership and are unconditionally guaranteed by Essex. The Company used the net proceeds of this offering to repay indebtedness under its unsecured lines of credit, which had been used to fund the buyout of CPPIB's 45.0% joint venture interests, as well as repay $100.3 million of secured debt during the quarter that ended March 31, 2020. In June 2020, the Operating Partnership issued an additional $150.0 million of the 2032 Notes at a price of 105.660% of par value, plus accrued interest from February 2020 up to, but not including, the date of delivery of the additional notes, with an effective yield of 2.093%. These additional notes have substantially identical terms as the 2032 Notes issued in February 2020. The proceeds were used to repay indebtedness under the Company's unsecured credit facilities and for other general corporate and working capital purposes. These bonds are included in the line "Bonds public offering-fixed rate" in the table above, and as of December 31, 2025, and 2024, the carrying value of the 2032 Notes, net of premiums and debt issuance costs, was $650.5 million and $650.6 million, respectively.

In August 2020, the Operating Partnership issued $600.0 million of senior unsecured notes, consisting of $300.0 million aggregate principal amount due on January 15, 2031 with a coupon rate of 1.650% (the "January 2031 Notes") and $300.0 million aggregate principal amount due on September 1, 2050 with a coupon rate of 2.650% (the "2050 Notes" and together with the January 2031 Notes, the "Notes"). The January 2031 Notes were offered to investors at a price of 99.035% of par value and the 2050 Notes at 99.691% of par value. Interest is payable on the January 2031 Notes semiannually on January 15 and July 15 of each year, beginning on January 15, 2021. Interest is payable on the 2050 Notes semiannually on March 1 and September 1 of each year, beginning on March 1, 2021. The Notes are general unsecured senior obligations of the Operating Partnership, rank equally in right of payment with all other senior unsecured indebtedness of the Operating Partnership and are unconditionally guaranteed by Essex. The Company used the net proceeds of this offering to repay debt maturities, including certain unsecured private placement notes, secured mortgage notes, and to fund the redemption of $300.0 million aggregate principal amount of its outstanding 3.625% senior unsecured notes due August 2022, and for other general corporate and working capital purposes. These bonds are included in the line "Bonds public offering-fixed rate" in the table above, the carrying value of the January 2031 Notes and 2050 Notes, net of discount and debt issuance costs was $297.2 million and $296.3 million, respectively as of December 31, 2025, and $296.7 million and $296.1 million, respectively as of December 31, 2024.

In August 2019, the Operating Partnership issued $400.0 million of senior unsecured notes due on January 15, 2030, with a coupon rate of 3.000% per annum (the "2030 Notes"), which are payable on January 15 and July 15 of each year, beginning on January 15, 2020. The 2030 Notes were offered to investors at a price of 98.632% of the principal amount thereof. The 2030 Notes are general unsecured senior obligations of the Operating Partnership, rank equally in right of payment with all other senior unsecured indebtedness of the Operating Partnership and are unconditionally guaranteed by Essex Property Trust, Inc. In October 2019, the Operating Partnership issued an additional $150.0 million of the 2030 Notes at a price of 101.685% of the principal amount thereof. These additional notes have substantially identical terms as the 2030 Notes issued in August 2019. The Company used the net proceeds of these offerings to prepay, with no prepayment penalties, certain secured indebtedness under outstanding mortgage notes, to repay indebtedness under its unsecured lines of credit and for other general corporate and working capital purposes. These bonds are included in the line "Bonds public offering-fixed rate" in the table above, and as of December 31, 2025, and 2024, the carrying value of the 2030 Notes, net of discount and debt issuance costs, was $547.0 million and $546.2 million, respectively.

In February 2019, the Operating Partnership issued $350.0 million of senior unsecured notes due on March 1, 2029, with a coupon rate of 4.000% per annum (the "2029 Notes"), which are payable on March 1 and September 1 of each year, beginning on September 1, 2019. The 2029 Notes were offered to investors at a price of 99.188% of the principal amount thereof. The 2029 Notes are general unsecured senior obligations of the Operating Partnership, rank equally in right of payment with all other senior unsecured indebtedness of the Operating Partnership and are unconditionally guaranteed by Essex Property Trust, Inc. In March 2019, the Operating Partnership issued an additional $150.0 million of the 2029 Notes at a price of 100.717% of the principal amount thereof. These additional notes have substantially identical terms as the 2029 Notes issued in February 2019. The Company used the net proceeds of these offerings to repay indebtedness under its unsecured lines of credit and for other general corporate and working capital purposes. These bonds are included in the line "Bonds public offering-fixed rate" in the table above, and as of December 31, 2025, and 2024, the carrying value of the 2029 Notes, net of discount and debt issuance costs was $498.0 million and $497.3 million, respectively.

In March 2018, the Operating Partnership issued $300.0 million of senior unsecured notes due on March 15, 2048 with a coupon rate of 4.500% per annum and are payable on March 15 and September 15 of each year, beginning on September 15, 2018 (the "2048 Notes"). The 2048 Notes were offered to investors at a price of 99.591% of par value. The 2048 Notes are general unsecured senior obligations of the Operating Partnership, rank equally in right of payment with all other senior unsecured indebtedness of the Operating Partnership and are fully and unconditionally guaranteed by Essex Property Trust, Inc. These bonds are included in the line "Bonds public offering-fixed rate" in the table above, and as of December 31, 2025 and 2024, the carrying value of the 2048 Notes, net of discount and debt issuance costs was $296.5 million and $296.4 million, respectively.

In April 2017, the Operating Partnership issued $350.0 million of senior unsecured notes due on May 1, 2027 with a coupon rate of 3.625% per annum and are payable on May 1 and November 1 of each year, beginning on November 1, 2017 (the "2027 Notes"). The 2027 Notes were offered to investors at a price of 99.423% of par value. The 2027 Notes are general unsecured senior obligations of the Operating Partnership, rank equally in right of payment with all other senior unsecured indebtedness of the Operating Partnership and are fully and unconditionally guaranteed by Essex Property Trust, Inc. These bonds are included in the line "Bonds public offering-fixed rate" in the table above, and as of December 31, 2025 and 2024, the carrying value of the 2027 Notes, net of discount and debt issuance costs was $349.3 million and $348.8 million, respectively.

In April 2016, the Operating Partnership issued $450.0 million of senior unsecured notes due on April 15, 2026 with a coupon rate of 3.375% per annum and are payable on April 15 and October 15 of each year, beginning October 15, 2016 (the "2026 Notes"). The 2026 Notes were offered to investors at a price of 99.386% of par value. The 2026 Notes are general unsecured senior obligations of the Operating Partnership, rank equally in right of payment with all other senior unsecured indebtedness of the Operating Partnership and are fully and unconditionally guaranteed by Essex Property Trust, Inc. These bonds are included in the line "Bonds public offering-fixed rate" in the table above, and as of December 31, 2025 and 2024, the carrying value of the 2026 Notes, net of discount and debt issuance costs was $449.8 million and $449.1 million, respectively.

In March 2015, the Operating Partnership issued $500.0 million of senior unsecured notes due on April 1, 2025 with a coupon rate of 3.5% per annum and are payable on April 1 and October 1 of each year, beginning October 1, 2015 (the "2025 Notes"). The 2025 Notes were offered to investors at a price of 99.747% of par value. The 2025 Notes are general unsecured senior obligations of the Operating Partnership, rank equally in right of payment with all other senior unsecured indebtedness of the Operating Partnership and are fully and unconditionally guaranteed by Essex Property Trust, Inc. In April 2025, the Company

repaid the 2025 Notes at maturity. These bonds are included in the line "Bonds public offering-fixed rate" in the table above, and as of December 31, 2024, the carrying value of the 2025 Notes, net of discount and debt issuance costs was $499.9 million.

In April 2014, the Operating Partnership issued $400.0 million of senior unsecured notes due on May 1, 2024 with a coupon rate of 3.875% per annum and were payable on May 1 and November 1 of each year, beginning November 1, 2014 (the "2024 Notes"). The 2024 Notes were offered to investors at a price of 99.234% of par value. The 2024 Notes were general unsecured senior obligations of the Operating Partnership, ranked equally in right of payment with all other senior unsecured indebtedness of the Operating Partnership and were fully and unconditionally guaranteed by Essex Property Trust, Inc. These bonds are included in the line "Bonds public offering-fixed rate" in the table above. These notes were paid off at maturity, and had no amount outstanding as of December 31, 2025 and 2024, respectively.

The following is a summary of the Company's senior unsecured notes as of December 31, 2025 and 2024 ($ in thousands):

	December 31,		
Maturity	**2025**	**2024**	**Coupon Rate**
April 2025	$ —	$ 500,000	3.500%
April 2026	450,000	450,000	3.375%
May 2027	350,000	350,000	3.625%
March 2028	450,000	450,000	1.700%
March 2029	500,000	500,000	4.000%
January 2030	550,000	550,000	3.000%
January 2031	300,000	300,000	1.650%
June 2031	300,000	300,000	2.550%
March 2032	650,000	650,000	2.650%
April 2034	550,000	550,000	5.500%
April 2035	400,000	—	5.375%
February 2036	350,000	—	4.875%
March 2048	300,000	300,000	4.500%
September 2050	300,000	300,000	2.650%
Total	$ 5,450,000	$ 5,200,000	

The aggregate scheduled principal payments of unsecured debt payable, excluding lines of credit and commercial paper, as of December 31, 2025 were as follows ($ in thousands):

2026	$ 450,000
2027	350,000
2028	450,000
2029	500,000
2030	850,000
Thereafter	3,450,000
Total	$ 6,050,000

Line of credit

As of December 31, 2025, the Company had two unsecured lines of credit aggregating $1.58 billion, including a $1.5 billion unsecured line of credit and a $75.0 million working capital unsecured line of credit. This amount excludes unamortized debt issuance costs of $7.3 million and $6.2 million as of December 31, 2025 and 2024, respectively. These debt issuance costs are included in prepaid expenses and other assets in the consolidated balance sheets.

As of December 31, 2025 and 2024, there was no amount and $75.0 million outstanding on the $1.5 billion unsecured line of credit, respectively. As of December 31, 2025, this credit facility had an interest rate at the SOFR plus 0.775%, which is based on a tiered rate structure tied to the Company's long-term unsecured credit ratings and a scheduled maturity of January 2030 with two six-month extension options, exercisable at the Company's option. In July 2025, the Company amended this revolving credit facility increasing the borrowing capacity from $1.2 billion to $1.5 billion and extended its maturity from January 2029 to January 2030. The Company may elect to increase the facility by up to an additional $1.0 billion, to an aggregate size of $2.5 billion, if the lenders permit.

As of December 31, 2025 and 2024, there was no amount and $62.9 million outstanding on the Company's $75.0 million working capital unsecured line of credit, respectively. As of December 31, 2025, this working capital unsecured line of credit had an interest rate of Adjusted SOFR plus 0.775%, which is based on a tiered rate structure tied to the Company's long-term unsecured credit ratings. Prior to its maturity in July 2024 the line of credit facility was amended such that the line's capacity was increased from $35.0 million to $75.0 million and the scheduled maturity date was extended to July 2026.

The Company's unsecured lines of credit and unsecured debt agreements contain debt covenants related to limitations on indebtedness and liabilities, and maintenance of minimum levels of consolidated earnings before depreciation, interest and amortization. The Company was in compliance with the debt covenants as of December 31, 2025 and 2024.

Commercial paper

In May 2025, the Operating Partnership established an unsecured commercial paper program (the "Commercial Paper Program") to issue unsecured commercial paper notes with varying maturities up to 397 days from the date of issue (the "Notes"). Amounts available under the Commercial Paper Program may be borrowed, repaid and re-borrowed from time to time, with the maximum aggregate face or principal amount outstanding at any one time not exceeding $750.0 million. The Company's $1.5 billion unsecured line of credit facility serves as a liquidity backstop and any issuances under the Commercial Paper Program reduce the available borrowing capacity. The Notes will rank equally in right of payment with all other senior unsecured senior obligations of the Operating Partnership and are unconditionally guaranteed by the Company. The Company expects to use the proceeds of the Notes for general corporate purposes and working capital purposes. As of December 31, 2025, the Company had no amount outstanding on the unsecured commercial paper program. The commercial paper balance excludes unamortized debt issuance of $0.4 million as of December 31, 2025, and are included in prepaid expenses and other assets in the consolidated balance sheets.

(8) Mortgage Notes Payable

Essex does not have any indebtedness as all debt is incurred by the Operating Partnership. Mortgage notes payable consisted of the following as of December 31, 2025 and 2024 ($ in thousands):

	December 31,	
	2025	**2024**
Fixed rate mortgage notes payable	$ 526,662	$ 674,092
Variable rate mortgage notes payable [(1)]	257,686	315,792
Total mortgage notes payable [(2)]	$ 784,348	$ 989,884
Number of properties securing mortgage notes	14	19
Remaining terms	1-21 years	1-22 years
Weighted average interest rate	4.4 %	4.2 %

The aggregate scheduled principal payments of mortgage notes payable as of December 31, 2025 were as follows ($ in thousands):

2026	$	99,405
2027		84,397
2028		68,332
2029		1,456
2030		66,592
Thereafter		466,889
Total	$	787,071

(1) Variable rate mortgage notes payable, including $258.8 million in bonds that have been converted to variable rate through total return swap contracts, consists of multifamily housing mortgage revenue bonds secured by deeds of trust on rental properties and guaranteed by collateral pledge agreements, payable monthly at a variable rate (approximately 3.6% as of December 2025 and 4.2% as of December 2024) including credit enhancement and underwriting fees. Among the terms imposed on the properties, which are security for the bonds, is a requirement that 20% of the apartment homes are subject to tenant income criteria. Once the bonds have been repaid, the properties may no longer be obligated to comply with such tenant income criteria. Principal balances are due in full at various maturity dates from September 2026 through December 2046. In October 2024, the Company assumed $95.0 million of variable rate secured loans as part of its acquisition of its joint venture partner's interests in the BEX II portfolio. The $95.0 million was paid off in September 2025.

(2) Includes total unamortized discount of $0.2 million and reduced by unamortized debt issuance costs of $2.5 million and $2.6 million as of December 31, 2025 and 2024, respectively.

For the Company's mortgage notes payable as of December 31, 2025, monthly interest expense and principal amortization, excluding balloon payments, totaled approximately $3.5 million and $0.2 million, respectively. Repayment of debt before the scheduled maturity date could result in prepayment penalties. The prepayment penalty on the majority of the Company's mortgage notes payable is computed by the greater of (a) 1% of the amount of the principal being prepaid or (b) the present value of the principal being prepaid multiplied by the difference between the interest rate of the mortgage note and the stated yield rate on a U.S. Treasury security which generally has an equivalent remaining term as the mortgage note.

(9) Derivative Instruments and Hedging Activities

The Company uses interest rate swaps, interest rate caps, and total return swap contracts to manage certain interest rate risks. The valuation of these instruments is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves. The fair values of interest rate swaps and total return swaps are determined using the market standard methodology of netting the discounted future fixed cash receipts (or payments) and the discounted expected variable cash payments (or receipts). The variable cash payments (or receipts) are based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves. The Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements.

The Company has two unsecured term loans with an outstanding balance of $600.0 million as of December 31, 2025. The Company has five interest rate swap contracts with an aggregate notional amount of $497.5 million that effectively fixed the interest rate on the $600.0 million unsecured term loans at 4.1%. The Company has two forward starting interest rate contracts with an aggregate notional amount of $150.0 million which will be effective at a future date. These derivatives qualify for hedge accounting.

In April 2025, the Company entered into three interest rate swap contracts related to the $300.0 million unsecured term loan entered into in May 2025. In September 2025, the Company had a $47.5 million interest rate swap related to debt that was paid off and subsequently applied the swap to this term loan.

In September 2022, the Company entered into one interest rate swap, with settlement payments commencing in May 2023, related to the $300.0 million unsecured term loan entered into in October 2022.

In June 2025, the Company entered into a $50.0 million forward starting interest rate swap that effectively fixes $50.0 million of this term loan which will be effective at a future date. In December 2025, the Company entered into a $100.0 million forward starting interest rate swap that effectively fixes $100.0 million of this term loan which will be effective at a future date.

As of December 31, 2025 and 2024, the aggregate carrying value of the interest rate swap contracts was an asset of $2.0 million and $5.5 million, respectively, included in prepaid expenses and other assets in the consolidated balance sheets.

The Company has five total return swap contracts, with an aggregate notional amount of $258.8 million that effectively convert mortgage notes payable to a floating interest rate based on the Securities Industry and Financial Markets Association Municipal Swap Index ("SIFMA") plus a spread. The Company can currently settle all five total return swaps with $258.8 million of the outstanding debt at par. These derivatives do not qualify for hedge accounting and had a carrying and fair value of zero at both December 31, 2025 and 2024, respectively. The Company's total return swaps are scheduled to mature between December 2027 and September 2035. Realized gains of $4.7 million, $3.1 million, and $3.1 million for the years ended December 31, 2025, 2024 and 2023, respectively, were reported in the consolidated statements of income as total return swap income.

(10) Lease Agreements - Company as Lessor

As of December 31, 2025, the Company is a lessor of apartment homes at all of its consolidated operating and lease-up communities, two commercial buildings, and commercial portions of mixed use communities. The apartment homes are rented under short-term leases (generally, lease terms of 9 to 12 months) while commercial lease terms typically range from 5 to 20 years. All such leases are classified as operating leases.

Although the majority of the Company's apartment home and commercial leasing income is derived from fixed lease payments, some lease agreements also allow for variable payments. The primary driver of variable leasing income comes from utility reimbursements from apartment home leases and common area maintenance reimbursements from commercial leases. A small number of commercial leases contain provisions for lease payments based on a percentage of gross retail sales over set hurdles.

At the end of the term of apartment home leases, unless the lessee decides to renew the lease with the Company at the offered rate or gives notice not to renew, the lease will be automatically renewed for a successive, like term up to a maximum of 12 months. Apartment home leases include an option to terminate the lease, however the lessee must pay the Company for expected or actual downtime to find a new tenant to lease the space or a lease-break fee specified in the lease agreement. Most commercial leases include options to renew, with the renewal periods extending the term of the lease for no greater than the same period of time as the original lease term. The commercial lease renewal options are subject to associated increases in rental rates due to market based or fixed prices and certain other conditions. Certain commercial leases contain lease termination options that would require the lessee to pay termination fees based on the expected amount of time it would take the Company to re-lease the space.

The Company's apartment home and commercial lease agreements do not contain residual value guarantees. As the Company is the lessor of real estate assets which tend to either hold their value or appreciate, residual value risk is not deemed to be substantial. Furthermore, the Company carries comprehensive liability, fire, extended coverage, and rental loss insurance for each of its communities as well as limited insurance coverage for certain types of extraordinary losses, such as, for example, losses from terrorism or earthquakes.

A maturity analysis of undiscounted future minimum non-cancelable base rent to be received under the above operating leases as of December 31, 2025 is summarized as follows ($ in thousands):

	Future Minimum Rent
2026	$ 891,434
2027	19,955
2028	16,913
2029	14,034
2030	7,044
Thereafter	16,055
Total	$ 965,435

Practical Expedients

The Company accounts for operating lease (e.g., fixed payments including rent) and non-lease components (e.g., utility reimbursements and common-area maintenance costs) as a single combined lease component under ASC 842 "Leases" as the lease components are the predominant elements of the combined components.

(11) Lease Agreements - Company as Lessee

As of December 31, 2025, the Company is a lessee of corporate office space, ground leases and a parking lease associated with various consolidated properties and equipment. The Company has three office leases with lease expiration dates ranging from 2026 to 2030, and seven ground leases and the parking lease with lease expiration dates ranging from 2027 to 2083. The corporate office leases occasionally contain renewal options of approximately five years while certain ground leases contain renewal options that can extend the lease term from approximately 10 to 39 years.

A majority of the Company's ground leases and the parking lease are subject to changes in the Consumer Price Index ("CPI"). Furthermore, certain of the Company's ground leases include rental payments based on a percentage of gross or net income. While lease liabilities are not remeasured as a result of changes in the CPI or percentage of gross or net income, such changes are treated as variable lease payments and recognized in the period in which the obligation for those payments was incurred.

The Company's lease agreements do not contain any residual value guarantees or restrictive covenants.

Operating lease right-of-use assets and operating lease liabilities are recognized based on the present value of lease payments over the lease term at commencement date. Because most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments.

As of December 31, 2025 and 2024, the Company had no material finance leases.

Supplemental consolidated balance sheet information related to leases as of December 31, 2025 and 2024 was as follows ($ in thousands):

	December 31,	
	2025	2024
Assets		
Operating lease right-of-use assets	$ 50,833	$ 51,556
Total leased assets	$ 50,833	$ 51,556
Liabilities		
Operating lease liabilities	$ 51,487	$ 52,473
Total lease liabilities	$ 51,487	$ 52,473

The components of lease expense for the years ended December 31, 2025, 2024 and 2023 were as follows ($ in thousands):

	Year Ended December 31,		
	2025	2024	2023
Operating lease cost	$ 6,131	$ 6,480	$ 6,789
Variable lease cost	2,069	1,980	1,961
Short-term lease cost	90	183	186
Sublease income	(144)	(560)	(500)
Total lease cost	$ 8,146	$ 8,083	$ 8,436

A maturity analysis of lease liabilities as of December 31, 2025 is as follows ($ in thousands):

	Operating Leases
2026	$ 6,280
2027	3,750
2028	2,765
2029	2,756
2030	2,733
Thereafter	103,678
Total lease payments	$ 121,962
Less: Imputed interest	(70,475)
Present value of lease liabilities	$ 51,487

Lease term and discount rate information for leases as of December 31, 2025 and 2024 was as follows:

	December 31,	
	2025	2024
Weighted-average of remaining lease terms (years)		
Operating Leases	40	41
Weighted-average of discount rates		
Operating Leases	5.08 %	5.04 %

Practical Expedients

Leases with an initial term of 12 months or less are not recorded on the balance sheet. The Company recognizes the lease expense for such leases on a straight-line basis over the lease term.

The Company has elected to account for lease components (e.g., fixed payments including rent) and non-lease components (e.g., common-area maintenance costs) as a single combined lease component as the lease components are the predominant elements of the combined components.

(12) Equity Transactions

At-the-market Equity Program

In August 2024, the Company entered into a new equity distribution agreement pursuant to which the Company may, at its discretion, offer and sell shares of its common stock having an aggregate gross sales price of up to $900.0 million (the "2024 ATM Program"). The Company may also enter into forward sales agreements of its common stock, set the price, and defer receipt of proceeds until a later date. The 2024 ATM Program replaced the prior equity distribution agreement entered into in September 2021 (the "2021 ATM Program"), which was terminated upon the establishment of the 2024 ATM Program.

For the years ended December 31, 2025 and 2024, the Company did not sell any shares of its common stock through the 2024 ATM Program nor the 2021 ATM Program.

During the year ended December 31, 2025, the Company entered into forward sale agreements with certain financial institutions acting as forward purchasers under the 2024 ATM Program with respect to 52,600 shares of common stock at an initial gross weighted average forward price of $314.06 per share, which are to be settled by September 2026. The Company did not enter into any forward sale agreements during the year ended December 31, 2024.

As of December 31, 2025, a total of $900.0 million of shares remain available to be sold under the 2024 ATM Program, pending the settlement of outstanding forward sale agreements.

Operating Partnership Units and Long-Term Incentive Plan ("LTIP") Units

As of December 31, 2025 and 2024, the Operating Partnership had outstanding 2,195,792 and 2,263,756 OP Units respectively. As of December 31, 2025 and 2024 the Operating Partnership had 54,547 and 67,495 vested LTIP units respectively. The Operating Partnership's general partner, Essex, owned 96.6% and 96.5% of the partnership interests in the Operating Partnership as of December 31, 2025 and 2024, respectively, and Essex is responsible for the management of the Operating Partnership's business. As the general partner of the Operating Partnership, Essex effectively controls the ability to issue common stock of Essex upon a limited partner's notice of redemption. Essex has generally acquired OP Units upon a limited partner's notice of redemption in exchange for shares of its common stock. The redemption provisions of OP Units owned by limited partners that permit Essex to settle in either cash or common stock at the option of Essex were further evaluated in accordance with applicable accounting guidance to determine whether temporary or permanent equity classification on the balance sheet is appropriate. The Operating Partnership evaluated this guidance, including the requirement to settle in unregistered shares, and determined that, with few exceptions, these OP Units meet the requirements to qualify for presentation as permanent equity.

LTIP units represent interests in the Operating Partnership for services rendered or to be rendered by the LTIP unitholder in its capacity as a partner, or in anticipation of becoming a partner, in the Operating Partnership. Upon the occurrence of specified events, LTIP units may over time achieve full parity with common units of the Operating Partnership for all purposes. Upon achieving full parity, LTIP units will be exchanged for an equal number of the OP Units.

The collective redemption value of OP Units and LTIP units owned by the limited partners, not including Essex, was $588.9 million and $665.4 million based on the closing price of Essex's common stock as of December 31, 2025 and 2024, respectively.

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In September 2024, as part of the acquisition of its joint venture partner's 50% common equity interest in Century Towers, the Company issued 81,737 OP Units at an agreed upon price of $305 per unit.

(13) Net Income Per Common Share and Net Income Per Common Unit

Essex Property Trust, Inc.

Basic and diluted income per share was calculated as follows ($ in thousands, except per share amounts):

	Year Ended December 31,								
	2025			2024			2023		
	Income	Weighted-average Common Shares	Per Common Share Amount	Income	Weighted-average Common Shares	Per Common Share Amount	Income	Weighted-average Common Shares	Per Common Share Amount
Basic:									
Net income available to common stockholders	$ 669,666	64,379,418	$ 10.40	$ 741,522	64,228,356	$ 11.55	$ 405,825	64,252,232	$ 6.32
Effect of dilutive securities									
Stock options	—	20,041		—	22,878		—	1,153	
Diluted:									
Net income available to common stockholders	$ 669,666	64,399,459	$ 10.40	$ 741,522	64,251,234	$ 11.54	$ 405,825	64,253,385	$ 6.32

The table above excludes from the calculations of diluted earnings per share weighted average convertible OP Units of 2,270,190, 2,282,675 and 2,261,071, which include vested 2014 Long-Term Incentive Plan Units and 2015 Long-Term Incentive Plan Units, for the years ended December 31, 2025, 2024 and 2023, respectively, because they were anti-dilutive. The related income allocated to these convertible OP Units aggregated $23.6 million, $26.4 million and $14.3 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Stock options of 253,048, 265,378, and 508,276 for the years ended December 31, 2025, 2024 and 2023, respectively, were excluded from the calculation of diluted earnings per share because the assumed proceeds per share of such options plus the average unearned compensation were greater than the average market price of the common stock for those years ended and, therefore, were anti-dilutive.

Essex Portfolio, L.P.

Basic and diluted income per unit was calculated as follows ($ in thousands, except per unit amounts):

	Year Ended December 31,								
	2025			2024			2023		
	Income	Weighted-average Common Units	Per Common Unit Amount	Income	Weighted-average Common Units	Per Common Unit Amount	Income	Weighted-average Common Units	Per Common Unit Amount
Basic:									
Net income available to common unitholders	$ 693,315	66,649,608	$ 10.40	$ 767,936	66,511,030	$ 11.55	$ 420,109	66,513,303	$ 6.32
Effect of dilutive securities									
Stock options	—	20,041		—	22,878		—	1,153	
Diluted:									
Net income available to common unitholders	$ 693,315	66,669,649	$ 10.40	$ 767,936	66,533,908	$ 11.54	$ 420,109	66,514,456	$ 6.32

Stock options of 253,048, 265,378, and 508,276, for the years ended December 31, 2025, 2024 and 2023, respectively, were excluded from the calculation of diluted earnings per unit because the assumed proceeds per unit of these options plus the average unearned compensation were greater than the average market price of the common unit for those years ended and, therefore, were anti-dilutive.

(14) Equity Based Compensation Plans

2018 Plan

In May 2018, stockholders approved the Company's 2018 Stock Award and Incentive Compensation Plan ("2018 Plan"). The 2018 Plan serves as the successor to the Company's 2013 Stock Incentive Plan (the "2013 Plan") with administration authority granted to the Company's Compensation Committee. The Company's 2018 Plan provides incentives to attract and retain officers, directors and key employees. The 2018 Plan provides for the grant of stock-based awards to employees, directors and consultants of the Company and its affiliates. The aggregate number of shares of common stock available for issuance pursuant to awards granted under the 2018 Plan is 2,000,000 shares, plus the number of shares authorized for grants and available for issuance under the 2013 Plan as of the effective date of the 2018 Plan and the number of shares subject to outstanding awards under the 2013 Plan that are forfeited or otherwise not issued under such awards. No further awards will be granted under the 2013 Plan and the shares that remained available for future issuance under the 2013 Plan as of the effective date of the 2018 Plan will be available for issuance under the 2018 Plan.

Costs for stock options and restricted stock awards under the fair value method totaled $10.2 million, $7.7 million, and $12.1 million for years ended December 31, 2025, 2024 and 2023, respectively. For the year ended December 31, 2023, costs included $3.5 million related to restricted stock awards for bonuses awarded based on asset dispositions, which is recorded as a cost of real estate and land sold, respectively. Stock-based compensation expense from stock options and restricted stock awards issued to recipients who are direct and incremental to projects under development were capitalized and totaled $0.6 million, $0.5 million, and $0.6 million for the years ended December 31, 2025, 2024 and 2023, respectively. The intrinsic value of stock options exercised totaled $3.5 million, $4.5 million, and zero, for the years ended December 31, 2025, 2024 and 2023 respectively. The intrinsic value of stock options exercisable totaled $2.8 million and $9.5 million as of December 31, 2025 and 2024, respectively.

Restricted stock awards

The Company estimates the fair value of certain restricted stock awards on the grant date using a Monte Carlo simulation based upon total shareholder return metrics, the trailing 20-day average stock price, dividend yields and expected volatility rates. Stock-based compensation expense for restricted stock awards having performance-based conditions is recognized over the requisite service period when the conditions become probable of achievement. Service-based conditions include vesting periods of three years or less and are forfeited if required conditions are not met.

The following table summarizes information about the Company's restricted stock awards:

	Year Ended December 31,					
	2025		2024		2023	
	Shares	Weighted-average grant date fair value	Shares	Weighted-average grant date fair value	Shares	Weighted-average grant date fair value
Unvested at beginning of year	101,929	$ 211.27	101,701	$ 197.22	182,915	$ 222.90
Granted	57,550	260.90	52,300	212.02	2,315	220.40
Vested	(61,477)	218.50	(24,002)	187.32	(37,075)	247.07
Forfeited and canceled	(2,855)	235.94	(28,070)	182.25	(46,454)	259.71
Unvested at end of year	95,147	$ 235.88	101,929	$ 211.27	101,701	$ 197.22

The unrecognized compensation cost related to unvested restricted stock totaled $15.4 million as of December 31, 2025 and is expected to be recognized over a period of 1.7 years.

Stock option awards

The Company estimates the fair value of stock option grants on the date of grant using the Black-Scholes option pricing model. The assumptions used in calculating the fair value of stock-based awards represent management's best estimates and involve inherent uncertainties and the application of management's judgment. Stock options are granted with an exercise price not less than 100% of the estimated fair value of the shares on the date of grant and generally have a contractual life of 10 years. Awards subject to service-based conditions include vesting periods of three years or less and are forfeited if required conditions are not met.

There were no unrecognized compensation costs and all stock options were vested as of December 31, 2025. No stock options were granted during the years ended December 31, 2025 and 2024.

The average fair value of stock options granted for the year ended December 31, 2023 was $21.24. Stock options granted in 2023 include a $100 cap on the appreciation of the market price over the exercise price. Stock options have the following weighted average assumptions:

	2025	2024	2023
Stock price	$ —	$ —	$ 216.31
Risk-free interest rates	—	—	4.06 %
Expected lives	—	—	6 years
Volatility	—	—	36.00 %
Dividend yield	—	—	3.30 %

The following table summarizes information about the Company's stock options:

	Year Ended December 31,					
	2025		2024		2023	
	Options	Weighted-average exercise price	Options	Weighted-average exercise price	Options	Weighted-average exercise price
Outstanding at beginning of year	471,383	$ 280.11	530,812	$ 273.51	487,446	$ 279.46
Granted	—	—	—	—	49,908	216.31
Exercised	(41,408)	215.65	(56,304)	218.68	—	—
Forfeited and canceled	(10,286)	327.52	(3,125)	266.21	(6,542)	280.21
Outstanding at end of year	419,689	$ 285.31	471,383	$ 280.11	530,812	$ 273.51
Exercisable at year end	419,689	$ 285.31	453,240	$ 282.73	417,739	$ 282.30

Long-Term Incentive Plans

2015 Plan

In December 2014, the Operating Partnership issued 2015 Long-Term Incentive Plan award units to executives of the Company. The awards are subject to forfeiture based on performance-based and service-based conditions. The awards that are subject to vesting, vested at 20% per year on each of the first five anniversaries of the initial grant date. The performance conditions measurement ended in December 2015 with unearned awards automatically forfeit. Additional awards were granted subject only to performance-based criteria and were fully vested on the date granted. Awards are convertible one-for-one into OP Units which, in turn, are convertible into common stock of the Company.

The estimated fair value of the awards was determined on the grant date using Monte Carlo simulations under a risk-neutral premise and considered the Company's stock price on the date of grant, unpaid dividends on unvested awards and a discount factor for ten years of illiquidity.

2014 Plan

In December 2013, the Operating Partnership issued 2014 Long-Term Incentive Plan award units to executives of the Company. The awards are subject to forfeiture based on performance-based and service-based conditions. The awards vested at 25% per year on each of the first four anniversaries of the initial grant date. In December 2014, the Company achieved the performance criteria and all of the performance-based awards were earned by the recipients, subject to satisfaction of service-based vesting conditions. Awards are convertible one-for-one into OP Units which, in turn, are convertible into common stock of the Company.

The estimated fair value of the awards was determined on the grant date using Monte Carlo simulations under a risk-neutral premise and considered the Company's stock price on the date of grant, unpaid dividends on unvested awards and a discount factor for ten years of illiquidity.

The following table summarizes information about the Company's 2015 and 2014 LTIP awards:

	Total Vested and Outstanding Units	Weighted-average Grant-date Fair Value
Balance as of December 31, 2023	97,637	$ 86.16
Converted	(30,142)	
Balance as of December 31, 2024	67,495	$ 85.80
Converted	(12,948)	
Balance as of December 31, 2025	54,547	$ 85.60

There was no equity-based compensation costs and total unrecognized compensation costs for the 2015 and 2014 Plan awards for the years ended December 31, 2025, 2024 and 2023. The intrinsic value of vested awards totaled $14.3 million as of December 31, 2025.

(15) Segment Information

The Company's segment disclosures present the measure used by the chief operating decision maker ("CODM") for purposes of assessing each segment's performance. The Company's CODM is a group comprised of its Chief Executive Officer, Chief Financial Officer, Chief Administrative Officer, and Chief Investment Officer, who use net operating income ("NOI") to assess the performance of the business for the Company's reportable operating segments. NOI represents total property revenues less direct property operating expenses.

The CODM evaluates the Company's operating performance geographically. The Company defines its reportable operating segments as the three geographical regions in which its communities are located: Southern California, Northern California and Seattle Metro.

Excluded from segment revenues and NOI are management and other fees from affiliates and interest and other income (loss). Other real estate assets revenues, property operating expenses, including real estate taxes, and NOI included in the following schedule consist of revenues generated from retail space, commercial properties, held for sale properties, disposition properties and straight-line adjustments for concessions. Executive management does not evaluate such operating performance geographically. Other non-segment assets include items such as real estate under development, co-investments, real estate held for sale, cash and cash equivalents, marketable securities, notes and other receivables, and prepaid expenses and other assets.

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The revenues and NOI for each of the reportable operating segments are summarized as follows for the years ended December 31, 2025, 2024 and 2023 ($ in thousands):

	Year Ended December 31,								
	2025			2024			2023		
	Rental and other property revenue	Property operating expenses, including real estate taxes	Net operating income	Rental and other property revenue	Property operating expenses, including real estate taxes	Net operating income	Rental and other property revenue	Property operating expenses, including real estate taxes	Net operating income
Southern California	$ 763,124	$ 225,015	$ 538,109	$ 714,975	$ 208,380	$ 506,595	$ 654,422	$ 190,897	$ 463,525
Northern California	760,821	235,979	524,842	663,825	202,059	461,766	628,880	188,041	440,839
Seattle Metro	313,410	90,967	222,443	295,002	87,558	207,444	282,092	81,334	200,758
Other real estate assets	40,609	7,025	33,584	90,383	23,539	66,844	92,870	27,486	65,384
Total	$1,877,964	$ 558,986	$1,318,978	$1,764,185	$ 521,536	$1,242,649	$1,658,264	$ 487,758	$1,170,506

	2025	2024	2023
Total net operating income	$1,318,978	$1,242,649	$1,170,506
Management and other fees from affiliates	9,381	10,265	11,131
Corporate-level property management expenses	(49,052)	(46,208)	(43,593)
Depreciation and amortization	(607,542)	(580,220)	(548,438)
General and administrative	(71,948)	(98,902)	(63,474)
Expensed acquisition and investment related costs	(25)	(72)	(595)
Casualty loss	—	—	(433)
Gain on sale of real estate and land	299,524	175,583	59,238
Interest expense	(258,404)	(235,529)	(212,905)
Total return swap income	4,729	3,099	3,148
Interest and other income	20,004	80,951	46,259
Equity income from co-investments	35,464	48,206	10,561
Tax benefit (expense) on unconsolidated co-investments	2,096	929	(697)
Loss on early retirement of debt	(762)	—	—
Gain on remeasurement of co-investment	330	210,555	—
Net income	$ 702,773	$ 811,306	$ 430,708

Total assets for each of the reportable operating segments as of December 31, 2025 and 2024 are summarized as follows ($ in thousands):

	December 31,	
	2025	2024
Assets:		
Southern California	$ 4,194,554	$ 4,162,462
Northern California	6,136,977	5,414,689
Seattle Metro	1,412,405	1,460,865
Other real estate assets [1]	160,646	400,884
Net reportable operating segments - real estate assets	11,904,582	11,438,900
Real estate under development	157,122	52,682
Co-investments	630,550	935,014
Cash and cash equivalents, including restricted cash	85,586	75,846
Marketable securities	98,070	69,794
Notes and other receivables	141,591	206,706
Operating lease right-of-use assets	50,833	51,556
Prepaid expenses and other assets	90,675	96,861
Total assets	$ 13,159,009	$ 12,927,359

[1] Includes retail space, commercial properties, held for sale properties and disposition properties.

(16) 401(k) Plan

The Company has a 401(k) benefit plan (the "Plan") for all eligible employees. Employee contributions are limited by the maximum allowed under Section 401(k) of the IRC. The Company matches 50% of the employee contributions up to a specified maximum. Company contributions to the Plan were $4.0 million, $3.8 million, and $3.8 million for the years ended December 31, 2025, 2024 and 2023, respectively.

(17) Commitments and Contingencies

The Company's total minimum lease payment commitments, underground leases, parking leases, and operating leases are disclosed in Note 11, Lease Agreements - Company as Lessee.

To the extent that an environmental matter arises or is identified in the future that has other than a remote risk of having a material impact on the financial statements, the Company will disclose the estimated range of possible outcomes associated with it and, if an outcome is probable, accrue an appropriate liability for that matter. The Company will consider whether any such matter results in an impairment of value on the affected property and, if so, the impairment will be recognized.

The Company cannot determine the magnitude of any potential liability to which it may be subject arising out of unknown environmental conditions with respect to the communities currently or formerly owned by the Company. No assurance can be given that: existing environmental assessments conducted with respect to any of these communities have revealed all environmental conditions or potential liabilities associated with such conditions; any prior owner or operator of a property did not create any material environmental condition not known to the Company; or a material unknown environmental condition does not otherwise exist as to any one or more of the communities. The Company has limited insurance coverage for some of the types of environmental conditions and associated liabilities described above.

The Company has entered into transactions that may require the Company to pay the tax liabilities of the partners or members in the Operating Partnership or in the DownREIT entities. These transactions are within the Company's control. Although the Company intends to hold the contributed assets or defer recognition of gain on their sale pursuant to like-kind exchange rules under Section 1031 of the IRC, if the Company were to sell the contributed assets, the tax liabilities incurred may have a material impact on the Company's financial position.

There continue to be lawsuits against owners and managers of certain of the Company's apartment communities alleging personal injury and property damage caused by the presence of mold in the residential units and common areas of those communities. Some of these lawsuits have resulted in substantial monetary judgments or settlements in the past. The Company has been sued for mold related matters and has settled some, but not all, of such suits. Insurance carriers have reacted to the increase in mold related liability awards by excluding mold related claims from standard general liability policies and pricing mold endorsements at prohibitively high rates. The Company has, however, purchased pollution liability insurance which includes coverage for some mold claims. The Company has also adopted policies intended to promptly address and resolve reports of mold and to minimize any impact mold might have on tenants of its properties. The Company believes its mold policies and proactive response to address reported mold exposures reduces its risk of loss from mold claims. While no assurances can be given that the Company has identified and responded to all mold occurrences, the Company promptly addresses and responds to all known mold reports. Liabilities resulting from such mold related matters are not expected to have a material adverse effect on the Company's financial condition, results of operations or cash flows. As of December 31, 2025, potential liabilities for mold and other environmental liabilities are not quantifiable and an estimate of possible loss cannot be made.

The Company carries comprehensive liability, fire, extended coverage and rental loss insurance for each of the communities. There are, however, certain types of extraordinary losses, such as, for example, losses from terrorism or earthquakes, for which the Company has limited insurance coverage. Substantially all of the communities are located in areas that are subject to earthquake activity. The Company has established a wholly-owned insurance subsidiary, Pacific Western Insurance LLC ("PWI"). Through PWI, the Company is self-insured for earthquake related losses for certain properties. Additionally, PWI provides property and casualty insurance coverage for the first $5.0 million of the Company's property level insurance claims per incident. As of December 31, 2025, PWI had cash and marketable securities of $106.7 million. These assets were consolidated in the Company's financial statements. For all remaining consolidated properties and selected assets with the Company's co-investments, the Company has obtained limited third party seismic insurance.

A number of purported class actions were filed against RealPage, Inc., a seller of revenue management software, and various lessors of multifamily housing which utilize this software, including the Company. The complaints allege collusion among defendants to artificially increase rents of multifamily residential real estate above competitive levels. The Company is vigorously defending against these lawsuits. The Company is unable to predict the outcome or estimate the amount of loss, if any, that may result from such matters. The Company is also subject to various other legal and/or regulatory proceedings arising in the normal course of its business operations. The Company believes that, with respect to such matters that it is currently a party to, the ultimate disposition of any such matter will not result in a material adverse effect on the Company's financial condition, results of operations or cash flows. To the extent that such a matter arises or is identified in the future and the Company believes it will have a material impact on the consolidated financial statements, the Company will disclose the estimated range of possible outcomes associated with it, and, if an outcome is probable, accrue an appropriate liability for that matter. The Company will consider whether any such matter results in an impairment of value on the affected property and, if so, impairment will be recognized.

(18) Subsequent Events

The Company has evaluated subsequent events through the filing of this Form 10-K, and determined that there have been no events that have occurred that would require adjustments to our disclosures in the consolidated financial statements.

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($ in thousands)

				Initial cost		Costs capitalized subsequent to acquisition	Gross amount carried at close of period						
Property	Apartment Homes	Location	Encumbrance	Land	Buildings and improvements		Land and improvements	Buildings and improvements	Total [1]	Accumulated depreciation	Date of construction	Date acquired	Lives (years)
Encumbered communities													
101 San Fernando	323	San Jose, CA	$ 37,681	$ 4,173	$ 58,961	$ 23,239	$ 4,173	$ 82,200	$ 86,373	$ (47,536)	2001	Jul-10	3-30
Belmont Station	275	Los Angeles, CA	29,361	8,100	66,666	11,984	8,267	78,483	86,750	(48,159)	2009	Mar-09	3-30
Brio	300	Walnut Creek, CA	64,860	16,885	151,741	5,796	16,885	157,537	174,422	(38,823)	2015	Jun-19	3-30
Fountain Park	705	Playa Vista, CA	83,135	25,073	94,980	50,647	25,203	145,497	170,700	(109,028)	2002	Feb-04	3-30
Lawrence Station	336	Sunnyvale, CA	76,925	45,532	106,735	8,367	45,532	115,102	160,634	(51,465)	2012	Apr-14	5-30
Magnolia Square/Magnolia Lane [2]	188	Sunnyvale, CA	52,465	8,190	24,736	20,412	8,191	45,147	53,338	(33,965)	1963	Sep-07	3-30
Marquis	166	San Jose, CA	45,601	20,495	47,823	3,731	20,495	51,554	72,049	(12,731)	2015	Dec-18	3-30
Paragon	301	Fremont, CA	59,232	32,230	77,320	7,552	32,230	84,872	117,102	(33,369)	2013	Jul-14	3-30
Sage at Cupertino	230	San Jose, CA	51,917	35,719	53,449	17,222	35,719	70,671	106,390	(26,859)	1971	Mar-17	3-30
The Barkley [3]	161	Anaheim, CA	14,958	—	8,520	10,294	2,353	16,461	18,814	(14,676)	1984	Apr-00	3-30
The Commons	264	Campbell, CA	57,765	12,555	29,307	14,675	12,556	43,981	56,537	(26,334)	1973	Jul-10	3-30
The Dylan	184	West Hollywood, CA	56,286	19,984	82,286	7,322	19,990	89,602	109,592	(33,847)	2015	Mar-15	3-30
The Galloway	506	Pleasanton, CA	102,939	32,966	184,499	10,840	32,966	195,339	228,305	(42,736)	2016	Jan-20	3-30
The Huxley	187	West Hollywood, CA	51,222	19,362	75,641	8,466	19,371	84,098	103,469	(31,925)	2014	Mar-15	3-30
	4,126		$ 784,347	$ 281,264	$ 1,062,664	$ 200,547	$ 283,931	$ 1,260,544	$ 1,544,475	$ (551,453)			
Unencumbered Communities													
1250 Lakeside	250	Sunnyvale, CA	$ —	$ 15,104	$ 128,290	$ 8	$ 15,104	$ 128,298	$ 143,402	$ (555)	2021	Nov-25	3-30
Agora	49	Walnut Creek, CA	—	4,932	60,423	3,391	4,934	63,812	68,746	(13,274)	2016	Jan-20	3-30
Alessio	624	Los Angeles, CA	—	32,136	128,543	28,316	32,136	156,859	188,995	(71,301)	2001	Apr-14	5-30
Allegro	97	Valley Village, CA	—	5,869	23,977	4,543	5,869	28,520	34,389	(16,423)	2010	Oct-10	3-30
Allure at Scripps Ranch	194	San Diego, CA	—	11,923	47,690	7,043	11,923	54,733	66,656	(22,720)	2002	Apr-14	5-30
Alpine Village	301	Alpine, CA	—	4,967	19,728	18,911	4,982	38,624	43,606	(27,056)	1971	Dec-02	3-30
Annaliese	56	Seattle, WA	—	4,727	14,229	1,365	4,726	15,595	20,321	(7,121)	2009	Jan-13	3-30
Apex	367	Milpitas, CA	—	44,240	103,251	14,518	44,240	117,769	162,009	(47,685)	2014	Aug-14	3-30
Aqua Marina Del Rey	500	Marina Del Rey, CA	—	58,442	175,326	30,058	58,442	205,384	263,826	(91,041)	2001	Apr-14	5-30
ARLO Mountain View	164	Mountain View, CA	—	19,918	80,377	778	19,918	81,155	101,073	(4,709)	2018	May-24	3-30
Artizan	241	Oakland, CA	—	12,560	81,356	—	12,560	81,356	93,916	(2,746)	2022	Jan-25	3-30
Ascent	90	Kirkland, WA	—	3,924	11,862	4,240	3,924	16,102	20,026	(8,304)	1988	Oct-12	3-30
Ashton Sherman Village	264	Los Angeles, CA	—	23,550	93,811	5,933	23,550	99,744	123,294	(31,630)	2014	Dec-16	3-30
Avant	443	Los Angeles, CA	—	32,379	137,940	14,138	32,379	152,078	184,457	(54,402)	2014	Jun-15	3-30

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Real Estate and Accumulated Depreciation
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($ in thousands)

				Initial cost		Costs capitalized subsequent to acquisition	Gross amount carried at close of period						
Property	Apartment Homes	Location	Encumbrance	Land	Buildings and improvements		Land and improvements	Buildings and improvements	Total [1]	Accumulated depreciation	Date of construction	Date acquired	Lives (years)
Avenue 64	224	Emeryville, CA	—	27,235	64,403	19,769	27,235	84,172	111,407	(34,930)	2007	Apr-14	5-30
Aviara [4]	166	Mercer Island, WA	—	—	49,813	3,874	—	53,687	53,687	(23,265)	2013	Apr-14	5-30
Avondale at Warner Center	446	Woodland Hills, CA	—	10,536	24,522	36,827	10,601	61,284	71,885	(49,756)	1970	Jan-99	3-30
Beaumont	344	Woodinville, WA	—	22,101	113,737	1,200	22,101	114,937	137,038	(4,221)	2009	Nov-24	3-30
Bel Air	462	San Ramon, CA	—	12,105	18,252	54,136	12,682	71,811	84,493	(60,381)	1988	Jan-95	3-30
Belcarra	296	Bellevue, WA	—	21,725	92,091	9,120	21,725	101,211	122,936	(42,200)	2009	Apr-14	5-30
Bella Villagio	231	San Jose, CA	—	17,247	40,343	12,577	17,247	52,920	70,167	(27,614)	2004	Sep-10	3-30
BellCentre	249	Bellevue, WA	—	16,197	67,207	8,749	16,197	75,956	92,153	(33,591)	2001	Apr-14	5-30
Bellerive	63	Los Angeles, CA	—	5,401	21,803	2,272	5,401	24,075	29,476	(12,649)	2011	Aug-11	3-30
Belmont Terrace	71	Belmont, CA	—	4,446	10,290	9,433	4,473	19,696	24,169	(14,459)	1974	Oct-06	3-30
Bennett Lofts	178	San Francisco, CA	—	21,771	50,800	36,359	28,371	80,559	108,930	(40,548)	2004	Dec-12	3-30
Bernardo Crest	218	San Diego, CA	—	10,802	43,209	11,183	10,802	54,392	65,194	(24,327)	1988	Apr-14	5-30
Bonita Cedars	120	Bonita, CA	—	2,496	9,913	9,062	2,503	18,968	21,471	(14,016)	1983	Dec-02	3-30
Bothell Ridge	214	Bothell, WA	—	7,440	48,321	3,176	7,440	51,497	58,937	(3,323)	1988	Mar-24	3-30
Boulevard	172	Fremont, CA	—	3,520	8,182	18,054	3,580	26,176	29,756	(23,476)	1978	Jan-96	3-30
Brookside Oaks	170	Sunnyvale, CA	—	7,301	16,310	30,763	10,328	44,046	54,374	(34,764)	1973	Jun-00	3-30
Bridle Trails	108	Kirkland, WA	—	1,500	5,930	8,218	1,531	14,117	15,648	(12,002)	1986	Oct-97	3-30
Bridgeport	184	Newark, CA	—	11,825	52,268	507	11,825	52,775	64,600	(2,257)	1987	Oct-24	3-30
Brighton Ridge	264	Renton, WA	—	2,623	10,800	12,886	2,656	23,653	26,309	(19,098)	1986	Dec-96	3-30
Bristol Commons	188	Sunnyvale, CA	—	5,278	11,853	13,548	5,293	25,386	30,679	(22,492)	1989	Jan-95	3-30
Camarillo Oaks	564	Camarillo, CA	—	10,953	25,254	14,334	11,075	39,466	50,541	(34,938)	1985	Jul-96	3-30
Cambridge Park	320	San Diego, CA	—	18,185	72,739	9,555	18,185	82,294	100,479	(35,042)	1998	Apr-14	5-30
Camino Ruiz Square	160	Camarillo, CA	—	6,871	26,119	4,427	6,931	30,486	37,417	(19,561)	1990	Dec-06	3-30
Canvas	123	Seattle, WA	—	10,489	36,924	1,913	10,489	38,837	49,326	(5,773)	2014	Dec-21	3-30
Canyon Oaks	250	San Ramon, CA	—	19,088	44,473	15,441	19,088	59,914	79,002	(35,642)	2005	May-07	3-30
Canyon Pointe	250	Bothell, WA	—	4,692	18,288	13,218	4,693	31,505	36,198	(23,951)	1990	Oct-03	3-30
Capri at Sunny Hills	102	Fullerton, CA	—	3,337	13,320	13,897	4,048	26,506	30,554	(20,441)	1961	Sep-01	3-30
Carmel Creek	348	San Diego, CA	—	26,842	107,368	16,563	26,842	123,931	150,773	(52,929)	2000	Apr-14	5-30
Carmel Landing	356	San Diego, CA	—	16,725	66,901	21,464	16,725	88,365	105,090	(40,328)	1989	Apr-14	5-30
Carmel Summit	248	San Diego, CA	—	14,968	59,871	12,291	14,968	72,162	87,130	(31,030)	1989	Apr-14	5-30
Castle Creek	216	Newcastle, WA	—	4,149	16,028	9,075	4,833	24,419	29,252	(22,039)	1998	Dec-98	3-30
Catalina Gardens	128	Los Angeles, CA	—	6,714	26,856	5,639	6,714	32,495	39,209	(14,064)	1987	Apr-14	5-30
Cedar Terrace	180	Bellevue, WA	—	5,543	16,442	12,412	5,652	28,745	34,397	(20,784)	1984	Jan-05	3-30

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Property	Apartment Homes	Location	Encumbrance	Land	Buildings and improvements		Land and improvements	Buildings and improvements	Total [1]	Accumulated depreciation	Date of construction	Date acquired	Lives (years)
CentrePointe	224	San Diego, CA	—	3,405	7,743	26,010	3,442	33,716	37,158	(28,633)	1974	Jun-97	3-30
Century Towers	376	San Jose, CA	—	14,865	157,787	1,618	14,865	159,405	174,270	(7,235)	2017	Sep-24	3-30
Chestnut Street	96	Santa Cruz, CA	—	6,582	15,689	4,485	6,582	20,174	26,756	(11,677)	2002	Jul-08	3-30
City View	572	Hayward, CA	—	9,883	37,670	46,307	10,350	83,510	93,860	(71,224)	1975	Mar-98	3-30
Collins on Pine	76	Seattle, WA	—	7,276	22,226	1,526	7,276	23,752	31,028	(9,510)	2013	May-14	3-30
Connolly Station	309	Dublin, CA	—	19,949	123,428	6,284	19,949	129,712	149,661	(29,007)	2014	Jan-20	3-30
Corbella at Juanita Bay	169	Kirkland, WA	—	5,801	17,415	7,255	5,801	24,670	30,471	(13,648)	1978	Nov-10	3-30
Cortesia	308	Rancho Santa Margarita, CA	—	13,912	55,649	8,526	13,912	64,175	78,087	(27,089)	1999	Apr-14	5-30
Country Villas	180	Oceanside, CA	—	4,174	16,583	9,832	4,187	26,402	30,589	(19,405)	1976	Dec-02	3-30
Courtyard off Main	110	Bellevue, WA	—	7,465	21,405	9,518	7,465	30,923	38,388	(16,857)	2000	Oct-10	3-30
Crow Canyon	400	San Ramon, CA	—	37,579	87,685	21,737	37,579	109,422	147,001	(51,114)	1992	Apr-14	5-30
Deer Valley	171	San Rafael, CA	—	21,478	50,116	7,450	21,478	57,566	79,044	(25,183)	1996	Apr-14	5-30
Domaine	92	Seattle, WA	—	9,059	27,177	2,241	9,059	29,418	38,477	(13,730)	2009	Sep-12	3-30
Elevation	158	Redmond, WA	—	4,758	14,285	9,530	4,757	23,816	28,573	(15,410)	1986	Jun-10	3-30
Ellington	220	Bellevue, WA	—	15,066	45,249	8,505	15,066	53,754	68,820	(22,695)	1994	Jul-14	3-30
Emerald Pointe	160	Diamond Bar, CA	—	8,458	33,832	4,692	8,458	38,524	46,982	(16,726)	1989	Apr-14	5-30
Emerald Ridge	180	Bellevue, WA	—	3,449	7,801	9,895	3,449	17,696	21,145	(15,747)	1987	Nov-94	3-30
Emerson Valley Village	144	Los Angeles, CA	—	13,378	53,240	3,597	13,378	56,837	70,215	(18,418)	2012	Dec-16	3-30
Emme	190	Emeryville, CA	—	15,039	80,532	2,645	15,039	83,177	98,216	(17,866)	2015	Jan-20	3-30
Enso	183	San Jose, CA	—	21,397	71,135	6,522	21,397	77,657	99,054	(27,012)	2014	Dec-15	3-30
Epic	769	San Jose, CA	—	89,111	307,769	8,982	89,111	316,751	405,862	(66,730)	2013	Jan-20	3-30
Esplanade	278	San Jose, CA	—	18,170	40,086	20,864	18,429	60,691	79,120	(45,294)	2002	Apr-04	3-30
Esplanade San Diego	614	San Diego, CA	—	56,327	167,072	4,852	56,327	171,924	228,251	(10,755)	1986	Mar-24	3-30
Evergreen Heights	200	Kirkland, WA	—	3,566	13,395	10,976	3,649	24,288	27,937	(21,022)	1990	Jun-97	3-30
Fairhaven	164	Santa Ana, CA	—	2,626	10,485	13,885	2,957	24,039	26,996	(18,760)	1970	Nov-01	3-30
Fairway at Big Canyon [5]	74	Newport Beach, CA	—	—	7,850	10,207	—	18,057	18,057	(16,954)	1972	Jun-99	3-28
Fairwood Pond	194	Renton, WA	—	5,296	15,564	8,334	5,297	23,897	29,194	(16,692)	1997	Oct-04	3-30
Foothill Commons	394	Bellevue, WA	—	2,435	9,821	46,499	2,440	56,315	58,755	(52,928)	1978	Mar-90	3-30
Foothill Gardens/Twin Creeks	176	San Ramon, CA	—	5,875	13,992	17,675	5,964	31,578	37,542	(26,673)	1985	Feb-97	3-30
Forest View	192	Renton, WA	—	3,731	14,530	6,412	3,731	20,942	24,673	(15,232)	1998	Oct-03	3-30
Form 15	242	San Diego, CA	—	24,510	72,221	16,535	25,540	87,726	113,266	(31,683)	2014	Mar-16	3-30
Foster’s Landing	490	Foster City, CA	—	61,714	144,000	22,272	61,714	166,272	227,986	(73,329)	1987	Apr-14	5-30

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Property	Apartment Homes	Location	Encumbrance	Land	Buildings and improvements		Land and improvements	Buildings and improvements	Total [1]	Accumulated depreciation	Date of construction	Date acquired	Lives (years)
Fountain Court	320	Seattle, WA	—	6,702	27,306	17,933	6,985	44,956	51,941	(38,560)	2000	Mar-00	3-30
Fountains at River Oaks	226	San Jose, CA	—	26,046	60,773	10,138	26,046	70,911	96,957	(31,886)	1990	Apr-14	3-30
Fox Plaza	445	San Francisco, CA	—	39,731	92,706	45,825	39,731	138,531	178,262	(77,012)	1968	Feb-13	3-30
Hacienda at Camarillo Oaks	73	Camarillo, CA	—	5,497	17,572	3,779	5,497	21,351	26,848	(2,597)	1984	Apr-23	3-30
The Henley I/The Henley II	215	Glendale, CA	—	6,695	16,753	32,997	6,733	49,712	56,445	(43,942)	1970	Jun-99	3-30
Highlands at Wynhaven	333	Issaquah, WA	—	16,271	48,932	19,790	16,271	68,722	84,993	(44,552)	2000	Aug-08	3-30
Hillcrest Park	608	Newbury Park, CA	—	15,318	40,601	35,169	15,755	75,333	91,088	(60,913)	1973	Mar-98	3-30
Hillsborough Park	235	La Habra, CA	—	13,381	85,332	817	13,381	86,149	99,530	(3,638)	1999	Oct-24	3-30
Hope Ranch	108	Santa Barbara, CA	—	4,078	16,877	4,583	4,208	21,330	25,538	(13,483)	1965	Mar-07	3-30
Huntington Breakers	344	Huntington Beach, CA	—	9,306	22,720	27,729	9,315	50,440	59,755	(45,360)	1984	Oct-97	3-30
Inglenook Court	224	Bothell, WA	—	3,467	7,881	11,762	3,474	19,636	23,110	(17,340)	1985	Oct-94	3-30
Lafayette Highlands	150	Lafayette, CA	—	17,774	41,473	17,905	17,774	59,378	77,152	(24,214)	1973	Apr-14	5-30
Lakeshore Landing	308	San Mateo, CA	—	38,155	89,028	18,003	38,155	107,031	145,186	(47,766)	1988	Apr-14	5-30
Laurels at Mill Creek	164	Mill Creek, WA	—	1,559	6,430	10,583	1,595	16,977	18,572	(14,844)	1981	Dec-96	3-30
Le Parc	140	Santa Clara, CA	—	3,090	7,421	16,943	3,092	24,362	27,454	(21,573)	1975	Feb-94	3-30
Marbrisa	202	Long Beach, CA	—	4,700	18,605	13,786	4,760	32,331	37,091	(25,240)	1987	Sep-02	3-30
Marina City Club [6]	101	Marina Del Rey, CA	—	—	28,167	36,402	—	64,569	64,569	(46,402)	1971	Jan-04	3-30
Marina Cove [7]	292	Santa Clara, CA	—	5,320	16,431	23,732	5,324	40,159	45,483	(35,246)	1974	Jun-94	3-30
Mariner's Place	106	Oxnard, CA	—	1,555	6,103	4,465	1,562	10,561	12,123	(8,371)	1987	May-00	3-30
Maxwell Sunnyvale	75	San Jose, CA	—	9,710	37,292	454	9,710	37,746	47,456	(2,295)	2022	Apr-24	3-30
MB 360	360	San Francisco, CA	—	42,001	212,648	24,659	42,001	237,307	279,308	(89,142)	2014	Apr-14	3-30
Meadowood	320	Simi Valley, CA	—	19,080	98,881	1,750	19,080	100,631	119,711	(4,324)	1986	Oct-24	3-30
Mesa Village	133	Clairemont, CA	—	1,888	7,498	3,927	1,894	11,419	13,313	(8,819)	1963	Dec-02	3-30
Mill Creek at Windermere	400	San Ramon, CA	—	29,551	69,032	16,181	29,551	85,213	114,764	(52,568)	2005	Sep-07	3-30
Mio	103	San Jose, CA	—	11,012	39,982	3,154	11,012	43,136	54,148	(15,036)	2015	Jan-16	3-30
Mirabella	188	Marina Del Rey, CA	—	6,180	26,673	22,137	6,270	48,720	54,990	(37,519)	2000	May-00	3-30
Mira Monte	356	Mira Mesa, CA	—	7,165	28,459	19,200	7,186	47,638	54,824	(36,551)	1982	Dec-02	3-30
Miracle Mile/Marbella	236	Los Angeles, CA	—	7,791	23,075	22,833	7,886	45,813	53,699	(37,872)	1988	Aug-97	3-30
Mission Hills	282	Oceanside, CA	—	10,099	38,778	18,363	10,167	57,073	67,240	(40,293)	1984	Jul-05	3-30
Mission Peaks	453	Fremont, CA	—	46,499	108,498	16,126	46,499	124,624	171,123	(54,923)	1995	Apr-14	5-30
Mission Peaks II	336	Fremont, CA	—	31,429	73,334	14,268	31,429	87,602	119,031	(39,802)	1989	Apr-14	5-30
Montanosa	472	San Diego, CA	—	26,697	106,787	18,437	26,697	125,224	151,921	(53,799)	1990	Apr-14	5-30
Montclaire	390	Sunnyvale, CA	—	4,842	19,776	36,272	4,997	55,893	60,890	(49,685)	1973	Dec-88	3-30

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Montebello	248	Kirkland, WA	—	13,857	41,575	19,686	13,858	61,260	75,118	(29,398)	1996	Jul-12	3-30
Montejo	124	Garden Grove, CA	—	1,925	7,685	7,525	2,194	14,941	17,135	(10,887)	1974	Nov-01	3-30
Monterey Villas	122	Oxnard, CA	—	2,349	5,579	10,382	2,424	15,886	18,310	(12,639)	1974	Jul-97	3-30
Muse	152	North Hollywood, CA	—	7,822	33,436	8,053	7,823	41,488	49,311	(23,052)	2011	Feb-11	3-30
Mylo	476	Santa Clara, CA	—	6,472	206,098	1,663	6,472	207,761	214,233	(55,159)	2021	Jun-21	3-30
One Hundred Grand	166	Foster City, CA	—	20,150	84,535	809	20,150	85,344	105,494	(2,373)	2016	Feb-25	3-30
1000 Kiely	121	Santa Clara, CA	—	9,359	21,845	12,262	9,359	34,107	43,466	(20,493)	1971	Mar-11	3-30
Palm Valley	1,100	San Jose, CA	—	133,802	312,205	44,690	133,802	356,895	490,697	(121,062)	2008	Jan-17	3-30
Park Catalina	90	Los Angeles, CA	—	4,710	18,839	6,065	4,710	24,904	29,614	(12,755)	2002	Jun-12	3-30
Park Highland	250	Bellevue, WA	—	9,391	38,224	17,232	9,391	55,456	64,847	(30,163)	1993	Apr-14	5-30
Park Hill at Issaquah	245	Issaquah, WA	—	7,284	21,937	16,526	7,284	38,463	45,747	(28,447)	1999	Feb-99	3-30
Park Viridian	326	Anaheim, CA	—	15,894	63,574	11,194	15,894	74,768	90,662	(31,790)	2008	Apr-14	5-30
Park West	126	San Francisco, CA	—	9,424	21,988	15,349	9,424	37,337	46,761	(23,388)	1958	Sep-12	3-30
Parkside Court	210	Santa Ana, CA	—	11,276	47,272	2,064	11,276	49,336	60,612	(3,249)	1986	Mar-24	3-30
Parkwood at Mill Creek	240	Mill Creek, WA	—	10,680	42,722	6,340	10,680	49,062	59,742	(21,340)	1989	Apr-14	5-30
Patina at Midtown	269	San Jose, CA	—	13,472	102,940	1,672	13,472	104,612	118,084	(5,338)	2021	Jul-24	3-30
Patent 523	295	Seattle, WA	—	14,558	69,417	10,017	14,558	79,434	93,992	(44,131)	2010	Mar-10	3-30
Pathways at Bixby Village	296	Long Beach, CA	—	4,083	16,757	25,367	6,239	39,968	46,207	(37,123)	1975	Feb-91	3-30
Piedmont	396	Bellevue, WA	—	19,848	59,606	23,707	19,848	83,313	103,161	(40,540)	1969	May-14	3-30
Pinehurst [8]	28	Ventura, CA	—	—	1,711	1,353	—	3,064	3,064	(2,447)	1973	Dec-04	3-24
Pinnacle at Fullerton	192	Fullerton, CA	—	11,019	45,932	8,438	11,019	54,370	65,389	(24,148)	2004	Apr-14	5-30
Pinnacle on Lake Washington	180	Renton, WA	—	7,760	31,041	7,127	7,760	38,168	45,928	(17,485)	2001	Apr-14	5-30
Pinnacle at MacArthur Place	253	Santa Ana, CA	—	15,810	66,401	14,089	15,810	80,490	96,300	(34,315)	2002	Apr-14	5-30
Pinnacle at Otay Ranch I & II	364	Chula Vista, CA	—	17,023	68,093	11,055	17,023	79,148	96,171	(34,138)	2001	Apr-14	5-30
Pinnacle at Talega	362	San Clemente, CA	—	19,292	77,168	14,312	19,292	91,480	110,772	(38,001)	2002	Apr-14	5-30
Pinnacle Sonata	268	Bothell, WA	—	14,647	58,586	11,380	14,647	69,966	84,613	(31,246)	2000	Apr-14	5-30
Pointe at Cupertino	116	Cupertino, CA	—	4,505	17,605	15,816	4,505	33,421	37,926	(26,248)	1963	Aug-98	3-30
Pure Redmond	105	Redmond, WA	—	7,461	31,363	3,071	7,461	34,434	41,895	(8,064)	2016	Dec-19	3-30
Radius	264	Redwood City, CA	—	11,702	152,336	6,188	11,702	158,524	170,226	(66,016)	2015	Apr-14	3-30
Reed Square	100	Sunnyvale, CA	—	6,873	16,037	10,366	6,873	26,403	33,276	(16,440)	1970	Jan-12	3-30
Regency at Encino	75	Encino, CA	—	3,184	12,737	6,485	3,184	19,222	22,406	(11,618)	1989	Dec-09	3-30
Regency Palm Court	116	Los Angeles, CA	—	7,763	28,019	2,273	7,763	30,292	38,055	(4,013)	1987	Jul-22	3-30
Renaissance at Uptown Orange	460	Orange, CA	—	27,870	111,482	17,727	27,870	129,209	157,079	(53,979)	2007	Apr-14	5-30

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Reveal	438	Woodland Hills, CA	—	25,073	121,314	9,794	25,073	131,108	156,181	(52,605)	2010	Apr-15	3-30
Revere Campbell	168	Campbell, CA	—	22,535	93,977	941	22,535	94,918	117,453	(2,064)	2015	May-25	3-30
ROEN Menlo Park	146	Menlo Park, CA	—	19,319	59,233	468	19,319	59,701	79,020	(1,682)	2017	Feb-25	3-30
Salmon Run at Perry Creek	132	Bothell, WA	—	3,717	11,483	6,065	3,801	17,464	21,265	(13,242)	2000	Oct-00	3-30
Sammamish View	153	Bellevue, WA	—	3,324	7,501	10,147	3,331	17,641	20,972	(15,826)	1986	Nov-94	3-30
San Marcos	432	Richmond, CA	—	15,563	36,204	43,841	22,866	72,742	95,608	(52,605)	2003	Nov-03	3-30
Santee Court/Santee Village	238	Los Angeles, CA	—	9,581	40,317	20,704	9,582	61,020	70,602	(34,687)	2004	Oct-10	3-30
Shadow Point	172	Spring Valley, CA	—	2,812	11,170	9,718	2,820	20,880	23,700	(14,937)	1983	Dec-02	3-30
Shadowbrook	418	Redmond, WA	—	19,292	77,168	16,012	19,292	93,180	112,472	(40,204)	1986	Apr-14	5-30
Skye at Bunker Hill	456	Los Angeles, CA	—	11,498	27,871	109,048	11,639	136,778	148,417	(122,182)	1968	Mar-98	3-30
Slater 116	108	Kirkland, WA	—	7,379	22,138	2,425	7,379	24,563	31,942	(10,825)	2013	Sep-13	3-30
Solstice	280	Sunnyvale, CA	—	34,444	147,262	11,027	34,444	158,289	192,733	(68,715)	2014	Apr-14	5-30
Station Park Green	599	San Mateo, CA	—	54,782	314,694	107,881	67,204	410,153	477,357	(118,706)	2018	Mar-18	3-30
Stevenson Place	200	Fremont, CA	—	996	5,582	16,993	1,001	22,570	23,571	(20,321)	1975	Apr-00	3-30
Stonehedge Village	196	Bothell, WA	—	3,167	12,603	14,500	3,201	27,069	30,270	(22,633)	1986	Oct-97	3-30
Summerhill Park	100	Sunnyvale, CA	—	2,654	4,918	12,254	2,656	17,170	19,826	(16,473)	1988	Sep-88	3-30
Summit Park	300	San Diego, CA	—	5,959	23,670	13,684	5,977	37,336	43,313	(27,927)	1972	Dec-02	3-30
Taylor 28	197	Seattle, WA	—	13,915	57,700	6,851	13,915	64,551	78,466	(27,990)	2008	Apr-14	5-30
TENTEN Downtown	376	Los Angeles, CA	—	22,671	144,203	—	22,671	144,203	166,874	(629)	2021	Nov-25	3-30
The Audrey at Belltown	137	Seattle, WA	—	9,228	36,911	3,757	9,228	40,668	49,896	(17,421)	1992	Apr-14	5-30
The Avery	122	Los Angeles, CA	—	6,964	29,922	3,055	6,964	32,977	39,941	(13,287)	2014	Mar-14	3-30
The Bernard	63	Seattle, WA	—	3,699	11,345	1,306	3,689	12,661	16,350	(6,459)	2008	Sep-11	3-30
The Blake LA	196	Los Angeles, CA	—	4,023	9,527	26,560	4,031	36,079	40,110	(31,310)	1979	Jun-97	3-30
The Cairns	99	Seattle, WA	—	6,937	20,679	4,172	6,939	24,849	31,788	(15,798)	2006	Jun-07	3-30
The Carlyle	132	San Jose, CA	—	6,344	48,086	1,216	6,344	49,302	55,646	(2,115)	2000	Oct-24	3-30
The Elliot at Mukilteo	301	Mukilteo, WA	—	2,498	10,595	21,773	2,824	32,042	34,866	(28,687)	1981	Jan-97	3-30
The Hallie	292	Pasadena, CA	—	2,202	4,794	59,333	8,385	57,944	66,329	(52,643)	1972	Apr-97	3-30
The Havens	440	Fountain Valley, CA	—	26,138	137,933	2,374	26,138	140,307	166,445	(8,782)	1969	Mar-24	3-30
The Huntington	276	Huntington Beach, CA	—	10,374	41,495	11,291	10,374	52,786	63,160	(26,703)	1975	Jun-12	3-30
The Landing at Jack London Square	282	Oakland, CA	—	33,554	78,292	11,952	33,554	90,244	123,798	(40,461)	2001	Apr-14	5-30
The Lofts at Pinehurst	118	Ventura, CA	—	1,570	3,912	7,172	1,618	11,036	12,654	(9,008)	1971	Jun-97	3-30
The Palisades	192	Bellevue, WA	—	1,560	6,242	17,956	1,565	24,193	25,758	(21,385)	1977	May-90	3-30

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
ESSEX PORTFOLIO, L.P. AND SUBSIDIARIES

Financial Statement Schedule III
Real Estate and Accumulated Depreciation
December 31, 2025
($ in thousands)

				Initial cost		Costs capitalized subsequent to acquisition	Gross amount carried at close of period						
Property	Apartment Homes	Location	Encumbrance	Land	Buildings and improvements		Land and improvements	Buildings and improvements	Total [1]	Accumulated depreciation	Date of construction	Date acquired	Lives (years)
The Palms at Laguna Niguel	460	Laguna Niguel, CA	—	23,584	94,334	19,723	23,584	114,057	137,641	(51,662)	1988	Apr-14	5-30
The Parc at Pruneyard	252	Campbell, CA	—	31,068	91,156	570	31,068	91,726	122,794	(2,045)	1968	May-25	3-30
The Plaza	307	Foster City, CA	—	34,341	126,428	846	34,341	127,274	161,615	(3,908)	2013	Jan-25	3-30
The Stuart	188	Pasadena, CA	—	13,574	54,298	6,488	13,574	60,786	74,360	(26,076)	2007	Apr-14	5-30
The Trails of Redmond	423	Redmond, WA	—	21,930	87,720	12,417	21,930	100,137	122,067	(43,636)	1985	Apr-14	5-30
The Village at Toluca Lake	146	Burbank, CA	—	14,634	48,297	3,002	14,634	51,299	65,933	(8,728)	1974	Jun-21	3-30
Tierra Vista	404	Oxnard, CA	—	13,652	53,336	14,508	13,661	67,835	81,496	(48,040)	2001	Jan-01	3-30
Tiffany Court	101	Los Angeles, CA	—	6,949	27,796	4,046	6,949	31,842	38,791	(13,810)	1987	Apr-14	5-30
Township	132	Redwood City, CA	—	19,812	70,619	3,080	19,812	73,699	93,511	(16,851)	2014	Sep-19	3-30
Trabuco Villas	132	Lake Forest, CA	—	3,638	8,640	7,997	3,890	16,385	20,275	(13,058)	1985	Oct-97	3-30
Valley Park	160	Fountain Valley, CA	—	3,361	13,420	10,140	3,761	23,160	26,921	(17,173)	1969	Nov-01	3-30
Via	284	Sunnyvale, CA	—	22,000	82,270	9,543	22,016	91,797	113,813	(47,333)	2011	Jul-11	3-30
Villa Angelina	256	Placentia, CA	—	4,498	17,962	11,835	4,962	29,333	34,295	(22,697)	1970	Nov-01	3-30
Villa Granada	270	Santa Clara, CA	—	38,299	89,365	6,220	38,299	95,585	133,884	(39,711)	2010	Apr-14	5-30
Villa Siena	274	Costa Mesa, CA	—	13,842	55,367	20,855	13,842	76,222	90,064	(34,434)	1974	Apr-14	5-30
Village Green	272	La Habra, CA	—	6,488	36,768	9,356	6,488	46,124	52,612	(20,184)	1971	Apr-14	5-30
ViO	234	San Jose, CA	—	13,577	87,059	225	13,577	87,284	100,861	(645)	2016	Sep-25	3-30
Vista Belvedere	76	Tiburon, CA	—	5,573	11,901	12,111	5,573	24,012	29,585	(17,827)	1963	Aug-04	3-30
Vox	58	Seattle, WA	—	5,545	16,635	1,326	5,545	17,961	23,506	(7,359)	2013	Oct-13	3-30
Wallace on Sunset	200	Los Angeles, CA	—	24,005	80,466	7,131	24,005	87,597	111,602	(29,720)	2021	Dec-21	3-30
Walnut Heights	163	Walnut, CA	—	4,858	19,168	8,641	4,887	27,780	32,667	(20,452)	1964	Oct-03	3-30
Wandering Creek	156	Kent, WA	—	1,285	4,980	8,096	1,296	13,065	14,361	(11,054)	1986	Nov-95	3-30
Waterford Place	238	San Jose, CA	—	11,808	24,500	21,004	15,165	42,147	57,312	(34,779)	2000	Jun-00	3-30
Wharfside Pointe	155	Seattle, WA	—	2,245	7,020	15,087	2,258	22,094	24,352	(20,138)	1990	Jun-94	3-30
Willow Lake	508	San Jose, CA	—	43,194	101,030	24,146	43,194	125,176	168,370	(63,519)	1989	Oct-12	3-30
5600 Wilshire	284	Los Angeles, CA	—	30,535	91,604	12,243	30,535	103,847	134,382	(44,045)	2008	Apr-14	5-30
Wilshire La Brea	478	Los Angeles, CA	—	56,932	211,998	25,890	56,932	237,888	294,820	(102,009)	2014	Apr-14	5-30
Wilshire Promenade	149	Fullerton, CA	—	3,118	7,385	18,073	3,797	24,779	28,576	(19,680)	1992	Jan-97	3-30
Windsor Court	95	Los Angeles, CA	—	6,383	23,420	1,602	6,383	25,022	31,405	(3,255)	1987	Jul-22	3-30
Windsor Ridge	216	Sunnyvale, CA	—	4,017	10,315	19,201	4,021	29,512	33,533	(28,010)	1989	Mar-89	3-30
Woodland Commons	302	Bellevue, WA	—	2,040	8,727	29,289	2,044	38,012	40,056	(30,366)	1978	Mar-90	3-30
Woodside Village	145	Ventura, CA	—	5,331	21,036	8,308	5,341	29,334	34,675	(20,892)	1987	Dec-04	3-30
	51,468		$ —	$2,980,852	$ 10,981,195	$ 2,848,506	$ 3,031,096	$ 13,779,457	$16,810,553	$ (5,957,556)			

ESSEX PROPERTY TRUST, INC. AND SUBSIDIARIES
ESSEX PORTFOLIO, L.P. AND SUBSIDIARIES
Financial Statement Schedule III
Real Estate and Accumulated Depreciation
December 31, 2025
($ in thousands)

		Initial cost		Costs capitalized	Gross amount carried at close of period			
Property	Encumbrance	Land	Buildings and improvements	subsequent to acquisition	Land and improvements	Buildings and improvements	Total[1]	Accumulated depreciation
Other real estate assets	—	46,781	16,585	18,191	48,142	33,415	81,557	(22,994)
	$ —	$ 46,781	$ 16,585	$ 18,191	$ 48,142	$ 33,415	$ 81,557	$ (22,994)
Total	$ 784,347	$ 3,308,897	$ 12,060,444	$ 3,067,244	$ 3,363,169	$ 15,073,416	$ 18,436,585	$ (6,532,003)

(1) The aggregate cost for federal income tax purposes is approximately $14.6 billion (unaudited).
(2) A portion of land is leased pursuant to a ground lease expiring 2070.
(3) The land is leased pursuant to a ground lease expiring 2083.
(4) The land is leased pursuant to a ground lease expiring 2070.
(5) The land is leased pursuant to a ground lease expiring 2027.
(6) The land is leased pursuant to a ground lease expiring 2067.
(7) A portion of land is leased pursuant to a ground lease expiring in 2028.
(8) The land is leased pursuant to a ground lease expiring in 2028.

A summary of activity for rental properties and accumulated depreciation is as follows:

	Year Ended December 31,		
	2025	**2024**	**2023**
Rental properties:			
Balance at beginning of year	$17,589,518	$16,135,223	$15,966,227
Acquisition, development, and improvement of real estate	1,279,457	1,614,570	235,423
Disposition of real estate and other	(432,390)	(160,275)	(66,427)
Balance at the end of year	$18,436,585	$17,589,518	$16,135,223

	Year Ended December 31,		
	2025	**2024**	**2023**
Accumulated depreciation:			
Balance at beginning of year	$6,150,618	$5,664,931	$5,152,133
Depreciation expense	595,867	571,813	545,702
Accumulated depreciation - Disposals and other	(214,482)	(86,126)	(32,904)
Balance at the end of year	$6,532,003	$6,150,618	$5,664,931

EXHIBIT INDEX

Exhibit No.	**Document**
3.1	Articles of Amendment and Restatement of Essex Property Trust, Inc., attached as Exhibit 3.2 to the Company's Current Report on Form 8-K, filed May 23, 2016, and incorporated herein by reference.
3.2	Seventh Amended and Restated Bylaws of Essex Property Trust, Inc. (effective as of December 8, 2022), attached as Exhibit 3.1 to the Company's Current Report on Form 8-K, filed December 13, 2022, and incorporated herein by reference.
3.3	Certificate of Limited Partnership of Essex Portfolio, L.P. and amendments thereto, attached as Exhibit 3.4 to the Company's Annual Report on Form 10-K, filed February 25, 2022, and incorporated herein by reference.
4.1	Description of Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934, attached as Exhibit 4.14 to the Company's Annual Report on Form 10-K, filed February 23, 2023, and incorporated herein by reference.
4.2	Form of Common Stock Certificate of Essex Property Trust, Inc., filed as Exhibit 4.5 to the Company's Form S-4 Registration Statement, filed January 29, 2014, and incorporated herein by reference.
4.3	Indenture, dated April 11, 2016, among Essex Portfolio, L.P., Essex Property Trust, Inc., and U.S. Bank National Association, as trustee, including the form of the 3.375% Senior Notes due 2026 and the guarantee thereof, attached as Exhibit 4.1 to the Company's Current Report on Form 8-K, filed April 11, 2016, and incorporated herein by reference.
4.4	Indenture, dated April 10, 2017, among Essex Portfolio, L.P., Essex Property Trust, Inc., and U.S. Bank National Association, as trustee, including the form of the 3.625% Senior Notes due 2027 and the guarantee thereof, attached as Exhibit 4.1 to the Company's Current Report on Form 8-K, filed April 10, 2017, and incorporated herein by reference.
4.5	Indenture, dated March 8, 2018, among Essex Portfolio, L.P., Essex Property Trust, Inc., and U.S. Bank National Association, as trustee, including the form of the 4.500% Senior Notes due 2048 and the guarantee thereof, attached as Exhibit 4.1 to the Company's Current Report on Form 8-K, filed March 8, 2018, and incorporated herein by reference.
4.6	Indenture, dated February 11, 2019, among Essex Portfolio, L.P., Essex Property Trust, Inc., and U.S. Bank National Association, as trustee, including the form of 4.000% Senior Notes due 2029 and the guarantee thereof, attached as Exhibit 4.1 to the Company's Current Report on Form 8-K, filed February 11, 2019, and incorporated herein by reference.
4.7	Indenture, dated August 7, 2019, among Essex Portfolio, L.P., Essex Property Trust, Inc., and U.S. Bank National Association, as trustee, including the form of 3.000% Senior Notes due 2030 and the guarantee thereof, attached as Exhibit 4.1 to the Company's Current Report on Form 8-K, filed August 7, 2019, and incorporated herein by reference.
4.8	Indenture, dated February 11, 2020, among Essex Portfolio, L.P., Essex Property Trust, Inc., and U.S. Bank National Association, as trustee, including the form of 2.650% Senior Notes due 2032 and the guarantee thereof, attached as Exhibit 4.1 to the Company's Current Report on Form 8-K, filed February 11, 2020, and incorporated herein by reference.
4.9	Indenture, dated August 24, 2020, among Essex Portfolio, L.P., Essex Property Trust, Inc., and U.S. Bank National Association, as trustee, including the form of 1.650% Senior Notes due 2031, the form of 2.650% Senior Notes due 2050 and the guarantees thereof, attached as Exhibit 4.1 to the Company's Current Report on Form 8-K, filed August 24, 2020, and incorporated herein by reference.
4.10	Indenture, dated March 1, 2021, among Essex Portfolio, L.P., Essex Property Trust, Inc., and U.S. Bank National Association, as trustee, including the form of 1.700% Senior Notes due 2028 and the guarantee thereof, attached as Exhibit 4.1 to the Company's Current Report on Form 8-K filed March 1, 2021, and incorporated herein by reference.
4.11	Indenture, dated June 1, 2021, among Essex Portfolio, L.P., Essex portfolio Trust, Inc. and U.S. Bank National Association, as trustee, including the form of 2.550% Senior Notes due 2031 and the guarantee thereof, attached as Exhibit 4.1 to the Company's Current Report on Form 8-K filed June 1, 2021, and incorporated herein by reference.
4.12	Indenture, dated March 14, 2024, among Essex Portfolio, L.P., Essex Property Trust, Inc., and U.S. Bank Trust Company, National Association, as trustee, including the form of 5.500% Senior Notes due 2034 and the guarantee thereof, attached as Exhibit 4.1 to the Company's Current Report on Form 8-K filed March 14, 2024, and incorporated herein by reference.

4.13	First Supplemental Indenture, dated March 14, 2024, among Essex Portfolio, L.P., Essex Property Trust, Inc., and U.S. Bank Trust Company, National Association, as trustee, including the form of 5.500% Senior Notes due 2034 and the guarantee thereof, attached as Exhibit 4.2 to the Company’s Current Report on Form 8-K filed March 14, 2024, and incorporated herein by reference.
4.14	Second Supplemental Indenture, dated February 18, 2025, by and among Essex Portfolio, L.P., Essex Property Trust, Inc., and U.S. Bank Trust Company, National Association, as trustee, including the form of 5.375% Senior Notes due 2035 and the guarantee thereof, attached as Exhibit 4.2 to the Company’s Current Report on Form 8-K filed February 18, 2025, and incorporated herein by reference.
4.15	Third Supplemental Indenture, dated December 12, 2025, among Essex Portfolio, L.P., Essex Property Trust, Inc., and U.S. Bank Trust Company, National Association, as trustee, including the form of 4.875% Senior Notes due 2036 and the guarantee thereof, attached as Exhibit 4.2 to the Company’s Current Report on Form 8-K filed December 12, 2025, and incorporated herein by reference.
10.1	Agreement between Essex Property Trust, Inc. and George M. Marcus, dated March 27, 2003 attached as Exhibit 10.32 to the Company’s Annual Report on Form 10-K, filed March 31, 2003, and incorporated herein by reference.
10.2	Essex Property Trust, Inc. Deferred Compensation Plan, As Amended and Restated As of January 1, 2021, attached as Exhibit 10.2 to the Company’s Annual Report on Form 10-K, filed February 25, 2022, and incorporated herein by reference.
10.3	Form of Indemnification Agreement between Essex Property Trust, Inc. and its directors and officers, attached as Exhibit 10.3 to the Company's Annual Report on Form 10-K filed February 18, 2025, and incorporated herein by reference.#
10.4	Amendment to Agreement, dated as of September 11, 2012, between the Company and George Marcus, attached as Exhibit 10.2 to the Company’s Quarterly Report on Form 10-Q, filed November 5, 2012, and incorporated herein by reference.
10.5	Amended and Restated Essex Property Trust Inc. Executive Severance Plan attached as Exhibit 10.6 to the Company’s Annual Report on Form 10-K, filed February 23, 2024, and incorporated herein by reference.#
10.6	Essex Property Trust, Inc. 2013 Stock Award and Incentive Compensation Plan, attached as Appendix B to the Company’s Definitive Proxy Statement on Schedule 14A for the Annual Meeting of Stockholders held May 14, 2013, filed April 1, 2013, and incorporated herein by reference.#
10.7	Essex Property Trust, Inc. 2013 Employee Stock Purchase Plan, attached as Appendix C to the Company’s Definitive Proxy Statement on Schedule 14A for the Annual Meeting of Stockholders held May 14, 2013, filed April 1, 2013, and incorporated herein by reference.#
10.8	Forms of equity award agreements for officers under the 2013 Stock Award and Incentive Compensation Plan, attached as Exhibit 10.1 to the Company’s Quarterly Report on Form 10-Q, filed November 4, 2013, and incorporated herein by reference.#
10.9	Amended and Restated Non-Employee Director Equity Award Program, dated May 17, 2016, attached as Exhibit 10.1 to the Company’s Current Report on Form 8-K, filed May 23, 2016, and incorporated herein by reference.#
10.10	Fourth Amended and Restated Agreement of Limited Partnership of Essex Portfolio, L.P., dated as of December 20, 2018, attached as Exhibit 10.14 to the Company’s Annual Report on Form 10-K, filed February 21, 2019, and incorporated herein by reference.
10.11	Forms of Essex Property Trust, Inc., Essex Portfolio L.P., Long-Term Incentive Plan Award Agreements, attached as Exhibit 10.28 to the Company’s Annual Report on Form 10-K, filed March 2, 2015, and incorporated herein by reference.#
10.12	Essex Property Trust, Inc. 2018 Stock Award and Incentive Compensation Plan, attached as Appendix A to the Company’s Definitive Proxy Statement on Schedule 14A for the Annual Meeting of Stockholders held May 15, 2018, filed March 23, 2018, and incorporated herein by reference.#
10.13	Form of Non-Employee Director Restricted Stock Award Agreement, attached as Exhibit 10.1 to the Company’s Quarterly Report on Form 10-Q, filed August 3, 2018, and incorporated herein by reference.#
10.14	Form of Non-Employee Director Stock Option Award Agreement, attached as Exhibit 10.2 to the Company’s Quarterly Report on Form 10-Q, filed August 3, 2018, and incorporated herein by reference.#

10.15	Forms of Essex Property Trust, Inc. Long-Term Incentive Award Agreements pursuant to the 2018 Stock Award and Incentive Compensation Plan for awards granted prior to fiscal year 2024, attached as Exhibit 10.18 to the Company's Annual Report on Form 10-K, filed February 25, 2022, and incorporated herein by reference.#
10.16	Forms of Essex Property Trust, Inc. Long-Term Incentive Award Agreements pursuant to the 2018 Stock Award and Incentive Compensation Plan for awards granted commencing fiscal year 2024, attached as Exhibit 10.19 to the Company's Annual Report on Form 10-K, filed February 23, 2024, and incorporated herein by reference.#
10.17	Deferred Compensation Plan for Non-Employee Directors, attached as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q, filed May 7, 2020, and incorporated herein by reference.#
10.18	Sixth Amended and Restated Revolving Credit Agreement, dated July 7, 2025, among Essex Portfolio, L.P., PNC Bank, National Association, as Administrative Agent and L/C Issuer and other lenders party thereto, attached as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q, filed July 30, 2025, and incorporated herein by reference.
10.19	Term Loan Agreement, dated as of May 20, 2025, among Essex Portfolio, L.P., U.S. Bank National Association, as Administrative Agent and Lender and the other lenders party thereto, attached as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q, filed July 30, 2025, and incorporated herein by reference.
10.20*	Amended and Restated Term Loan Agreement, dated October 10, 2025, among Essex Portfolio, L.P., U.S. Bank National Association, as Administrative Agent and Lender and the other lenders party thereto.†
19.1	Essex Property Trust, Inc. Insider Trading Policy, attached as Exhibit 19.1 to the Company's Annual Report on Form 10-K, filed February 21, 2025, and incorporated herein by reference.
21.1*	List of Subsidiaries of Essex Property Trust, Inc. and Essex Portfolio, L.P.
23.1*	Consent of KPMG LLP, Independent Registered Public Accounting Firm.
23.2*	Consent of KPMG LLP, Independent Registered Public Accounting Firm.
24.1*	Power of Attorney (see signature page)
31.1*	Essex Property Trust, Inc. — Certification of Angela L. Kleiman, Principal Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Essex Property Trust, Inc. — Certification of Barbara Pak, Principal Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.3*	Essex Portfolio, L.P. — Certification of Angela L. Kleiman, Principal Executive Officer of General Partner, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.4*	Essex Portfolio, L.P. — Certification of Barbara Pak, Principal Financial Officer of General Partner, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Essex Property Trust, Inc. — Certification of Angela L. Kleiman, Principal Executive Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
32.2*	Essex Property Trust, Inc. — Certification of Barbara Pak, Principal Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
32.3*	Essex Portfolio, L.P. — Certification of Angela L. Kleiman, Principal Executive Officer of General Partner, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
32.4*	Essex Portfolio, L.P. — Certification of Barbara Pak, Principal Financial Officer of General Partner, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
97.1	Policy for Recovery of Erroneously Awarded Compensation dated as of October 2, 2023, attached as Exhibit 97.1 to the Company's Annual Report on Form 10-K, filed February 23, 2024, and incorporated herein by reference.
99.1*	Material Federal Income Tax Considerations
101.INS	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.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

* Filed or furnished herewith.

** In accordance with Item 601(b)(32) of Regulation S-K, this Exhibit is not deemed “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section. Such certifications will not be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

Management contract or compensatory plan or arrangement.

† The schedules and certain exhibits to this agreement, as set forth in the agreement, have not been filed herewith. The Company agrees to furnish supplementally a copy of any omitted schedule or exhibit to the Securities and Exchange Commission upon request.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

ESSEX PROPERTY TRUST, INC.
(Registrant)

Date: February 20, 2026
By: /s/ BARBARA PAK
Barbara Pak
Executive Vice President and Chief Financial Officer
(Authorized Officer, Principal Financial Officer)

Date: February 20, 2026
By: /s/ BRENNAN MCGREEVY
Brennan McGreevy
Group Vice President and Chief Accounting Officer

ESSEX PORTFOLIO, L.P.
By: Essex Property Trust, Inc., its general partner
(Registrant)

Date: February 20, 2026
By: /s/ BARBARA PAK
Barbara Pak
Executive Vice President and Chief Financial Officer
(Authorized Officer, Principal Financial Officer)

Date: February 20, 2026
By: /s/ BRENNAN MCGREEVY
Brennan McGreevy
Group Vice President and Chief Accounting Officer

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Angela L. Kleiman and Barbara Pak, and each of them, his or her attorney-in-fact, each with the power of substitution, for him or her in any and all capacities, to sign any amendments to this Report on Form 10-K and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorney-in-fact, or his or her substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of each Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ GEORGE M. MARCUS George M. Marcus	Director and Chairman of the Board	February 20, 2026
/s/ KEITH R. GUERICKE Keith R. Guericke	Director, and Vice Chairman of the Board	February 20, 2026
/s/ IRVING F. LYONS, III Irving F. Lyons, III	Lead Director	February 20, 2026
/s/ JOHN V. ARABIA John V. Arabia	Director	February 20, 2026
/s/ ANNE B. GUST Anne B. Gust	Director	February 20, 2026
/s/ MARIA R. HAWTHORNE Maria R. Hawthorne	Director	February 20, 2026
/s/ AMAL M. JOHNSON Amal M. Johnson	Director	February 20, 2026
/s/ MARY KASARIS Mary Kasaris	Director	February 20, 2026
/s/ ANGELA L. KLEIMAN Angela L. Kleiman	Chief Executive Officer and President, and Director (Principal Executive Officer)	February 20, 2026

Exhibit 10.20

EXECUTION VERSION

Deal CUSIP: 29717DAL8
Facility CUSIP: 29717DAM6

AMENDED AND RESTATED TERM LOAN AGREEMENT

dated as of October 10, 2025

among

ESSEX PORTFOLIO, L.P.,
a California limited partnership,

THE LENDERS LISTED HEREIN,

U.S. BANK NATIONAL ASSOCIATION,
as Administrative Agent

and

REGIONS BANK, TD BANK, N.A. and TRUIST BANK,
as Co-Syndication Agents

U.S. BANK NATIONAL ASSOCIATION,
as Sole Bookrunner, and

U.S. BANK NATIONAL ASSOCIATION, REGIONS CAPITAL MARKETS,
TD BANK, N.A. and TRUIST SECURITIES, INC.,
as Joint Lead Arrangers

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AMENDED AND RESTATED TERM LOAN AGREEMENT

This AMENDED AND RESTATED TERM LOAN AGREEMENT (this "Agreement"), dated as of October 10, 2025, is among ESSEX PORTFOLIO, L.P., a California limited partnership ("Borrower"), the several financial institutions from time to time party to this Agreement (collectively, the "Lenders," and individually, each a "Lender"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association, as administrative agent for the Lenders (in such capacity, the "Administrative Agent").

Background

The Borrower, the lenders party thereto and the Administrative Agent are parties to that certain Term Loan Agreement, dated as of October 11, 2022 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the "Existing Term Loan Agreement").

The parties hereto desire to amend and restate the Existing Term Loan Agreement in its entirety, but not as a novation, on the terms and subject to the conditions hereinafter set forth.

In consideration of the mutual covenants and agreements set forth in this Agreement, and for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto hereby agree that the Existing Term Loan Agreement shall be, and hereby is, amended and restated in its entirety as follows, effective on and as of the Closing Date (as defined below):

Agreement

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. DEFINITIONS.

1.1 Defined Terms. In addition to the terms defined elsewhere in this Agreement, the following terms have the following meanings:

"Act" has the meaning set forth in Section 10.17.

"Administrative Agent" means U.S. Bank National Association, in its capacity as administrative agent for the Lenders hereunder and under the other Loan Documents, and any successor administrative agent designated under Section 9.6.

"Administrative Agent's Office" means Administrative Agent's address and, as appropriate, account as set forth on Schedule 1.2, or such other address or account as Administrative Agent may from time to time notify Borrower and the Lenders in writing.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by Administrative Agent.

"Affected Financial Institution" means (i) any EEA Financial Institution or (ii) any UK Financial Institution.

"Affiliate" means, with respect to a specified Person, any other Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the specified Person.

"Agent's Payment Office" means the address for payments set forth herein for Administrative Agent, as specified in Schedule 1.2, or such other address as Administrative Agent may from time to time specify by the delivery of a written notice to Borrower and the Lenders.

"Agreement" means this Term Loan Agreement, as supplemented, modified, amended or amended and restated from time to time.

"Alternate Base Rate" means, for any day, a rate of interest per annum equal to the highest of (a) 1%, (b) the Prime Rate for such day, (c) the sum of the Federal Funds Effective Rate for such day *plus* 0.50% per annum and (d) SOFR in effect on such day (taking into account any SOFR floor set forth in the definition of "Daily Simple SOFR") *plus* 1.00%. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or SOFR shall be effective from the effective date of such change. If the Alternate Base Rate is being used when SOFR Borrowings are unavailable pursuant to Section 2.10.3 or 3.5, then the Alternate Base Rate shall be the highest of clauses (a), (b) and (c) above, without reference to clause (d) above.

"Anti-Corruption Laws" means the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder, and any other anti-corruption law applicable to the Borrower and its Subsidiaries.

"Anti-Money Laundering Laws" means (a) the Bank Secrecy Act and the PATRIOT Act, (b) the U.K. Proceeds of Crime Act 2002; the Money Laundering Regulations 2017, as amended and the Terrorist Asset-Freezing etc. Act 2010; and (c) any other applicable Law relating to anti-money laundering and countering the financing of terrorism in any jurisdiction in which any Loan Party is located or doing business.

"Applicable Base Rate Committed Loan Margin" means the Applicable Committed Loan Margin for Base Rate Committed Loans.

"Applicable Committed Loan Margin" means the Applicable SOFR Committed Loan Margin or the Applicable Base Rate Committed Loan Margin determined from the following pricing grid based on the current published or private ratings of Guarantor's senior unsecured long term debt, as provided below:

TIER	GUARANTOR'S SENIOR UNSECURED LONG TERM DEBT RATING	APPLICABLE SOFR COMMITTED LOAN MARGIN	APPLICABLE BASE RATE COMMITTED LOAN MARGIN
I	A- and/or A3 or better	0.80%	0.00%
II	BBB+ and/or Baa1	0.85%	0.00%
III	BBB and/or Baa2	0.95%	0.00%

IV	BBB- and/or Baa3	1.20%	0.20%
V	Less than BBB- and/or Baa3	1.60%	0.60%

Borrower shall provide to Administrative Agent written evidence of the current rating or ratings on Guarantor's senior unsecured long term debt by any of Moody's, S&P and/or Fitch, if such rating agency has provided to Guarantor a rating on such senior unsecured long term debt, which evidence shall be reasonably acceptable to Administrative Agent; provided, that, at a minimum, Guarantor must provide such a rating from either Moody's or S&P. In the event that Guarantor has a rating on its senior unsecured long term debt provided by (a) both Moody's and S&P, (b) both Moody's and Fitch, (c) both S&P and Fitch, or (d) each of Moody's, S&P and Fitch, and there is a difference in rating between such rating agencies, the Applicable Committed Loan Margin shall be based on the higher rating. Changes in the Applicable Committed Loan Margin shall become effective on the first day following the date on which any of Moody's, S&P or Fitch that has provided Guarantor a rating on Guarantor's senior unsecured long term debt changes such rating. Borrower shall notify Administrative Agent of any such changes in Guarantor's senior unsecured long term debt pursuant to and in accordance with Section 6.4(i). On the Closing Date, the Applicable Committed Loan Margin shall be based on Tier II.

"Applicable SOFR Committed Loan Margin" means the Applicable Committed Loan Margin for SOFR Committed Loans.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arranger" means, collectively, U.S. Bank, Regions Capital Markets, TD Bank, N.A. and Truist Bank, in their capacities as joint lead arrangers.

"Assignee Group" means two or more Eligible Assignees that are Affiliates of one another or two or more Approved Funds managed by the same investment advisor.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.5), and accepted by Administrative Agent, in substantially the form of Exhibit E or any other form approved by Administrative Agent.

"Availability" means, at any time, an amount equal to the lesser of (a) the Maximum Facility Amount at such time and (b) the maximum possible Outstanding Amount of all Loans that would permit Borrower to remain in compliance with the financial covenants set forth in Sections 6.9, 6.11 and 6.12 on a pro forma basis (i.e., using the covenant compliance calculations from the Compliance Certificate most recently delivered by Borrower and then giving effect to the amount of any requested Loan).

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then-current Benchmark is a term rate, any tenor for such Benchmark that is or may be used for determining the length of an Interest Period or (y)

otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, pursuant to this Agreement as of such date.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" means (i) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (ii) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Base Rate" means, for any day, a rate per annum equal to (a) the Alternate Base Rate for such day plus (b) the Applicable Base Rate Committed Loan Margin for such day, in each case changing when and as the Alternate Base Rate or the Applicable Base Rate Committed Loan Margin changes.

"Base Rate Committed Borrowing" means a Committed Borrowing consisting of Base Rate Committed Loans.

"Base Rate Committed Loan" means a Committed Loan that bears interest based on the Alternate Base Rate.

"Benchmark" means, initially, in the case of Term SOFR Rate Committed Borrowings, the Term SOFR Screen Rate and, in the case of Daily Simple SOFR Rate Loans, Daily Simple SOFR; provided that if a replacement of the Benchmark has occurred pursuant to Section 3.5.2, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has become effective pursuant to Section 3.5.2.

"Benchmark Replacement" means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

(1) Daily Simple SOFR; or

(2) the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for U.S. dollar-denominated syndicated credit facilities at such time and (b) the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (1) or (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"Benchmark Replacement Adjustment" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement pursuant to clause (2) of the definition of "Benchmark Replacement" for any applicable Interest Period and Available Tenor for any setting of such Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated credit facilities.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Borrowing", the definition of "Term SOFR Rate Committed Borrowing," the definition of "Alternate Base Rate," the definition of "Business Day," the definition of "Daily Simple SOFR Rate Loan", the definition of "Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"Benchmark Replacement Date" means the earlier to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); and

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative; provided, that

such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (3) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the "Benchmark Replacement Date" will be deemed to have occurred with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by any of the entities referenced in clause (2) above announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Unavailability Period" means the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark in accordance

with Section 3.5.2, and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark in accordance with Section 3.5.2.

"Beneficial Owner" means, for Borrower, each of the following: (a) each individual, if any, who, directly or indirectly, owns 25% or more of Borrower's equity interests; and (b) a single individual with significant responsibility to control, manage, or direct Borrower.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"Borrower" has the meaning set forth in the introductory paragraph hereof.

"Borrower's Knowledge" means the actual knowledge of the general counsel, principal financial officer or chief executive officer of the general partner of Borrower; provided, however, that, if Administrative Agent or any Lender sends a notice with regards to any matter pursuant to the provisions of Section 10.2 hereof, Borrower shall be deemed to have knowledge of the matters set forth in such notice as of the date of receipt of such written notice.

"Borrowing" means a borrowing of Loan proceeds hereunder.

"Business Day" means a day (other than a Saturday or Sunday) on which banks generally are open in New York City, New York for the conduct of substantially all of their commercial lending activities and interbank wire transfers can be made on the Fedwire system; provided that, when used in connection with SOFR, Daily Simple SOFR or the Term SOFR Screen Rate, the term "Business Day" excludes any day on which the Securities Industry and Financial Markets Association (SIFMA) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"Capital Interest" means, with respect to any Joint Venture, the ratio of (i) Borrower's contribution to the capital of such Joint Venture to (ii) the aggregate amount of all contributions to the capital of such Joint Venture.

"Capitalization Rate" means 5.75%.

"Capital Reserve" means $50.00 per unit per quarter for all stabilized real properties owned by Guarantor and its consolidated subsidiaries.

"Cash and Cash Equivalents" means, as of any date, unrestricted cash and unrestricted:

(i) securities issued or directly and fully guaranteed or insured by the United States Government or any agency or instrumentality thereof having maturities of not more than one year from such date;

(ii) mutual funds organized under the United States Investment Company Act rated AAm or AAm-G by S&P and P-1 by Moody's;

(iii) certificates of deposit or other interest-bearing obligations of a bank or trust company which is a member in good standing of the Federal Reserve System having a short term unsecured debt rating of not less than A-1 by S&P and not less than P-1 by

Moody's (or in each case, if no bank or trust company is so rated, the highest comparable rating then given to any bank or trust company, but in such case only for funds invested overnight or over a weekend) provided that such investments shall mature or be redeemable upon the option of the holders thereof on or prior to a date three months from the date of their purchase;

(iv) bonds or other obligations having a short term unsecured debt rating of not less than A-1+ by S&P and P-1+ by Moody's and having a long term debt rating of not less than Al by Moody's issued by or by authority of any state of the United States, any territory or possession of the United States, including the Commonwealth of Puerto Rico and agencies thereof, or any political subdivision of any of the foregoing;

(v) repurchase agreements issued by an entity rated not less than A-1+ by S&P, and not less than P-1 by Moody's which are secured by U.S. Government securities of the type described in clause (i) of this definition maturing on or prior to a date one month from the date the repurchase agreement is entered into;

(vi) short term promissory notes rated not less than A-1+ by S&P, and not less than P-1 by Moody's maturing or to be redeemable upon the option of the holders thereof on or prior to a date one month from the date of their purchase;

(vii) commercial paper (having original maturities of not more than 365 days) rated at least A-1+ by S&P and P-1 by Moody's and issued by a foreign or domestic issuer who, at the time of the investment, has outstanding long-term unsecured debt obligations rated at least Al by Moody's;

(viii) investments in money market funds in which substantially all the assets are comprised of investments of the character, quality and maturity described in clauses (i) through (vii) of this definition; and

(ix) marketable securities actively traded on a public exchange.

"Certificate of Beneficial Ownership" means, for Borrower, a certificate in form and substance acceptable to Administrative Agent and the Lenders (as amended or modified by Administrative Agent from time to time in its sole discretion), certifying, among other things, the Beneficial Owner of Borrower.

"Change in Control" means (a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that a Person will be deemed to have "beneficial ownership" of all securities that such Person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 35.0% of the total voting power of the then outstanding voting stock of Guarantor; provided, however, that Persons acquiring common shares of Guarantor from Guarantor in connection with an acquisition or other transaction with Guarantor, without any agreement among such Persons to act together to hold, dispose of, or vote such shares following the acquisition of such shares, shall not be considered a "group" for purposes of this clause or (b) during any period of 12 consecutive months ending after the Closing,

individuals who at the beginning of any such 12 month period constituted the Board of Directors of Guarantor cease for any reason to constitute a majority of the Board of Directors of Guarantor then in office, excluding any change in directors or trustees resulting from (i) the election of any new directors whose election by the Board of Directors or whose nomination for election by the shareholders of Guarantor was approved by a vote of a majority of the directors or trustees then still in office who were either directors or trustees at the beginning of such period or whose election or nomination for election was previously so approved), (ii) the retirement/resignation of any director or trustee as a result of compliance with any written policy of Guarantor requiring retirement/resignation from the Board of Directors upon reaching the retirement age specified in such policy, (iii) the death or disability of any director or trustee, (iv) satisfaction of any requirement for the majority of the members of the board of directors or trustees of Guarantor to qualify under applicable law as independent directors or trustees or (v) the replacement of any director or trustee who is an officer or employee of Guarantor or an affiliate of Guarantor with any other officer or employee of Guarantor or an affiliate of Guarantor.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Law, (b) any change in any Law or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of Law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines, interpretations or directives thereunder or issued in connection therewith (whether or not having the force of Law) and (y) all requests, rules, regulations, guidelines, interpretations or directives promulgated by the Administrative Agent for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities (whether or not having the force of Law) , in each case pursuant to Basel III, shall in each case be deemed to be a Change in Law regardless of the date enacted, adopted, issued, promulgated or implemented.

"Closing Date" means the earliest date on which all conditions precedent set forth in Section 5.1 are satisfied or waived in accordance with Section 10.1(a).

"Co-Syndication Agent" means TD Bank, N.A., Truist Bank and Regions Bank.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and any regulations promulgated thereunder.

"Commitment" means, as to each Lender, its obligation to make Committed Loans to Borrower pursuant to Section 2, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 1.1 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

"Commitment Fee" has the meaning set forth in Section 2.11(b).

"Committed Borrowing" means a borrowing consisting of simultaneous Committed Loans of the same Type and, in the case of Term SOFR Rate Committed Loans, having the same Interest Period made by each of the Lenders pursuant to Section 2.1.

"Committed Loan" means advances of loan proceeds by Lenders to Borrower hereunder (and is sometimes also referred to herein simply as "Loan" or "Loans").

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. §1 et seq.), as amended from time to time, and any successor statute.

"Completion of Construction" means, with respect to any real property, the date that final certificates of occupancy have been issued for all buildings on such property.

"Compliance Certificate" means a compliance certificate, substantially similar to the form of Exhibit D, signed and certified by an authorized financial officer of Borrower.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Corresponding Tenor" with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

"Covered Entity" means (a) Borrower and Guarantor and (b) each Person that, directly or indirectly, is in control of Borrower or Guarantor. For purposes of this definition, control of a Person means the direct or indirect (x) ownership of, or power to vote, 25% or more of the issued and outstanding equity interests having ordinary voting power for the election of directors of such Person or other Persons performing similar functions for such Person, or (y) power to direct or cause the direction of the management and policies of such Person whether by ownership of equity interests, contract or otherwise.

"Daily Simple SOFR" means, for any day, an interest rate per annum equal to the greater of (a) SOFR for the day that is five Business Days prior to (i) if such day is a Business Day, such day or (ii) if such day is not a Business Day, the Business Day immediately preceding such day, and (b) zero; provided that if SOFR is not published on such Business Day due to a holiday or other circumstance that the Administrative Agent deems in its sole discretion to be temporary, the applicable SOFR rate shall be the SOFR rate last published prior to such Business Day. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Borrower. For purposes of determining any interest rate hereunder or under any Loan Document which is based on Daily Simple SOFR, such interest rate shall change as and when Daily Simple SOFR shall change.

"Daily Simple SOFR Rate Loan" means a Loan that bears interest at the Daily Simple SOFR Rate.

"Debt Service" means with respect to any Indebtedness, the sum of (x) the aggregate interest payments and other fees paid or payable in respect of or relating to such Indebtedness, plus (y) the aggregate principal installments paid and payable (but not balloon payments) and excluding any non-cash mark to market items and prepayment premiums.

"Debtor Relief Laws" means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

"Default" means any event or circumstance which, with notice or the passage of time or both, would become an Event of Default.

"Defaulting Lender" means, subject to Section 2.16.2, any Lender that (a) has failed to (i) fund all or any portion of its Loans within two (2) Business Days after the date such Loans were required to be funded hereunder unless such Lender notifies Administrative Agent and Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied or waived, or (ii) pay to Administrative Agent or any other Lender any other amount required to be paid by it hereunder within two (2) Business Days after the date when due, (b) has notified Borrower or Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three (3) Business Days after written request by Administrative Agent or Borrower, to confirm in writing to Administrative Agent and Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by Administrative Agent and Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar Debtor Relief Laws of the United States or other applicable jurisdictions from time to time in effect, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-in Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding

absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.16.2) upon delivery of written notice of such determination to Borrower and each Lender.

"Default Rate" means the per annum rate of interest that is 400 basis points in excess of the rate otherwise applicable.

"Designated Borrower's Account" has the meaning given to it in Section 9.4.

"Development Limits" has the meaning given to it in Section 6.6.

"Dollar" and "$" mean lawful money of the United States.

"EBITDA" means, for any fiscal period of Guarantor and its consolidated subsidiaries, without duplication, (a) the sum for such period of (i) consolidated net income, (ii) consolidated interest expense (including capitalized interest expense); (iii) consolidated charges against income for all federal, state and local taxes based on income, (iv) consolidated depreciation expense, (v) consolidated amortization expense, (vi) the aggregate amount of other non-cash charges and expenses, and (vii) the aggregate amount of extraordinary losses included in the determination of consolidated net income for such period, less (b) the aggregate amount of extraordinary gains included in the determination of consolidated net income for such period, and in each case excluding all Non-Borrower Interests, all as determined in accordance with GAAP, consistently applied. For purposes of this definition, EBITDA includes Borrower's pro rata shares of interest expense, federal, state and local taxes based on income, depreciation expense and amortization expense for such Joint Venture Investments. For the purposes of calculating EBITDA in order to determine Gross Asset Value, EBITDA shall not be deemed to include corporate level general and administrative expenses and other corporate expenses, such as land holding costs, employee and trustee stock and stock option expenses and pursuit costs write-offs, all as determined in good faith by Borrower.

"ECSA" means the Electronic Commerce Security Act, as in effect in the State of Illinois, as amended from time to time, and any successor statute, and any regulations promulgated thereunder from time to time.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country that is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country that is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country that is a subsidiary of an institution described in clause (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Lichtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Eligible Assignee" means (a) a Lender; (b) an Affiliate of a Lender; (c) an Approved Fund; (d) an Eligible Lender; and (e) any other Person (other than a natural person (or holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural person) or a Defaulting Lender) approved by (i) Administrative Agent in its reasonable discretion, and (ii) unless an Event of Default has occurred and is continuing, Borrower (each such approval by Borrower not to be unreasonably withheld or delayed); provided that Borrower shall be deemed to have consented to any such assignment unless it objects thereto by written notice to Administrative Agent within ten (10) Business Days after having received notice thereof; provided further, that notwithstanding the foregoing, "Eligible Assignee" shall not include Borrower or any of Borrower's Affiliates or subsidiaries. Approval by Administrative Agent or, if required, by Borrower, of any Person as an Eligible Assignee shall not constitute a waiver of any right to approve any other Person before such other Person can become an Eligible Assignee.

"Eligible Lender" means any Person, other than Borrower or any Affiliates or subsidiaries of Borrower who (i) is rated BBB or better by S&P or Baa2 or better by Moody's or is a commercial bank, financial institution, institutional lender with total assets of at least $10,000,000,000, and (ii) is regularly engaged in the business of commercial real estate lending and maintains one or more lending offices in the United States.

"Environmental Laws" means all federal, state, and local laws, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements, governmental restrictions and regulations relating to pollution and the protection of the environment or the release of any Hazardous Substances into the environment, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 1802, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Toxic Substance Control Act of 1976, as amended, 15 U.S.C. § 2601 et seq., the Clean Water Act, 33 U.S.C. § 466 et seq., as amended, and the Clean Air Act, 42 U.S.C. § 7401 et seq.

"Equity Forward Contract" means a forward equity contract with respect to common Equity Interests of Guarantor, entered into by Guarantor and a Person (other than a Subsidiary of Guarantor).

"Equity Interest" means, with respect to any Person, any share of capital stock of (or other ownership or profit interests in) such Person, any warrant, option or other right for the purchase or other acquisition from such Person of any share of capital stock of (or other ownership or profit interests in) such Person, whether or not certificated, any security convertible into or exchangeable for any share of capital stock of (or other ownership or profit interests in) such Person or warrant, right or option for the purchase or other acquisition from such Person of such shares (or such other interests), and any other ownership or profit interest in such Person (including, without limitation, partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such share, warrant, option, right or other interest is authorized or otherwise existing on any date of determination.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Sections 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan: or (f) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon Borrower or any ERISA Affiliate.

"Erroneous Payment" has the meaning assigned to it in Section 9.11.1.

"Erroneous Payment Deficiency Assignment" has the meaning assigned to it in Section 9.11.4.

"Erroneous Payment Return Deficiency" has the meaning assigned to it in Section 9.11.4.

"Erroneous Payment Subrogation Rights" has the meaning assigned to it in Section 9.11.4.

"ESRA" means the Electronic Signatures and Records Act as in effect in the State of New York, as amended form time to time, and any successor statute, and any regulations promulgated thereunder from time to time.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Event of Default" means any of the events or circumstances specified in Section 8.1.

"Excluded Taxes" means, with respect to Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of Borrower hereunder, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it, under the laws of any Governmental Authority, (b) any branch profits taxes imposed by the United States or any similar tax imposed by any Governmental Authority, (c) in the case of a Foreign Lender, any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party hereto (or designates a new Lending Office) or is attributable to such Foreign Lender's failure or inability (other than as a result of a Change in Law) to comply with Section 3.1.5, except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new Lending Office (or

assignment), to receive additional amounts from Borrower with respect to such withholding tax pursuant to Section 3.1.5, and (d) any U.S. federal withholding Taxes imposed by FATCA.

"Existing Loan Conversion" has the meaning specified in Section 2.1(a).

"Existing Loans" has the meaning specified in Section 2.1(a).

"Existing Term Loan Agreement" has the meaning specified in the first recital hereto.

"Extension Fee" means (a) with respect to an extension of the Initial Maturity Date pursuant to Section 2.17, a non-refundable fee in the amount of 12.5 basis points of the Outstanding Amount of all Loans, (b) with respect to an extension of the First Option Maturity Date pursuant to Section 2.18, a non-refundable fee in the amount of 12.5 basis points of the Outstanding Amount of all Loans, and (c) with respect to an extension of the Second Option Maturity Date pursuant to Section 2.19, a non-refundable fee in the amount of 12.5 basis points of the Outstanding Amount of all Loans.

"E-Sign" means the Federal Electronic Signatures in Global and National Commerce Act, as amended from time to time, and any successor statute, and any regulations promulgated thereunder from time to time.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities entered into in connection with the implementation of the foregoing.

"Federal Funds Effective Rate" means, for any day, the greater of (a) zero and (b) the rate per annum calculated by the Federal Reserve Bank of New York based on such day's federal funds transactions by depository institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the federal funds effective rate.

"Fee Letter" means, individually and collectively, (i) that certain letter agreement of even date herewith between U.S. Bank and Borrower, (ii) that certain letter agreement of even date herewith between TD Bank, N.A. and Borrower, (iii) that certain letter agreement of even date herewith between Truist Bank and Borrower, and (iv) that certain letter agreement of even date herewith between Regions Bank and Borrower, each setting forth the payment of certain fees that are payable by Borrower to such parties in connection with this Agreement.

"First Option Maturity Date" has the meaning set forth in Section 2.17.

"Fitch" means Fitch, Inc.

"Fixed Charges" means, for any fiscal period of Guarantor and its consolidated subsidiaries, the sum of the following items for such period (including Borrower's pro rata share of each such item for each Joint Venture): (i) interest expense (whether paid or accrued), other than interest expense on Permitted Subordinated Indebtedness, (ii) capitalized interest expense, other than capitalized interest expense with respect to Permitted Subordinated Indebtedness, (iii) preferred stock dividends, (iv) scheduled principal payments on Indebtedness, other than balloon payments and other than payments in respect to Permitted Subordinated Indebtedness, and (v) a reserve for recurring capital expenditures in an amount equal to the Capital Reserve for such period. For the purposes hereof, "Fixed Charges" shall not include any non-cash interest expense or deferred amortization costs.

"Floor" means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the Term SOFR Screen Rate or the Daily Simple SOFR Rate or, if no floor is specified, zero.

"Foreign Lender" means any Lender that is organized under the laws of a jurisdiction other than that in which Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction. As an example, if Borrower is a resident of the United States for tax purposes, a "Foreign Lender" will be any Lender that is organized under the laws of any country other than the United States.

"Fund" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"Funds From Operations" means, with respect to Guarantor and its consolidated subsidiaries, net income calculated in conformity with the National Association of Real Estate Investment Trusts in its White Paper on Funds From Operations, as published from time to time.

"GAAP" means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants, and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the U.S. accounting profession), which are applicable to the circumstances as of the date of determination, consistently applied.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank) and any group or body charged with setting financial accounting or regulatory capital rules or standards (including, without limitation, the Financial Accounting Standards Board, the Bank for International Settlements or the Basel Committee on Banking Supervision or any successor or similar authority to any of the foregoing).

“Gross Asset Value” means, at any time, the sum (without duplication) of (i) an amount equal to EBITDA for Guarantor and its consolidated subsidiaries for the most recent four (4) consecutive fiscal quarters for which Administrative Agent has received financial statements (the “Measuring Period”) (excluding any income attributable to properties bought or sold during such Measuring Period), and divided by the applicable Capitalization Rate (expressed as a decimal); (ii) the amount of cash and marketable securities held by Guarantor and its consolidated subsidiaries as of the end of such Measuring Period; (iii) the aggregate acquisition cost of properties acquired by Guarantor or any of its consolidated subsidiaries during such Measuring Period (including Borrower’s pro rata shares of any properties acquired by Joint Ventures, based on its Capital Interests in such Joint Ventures); (iv) the aggregate positive amount of net cash proceeds that would be due to Guarantor from all Equity Forward Contracts that have not yet settled as of such date, calculated as if such Equity Forward Contracts were settled by Guarantor’s delivery of its common shares as of, and such net cash proceeds were actually received on, the last day of the then most recently ended fiscal quarter; provided, that such calculation shall exclude each Equity Forward Contract, if any, with respect to which either (x) Guarantor or the counterparty would not reasonably be expected (as determined in good faith by Guarantor), for any reason, to be able to fulfill its obligations thereunder prior to the latest Maturity Date or (y) Guarantor no longer intends to issue shares sufficient to realize such proceeds; and (v) the aggregate book value of all development property as of the end of the Measuring Period (including Borrower’s pro rata share of development property held by Joint Ventures, based on its Capital Interests in such Joint Ventures). For the purposes of the foregoing clause (v), “development property” shall include all properties from the date that such properties are listed as development projects in Guarantor’s 10K or 10Q until the date that is eighteen (18) months following the date on which Completion of Construction on such development property has occurred.

“Guarantor” means Essex Property Trust, Inc., a Maryland corporation operating as a real estate investment trust.

“Guaranty” means that certain Payment Guaranty, dated as of October 11, 2022, executed by Guarantor and substantially in the form of Exhibit F attached hereto.

“Guaranty Obligation” means, as applied to any Person, without duplication, any direct or indirect liability of that Person with respect to any Indebtedness, lease, dividend, letter of credit or other obligation of another Person. The amount of any Guaranty Obligation shall be deemed equal to the maximum reasonably anticipated liability in respect thereof.

“Hazardous Substance” means any substance, material or waste, including asbestos and petroleum (including crude oil or any fraction thereof), polychlorinated biphenyls, radon gas, urea formaldehyde foam insulation, explosive or radioactive material, or infectious or medical wastes, which is or becomes designated, classified or regulated as “toxic,” “hazardous,” a “pollutant” or similar designation under, or which is regulated pursuant to, any Environmental Law.

“Increase Effective Date” has the meaning set forth in Section 2.9.3(e).

“Indebtedness” means, as it relates to any Person, without duplication, (a) all indebtedness for borrowed money; (b) all obligations issued, undertaken or assumed as the deferred purchase price of property or services; (c) all reimbursement obligations with respect to surety bonds, letters

of credit and similar instruments; (d) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses; (e) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to property acquired by the Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property); (f) all indebtedness referred to in clauses (a) through (e) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness; and (g) all Guaranty Obligations in respect of indebtedness or obligations of others of the kinds referred to in clauses (a) through (e) above.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Indemnitee" has the meaning set forth in Section 10.4(b).

"Information" has the meaning set forth in Section 10.6.

"Initial Maturity Date" means January 12, 2028, or, if such date is not a Business Day, the immediately preceding Business Day.

"Insolvency Proceeding" means (a) any case, action or proceeding before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or (b) any general assignment for the benefit of creditors, composition, marshaling of assets for creditors or other similar arrangement in respect of its creditors generally or any substantial portion of its creditors; in each case (a) and (b) undertaken under U.S. federal, state or foreign law, including the United States Bankruptcy Code (11 U.S.C. §101 et seq.).

"Intercompany Creditor" has the meaning set forth in Section 6.14(b).

"Interest Payment Date" means (a) as to any Term SOFR Rate Committed Loan, the last day of each Interest Period applicable to such Loan and the applicable Maturity Date; provided, however, that if any Interest Period for a Term SOFR Rate Committed Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; (b) as to any Base Rate Committed Loan, the first Business Day of each calendar quarter and the applicable Maturity Date; and (c) as to any Daily Simple SOFR Rate Loan, the first Business Day of each calendar month and the applicable Maturity Date.

"Interest Period" means, as to any Term SOFR Rate Committed Loan, the period commencing on the Business Day the Loan is disbursed or continued or on the conversion date on which the Loan is converted to a Term SOFR Rate Committed Loan and ending on the date that is (x) one, three or six months thereafter (in each case, subject to the availability thereof) or (y) such other period as approved by Administrative Agent if available from all Lenders, in each case as selected by Borrower in its Notice of Borrowing or Conversion/Continuation; provided that:

(a) if any Interest Period pertaining to a Term SOFR Rate Committed Loan would otherwise end on a day that is not a Business Day, that Interest Period shall be extended to

the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the immediately preceding Business Day; and

(b) any Interest Period pertaining to a Term SOFR Rate Committed Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period;

(c) no Interest Period shall extend beyond the Maturity Date; and

(d) no tenor that has been removed from this definition pursuant to Section 3.5.2(d) may be available for selection by Borrower.

"Joint Venture" means a Person in which Borrower has an ownership interest that is less than 100%.

"Joint Venture Investments" means the aggregate amount of Borrower's investments (valued in accordance with GAAP), advances and loans to Joint Ventures unconsolidated under GAAP.

"Law(s)" means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"Lender Reply Period" has the meaning given to it in Section 10.2(f).

"Lender" and "Lenders" have the meaning set forth in the introductory paragraph hereof.

"Lending Office" means, as to any Lender, the office or offices of such Lender described as such in the Administrative Questionnaire for such Lender, or such other office as such Lender may designate to Borrower and Administrative Agent in writing from time to time.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment, charge or deposit arrangement, encumbrance, lien (statutory or other) or preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever (including those created by, arising under or evidenced by any conditional sale or other title retention agreement, the lessor's interest under a capital lease (determined in accordance with GAAP), any financing lease having substantially the same economic effect as any of the foregoing, or the filing of any financing statement under the UCC (or any comparable law naming the owner of the asset to which such lien relates as debtor) and any contingent or other agreement to provide any of the foregoing, but not including the interest of a lessor under an operating lease (determined in accordance with GAAP).

"Loan(s)" means an extension of credit by a Lender to Borrower pursuant to Article 2.

"Loan Documents" means this Agreement, the Notes, the Guaranty, and any other documents delivered to Administrative Agent, on behalf of the Lenders, in connection therewith, in each case as supplemented, modified, amended or amended and restated from time to time.

"Loan Party" or "Loan Parties" means, individually or collectively, Borrower and Guarantor.

"Material Adverse Effect" means an event or circumstance or series of circumstances or events that materially and adversely affects (a) Borrower's or Guarantor's business, operations, properties or financial condition, taken as a whole; or (b) the ability of Borrower or Guarantor to pay or perform any of their respective payment obligations under the Loan Documents; (c) the legality, validity, binding effect or enforceability against Borrower or Guarantor of any Loan Document to which it is a party; or (d) the rights and remedies available to, or conferred upon, the Administrative Agent or any Lender under any Loan Document.

"Maturity Date" means the Initial Maturity Date, subject to being extended as set forth in Section 2.17, Section 2.18 and Section 2.19.

"Maximum Facility Amount" means an amount equal to Three Hundred Million Dollars ($300,000,000), subject to increase pursuant to, and on the terms and subject to the conditions set forth in, Section 2.9, and as such amount shall be reduced from time to time on a dollar-for-dollar basis by all repayments of principal of the Loans.

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

"Net Operating Income" means, with respect to any property, for the relevant period, the aggregate total cash revenues actually collected from the normal operation of such property (excluding all security deposits until such time as the tenant or other user making such deposit is no longer entitled to return thereof), plus amounts payable to unrelated third parties on behalf of the owner of the property, if actually paid, plus the proceeds of any rental or business interruption insurance actually received by the owner of the property with respect to such property, from which there shall be deducted all costs and expenses paid or payable by the owner and relating to such property (other than Debt Service which is paid and balloon payments), including (a) any charges paid in connection with the use, ownership or operation of such property, (b) any cost of repairs and maintenance, (c) management fees calculated as the greater of (x) the actual management fees for the applicable period and (y) 3% of the aggregate gross revenues for such property for the relevant period, plus any other costs associated with the management of such property, (d) any payroll cost and other expenses for general administration and overhead paid in connection with the use, ownership or operation of such property, (e) current real estate taxes, (f) any sums paid or subject to payment in the nature of a rebate, refund or other adjustment to revenue previously collected, (g) all assessment bond indebtedness (whether principal or interest) in respect of such

property paid or payable for the interval in question, (h) all amounts paid to unrelated third parties on behalf of the owner of the property, and (i) any and all costs or expenses, of whatever nature or kind, incurred in connection with the use, ownership or operation of the property; provided, however, that such costs and expenses paid or payable by Borrower and relating to such property shall not include tenant improvement costs, leasing commissions or the costs and expenses of capital improvements and capital repairs, or depreciation, amortization or other non-cash expenses.

"Non-Borrower Interests" means (a) the portion of capital contributed to Borrower or any Joint Venture by a Person other than Borrower or Guarantor; and (b) the portion of income of Borrower or any Joint Venture that is allocated to a Person other than Borrower or Guarantor.

"Non-Recourse Indebtedness" means, with respect to any Person, Indebtedness of that Person with respect to which recourse to such Person for payment is contractually limited to specific assets encumbered by a Lien securing such Indebtedness. Notwithstanding the foregoing, Indebtedness of any Person shall not fail to constitute Non-Recourse Indebtedness by reason of the inclusion in any document evidencing, governing, securing or otherwise relating to such Indebtedness to the effect that such Person shall be liable, beyond the assets securing such Indebtedness, for (a) misapplied moneys, including insurance and condemnation proceeds and security deposits, (b) liabilities (including environmental liabilities) of the holders of such Indebtedness and their Affiliates to third parties, (c) breaches of customary representations and warranties given to the holders of such Indebtedness, (d) commission of waste with respect to any part of the collateral securing such Indebtedness, (e) recovery of rents, profits or other income attributable to the collateral securing such Indebtedness collected following a default, (f) fraud, gross negligence or willful misconduct, (g) breach of any covenants regarding compliance with ERISA, and (h) other similar exceptions to the non-recourse nature of the Indebtedness imposed by an institutional lender.

"Note" means each promissory note of Borrower payable to the order of a Lender, substantially in the form of Exhibit G hereto, and any amendments, supplements, modifications, renewals, replacements, consolidations or extensions thereof, evidencing the aggregate indebtedness of Borrower to a Lender resulting from Loans made by such Lender pursuant to this Agreement; "Notes" means, at any time, all of the Notes executed by Borrower in favor of a Lender outstanding at such time.

"Notice of Committed Borrowing or Conversion/Continuation" means a notice substantially in the form of Exhibit B given by Borrower to Administrative Agent pursuant to Section 2.3, or Section 2.6, as applicable.

"Obligations" means all Loans, advances, debts, liabilities, obligations and covenants owing from Borrower or Guarantor to any Lender, Administrative Agent or any Indemnitee under any Loan Document, whether absolute or contingent, due or to become due, now existing or hereafter arising, and including interest and fees that accrue after the commencement by or against Borrower or Guarantor of any proceeding under any Insolvency Proceeding naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

"Obligor" has the meaning set forth in Section 6.14(b).

"OFAC" means the U.S. Department of the Treasury's Office of Foreign Assets Control, and any successor thereto.

"Other Taxes" means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document. Other Taxes shall not include any Excluded Taxes.

"Outbound Investment Rules" means the regulations administered and enforced, together with any related public guidance issued, by the United States Treasury Department under U.S. Executive Order 14105 of August 9, 2023, or any similar law or regulation; as of the Closing Date, and as codified at 31 C.F.R. § 850.101 et seq.

"Outstanding Amount" means, with respect to Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Loans occurring on such date.

"Overnight Bank Funding Rate" means for any day, the rate comprised of both overnight federal funds and overnight eurocurrency borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the Federal Reserve Bank of New York, as set forth on its public website from time to time, and as published on the next succeeding Business Day as the overnight bank funding rate by the Federal Reserve Bank of New York (or by such other recognized electronic source (such as Bloomberg) selected by Administrative Agent for the purpose of displaying such rate); provided, that if such day is not a Business Day, the Overnight Bank Funding Rate for such day shall be such rate on the immediately preceding Business Day; provided, further, that if such rate shall at any time, for any reason, no longer exist, a comparable replacement rate determined by U.S. Bank at such time (which determination shall be conclusive absent manifest error). If the Overnight Bank Funding Rate determined as above would be less than zero, then such rate shall be deemed to be zero. The rate of interest charged shall be adjusted as of each Business Day based on changes in the Overnight Bank Funding Rate without notice to Borrower.

"O&M Plan" means an operations and maintenance plan relating to any asbestos containing materials.

"Participant" shall have the meaning set forth in Section 10.5(d).

"PATRIOT Act" means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), as amended from time to time, and any successor statute.

"Payment Recipient" has the meaning set forth in Section 9.11.1.

"PBGC" means the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA or any entity succeeding to any or all of its functions under ERISA.

"Pension Plan" means any "employee pension benefit plan" (as such term is defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA and

is sponsored or maintained by Borrower or any ERISA Affiliate or to which Borrower or any ERISA Affiliate contributes or has an obligation to contribute, or in the case of a multiple employer or other plan described in Section 4064(a) of ERISA, has made contributions at any time during the immediately preceding five plan years.

"Permitted Liens" means (i) liens for taxes, assessments or governmental charges or levies to the extent that Borrower or any subsidiary of Borrower is not yet required to pay the amount secured thereby; (ii) liens imposed by law, such as carrier's, warehouseman's, mechanic's, materialman's and other similar liens, arising in the ordinary course of business in respect of obligations that are not overdue or are being actively contested in good faith by appropriate proceedings and in compliance with Section 6.14(c) hereof, as long as Borrower or a subsidiary of Borrower, as applicable, has established and maintained adequate reserves for the payment of the same and, by reason of nonpayment, no property of Borrower or a subsidiary of Borrower, as applicable, is in danger of being lost or forfeited; and (iii) easements, covenants, conditions and restrictions, reciprocal easement and access agreements and similar agreements relating to ownership and operation.

"Permitted Subordinated Indebtedness" means Indebtedness owing by an Obligor to an Intercompany Creditor, provided that such Intercompany Creditor has executed a subordination agreement in form and substance acceptable to Administrative Agent in its reasonable discretion.

"Person" means an individual, corporation, partnership, joint venture, limited liability company, joint stock company, business trust, unincorporated association or Governmental Authority.

"Plan" means any "employee benefit plan" (as such term is defined in Section 3(3) of ERISA) established by Borrower or, with respect to any such plan that is subject to Section 412 of the Code or Title IV of ERISA, any ERISA Affiliate.

"Platform" has the meaning given to it in Section 6.3.

"Prime Rate" means a rate per annum equal to the prime rate of interest announced from time to time by U.S. Bank or its parent (which is not necessarily the lowest rate charged to any customer), changing when and as such prime rate changes.

"Pro Rata Share" means, as to any Lender at any time, the percentage indicated for such Lender as its "Pro Rata Share" on Schedule 1.1 (expressed as a decimal rounded to the ninth decimal place), as such percentage may be adjusted from time to time as a result of an increase in the Maximum Facility Amount as provided in Section 2.9 or to account for any assignments of a Lender's interest as provided in Section 10.5.

"QFC" has the meaning has the meaning set forth in Section 10.22.

"QFC Credit Support" has the meaning set forth in Section 10.22.

"Reference Time" means the time determined by the Administrative Agent in its reasonable discretion.

“Register” shall have the meaning set forth in Section 10.5(c).

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person’s Affiliates.

“Relevant Governmental Body” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

“Reportable Event” means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30 day notice period has been waived.

“Required Lenders” means, as of any date of determination, the Lenders having at least 51% of the Commitments or, if the commitment of each Lender to make Loans has been terminated, the Lenders holding in the aggregate at least 51% of the Outstanding Amount of all Loans; provided, however, that the Commitment of, and the portion of the Outstanding Amount held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders; provided, further, that if there are fewer than three Lenders, all Lenders shall be Required Lenders. Notwithstanding the foregoing, as long as there are at least two (2) Lenders (other than Defaulting Lenders), Required Lenders shall include at least two (2) Lenders.

“Requirements of Law” means, as to any Person, any law (statutory or common), treaty, rule or regulation, or any determination of an arbitrator or of a Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Requirements” shall have the meaning set forth in Section 6.1.1.

“Responsible Officer” means any officer of the general partner of Borrower having the authority to execute Loan Documents, Notices of Committed Borrowing or Conversion/Continuation on behalf of Borrower, as identified to Administrative Agent in a certificate executed by the General Counsel, Principal Financial Officer, Chief Executive Officer, Vice President-Finance or Secretary of Borrower’s general partner.

“Sanctions” means sanctions administered or enforced from time to time by (a) the U.S. government, including, without limitation, those administered by the U.S. Department of the Treasury and its OFAC, the U.S. Department of State, the U.S. Department of Commerce and the U.S. Customs and Border Protection agency, (b) the government of Canada, (c) the United Nations Security Council, (d) the European Union, (e) His Majesty’s Treasury or (f) other relevant sanctions authority.

“Screen” has the meaning provided in the definition of Term SOFR Screen Rate.

“Second Option Maturity Date” has the meaning given to such term in Section 2.18.

"Secured Debt" means (i) other than with respect to Joint Ventures, Indebtedness that is secured by a Lien encumbering real property owned or leased by the obligor and (ii) with respect to a Joint Venture, Borrower's and Guarantor's pro rata share of Indebtedness that is secured by a Lien encumbering real property owned by such Joint Venture based upon Borrower's and Guarantor's Capital Interests in such Joint Venture. Notwithstanding the foregoing, Secured Debt shall not include any Permitted Subordinated Indebtedness.

"SOFR" means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator's Website.

"SOFR Administrator" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"SOFR Administrator's Website" means the website of the Federal Reserve Bank of New York, currently at http://www.newyorkfed.org, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

"SOFR Committed Borrowing" means a Committed Borrowing consisting of SOFR Committed Loans.

"SOFR Committed Loan" means a Committed Loan that is either a Term SOFR Rate Committed Loan or a Daily Simple SOFR Rate Loan, as applicable.

"Subsidiary" means, with respect to any Person, (i) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (ii) any partnership, limited liability company, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of Borrower.

"Supplemental Signature Page" has the meaning set forth in Section 2.9.3(c).

"Supported QFC" has the meaning specified in Section 10.21.

"swap" means any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

"S&P" means S&P Global Ratings, a division of S&P Global Inc.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority and arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document, including any interest, additions to tax or penalties applicable thereto.

"Term SOFR" means the rate per annum determined by the Administrative Agent as the forward-looking term rate based on SOFR.

"Term SOFR Administrator" means CME Group Benchmark Administration Ltd. (or a successor administrator of Term SOFR).

"Term SOFR Administrator's Website" means https://www.cmegroup.com/market-data/cme-group-benchmark-administration/term-sofr, or any successor source for Term SOFR identified as such by the Term SOFR Administrator from time to time.

"Term SOFR Determination Date" has the meaning set forth in the definition of "Term SOFR Screen Rate".

"Term SOFR Rate Committed Borrowing" means a Committed Borrowing consisting of Term SOFR Rate Committed Loans.

"Term SOFR Rate Committed Loan" means a Committed Loan that bears interest at the Term SOFR Screen Rate.

"Term SOFR Reference Rate" means the forward-looking term rate based on SOFR.

"Term SOFR Screen Rate" means, for the relevant Interest Period, the greater of (a) the Term SOFR rate quoted by the Administrative Agent from the Term SOFR Administrator's Website or the applicable Bloomberg screen (or other commercially available source providing such quotations as may be selected by the Administrative Agent from time to time) (the "Screen") for such Interest Period, which shall be the Term SOFR rate published two Business Days before the first day of such Interest Period (such Business Day, the "Term SOFR Determination Date") and (b) zero. If as of 5:00 p.m. (New York time) on any Term SOFR Determination Date, the Term SOFR rate has not been published by the Term SOFR Administrator or on the Screen, then the rate used will be that as published by the Term SOFR Administrator or on the Screen for the first preceding Business Day for which such rate was published on such Screen so long as such first preceding Business Day is not more than three (3) Business Days prior to such Term SOFR Determination Date.

"Third Option Maturity Date" has the meaning set forth in Section 2.19.

"Total Liabilities" means, without duplication, (a) all Indebtedness of Guarantor and its consolidated subsidiaries, including subordinated debt, capitalized leases, purchase obligations (defined as nonrefundable deposits and non-contingent obligations), and unfunded obligations of Guarantor, Borrower or any consolidated subsidiary reported in accordance with GAAP; (b) Borrower's and Guarantor's pro rata share of non-recourse liabilities of unconsolidated Joint Ventures, based on its Capital Interests in such Joint Ventures; and (c) all liabilities of Affiliates that are recourse to Borrower or Guarantor. The term "Total Liabilities" does not include (i) that portion of Borrower's liabilities attributable to Non-Borrower Interests; (ii) any Permitted Subordinated Indebtedness; and (iii) to the extent any of the items set forth in the foregoing clauses (a) through (c) would be included as liabilities on the liability side of the balance sheet of Borrower and/or Guarantor in accordance with GAAP, excluding therefrom all accounts payable, accrued

interest and expenses, prepaid rents, security deposits, tax liabilities and dividends declared but not yet paid.

"Type" means, in connection with a Committed Loan, the characterization of such loan as a Base Rate Committed Loan or a SOFR Committed Loan.

"UCC" means the Uniform Commercial Code as in effect in any jurisdiction, as the same may be amended, modified or supplemented from time to time.

"UETA": Means the Uniform Electronic Transactions Act as in effect in the State of California, as amended from time to time, and any successor statute, and any regulations promulgated thereunder from time to time.

"UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Unadjusted Benchmark Replacement" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"Unencumbered Asset Value" means, at any time, an amount equal to the sum of (a) the Unencumbered Development Property Value plus (b) the Unencumbered Stabilized Asset Property Value plus (c) the aggregate positive amount of net cash proceeds that would be due to Guarantor from all Equity Forward Contracts that have not yet settled as of such date, calculated as if such Equity Forward Contracts were settled by Guarantor's delivery of its common shares as of, and such net cash proceeds were actually received on, the last day of the then most recently ended fiscal quarter; provided, that such calculation shall exclude each Equity Forward Contract, if any, with respect to which either (x) Guarantor or the counterparty would not reasonably be expected (as determined in good faith by Guarantor), for any reason, to be able to fulfill its obligations thereunder prior to the latest Maturity Date or (y) Guarantor no longer intends to issue shares sufficient to realize such proceeds. In the event the sum of (i) the Unencumbered Development Property Value and (ii) the Unencumbered Stabilized Asset Property Value for Unencumbered Stabilized Asset Properties which are Joint Ventures (not including downREIT properties) exceeds 25% of the Unencumbered Asset Value, such excess value shall not be included in the calculation of the Unencumbered Asset Value. For the purposes hereof, "downREIT properties" means any real property which is owned by a Person in which Borrower or its Affiliate is the sole general partner or sole managing member and the third party limited partner in such Person retains economic interests in such Person which mirror ownership interests in Guarantor's common stock. Notwithstanding the foregoing, for the purposes of calculating Unencumbered Asset Value, to the extent the aggregate Unencumbered Asset Value attributable to the net cash proceeds that would be due Guarantor from Equity Forward Contracts pursuant to

clause (c) above would exceed 7.5% of the aggregate Unencumbered Asset Value, at any time, such excess shall be excluded from the calculation.

"Unencumbered Development Property" means a real property listed on Exhibit A-2 and any additional real property which satisfies the following conditions:

(a) such real property is wholly owned by Borrower or any of its consolidated subsidiaries in fee simple title, or such real property is subject to a financeable ground lease (as determined by Administrative Agent in its reasonable discretion) in favor of Borrower or any of its consolidated subsidiaries, in excess of 30 years (provided that no less than 25 years shall be remaining on such ground lease) and such real property is located within the United States;

(b) such real property is comprised of primarily residential apartment projects under development or acquired residential apartment projects in the process of being leased up prior to stabilization; and

(c) such real property is free of all liens, encumbrances and negative pledges, except for: (i) liens for taxes, assessments or governmental charges or levies to the extent that the owner of such real property is not yet required to pay the amount secured thereby; (ii) liens imposed by law, such as carrier's, warehouseman's, mechanic's, materialman's and other similar liens, arising in the ordinary course of business in respect of obligations that are not overdue or are being actively contested in good faith by appropriate proceedings, as long as the owner of such real property, as applicable, has established and maintained adequate reserves for the payment of the same and, by reason of nonpayment, such real property is not in danger of being lost or forfeited; and (iii) easements, covenants, conditions and restrictions, reciprocal easement and access agreements and similar agreements relating to ownership and operation.

Such development property shall no longer qualify as an Unencumbered Development Property on the date that is the earlier of (i) twelve months following the date on which Completion of Construction on such Unencumbered Development Property has occurred (with respect to development properties) or the date that such Unencumbered Development Property has reached stabilization (with respect to acquired properties being leased up prior to stabilization), or (ii) the first fiscal quarter in which such Unencumbered Development Property becomes an Unencumbered Stabilized Asset Property.

"Unencumbered Development Property Value" means, at any time, for all Unencumbered Development Properties, the aggregate cost book value determined in accordance with GAAP (as shown on Borrower's consolidated balance sheet).

"Unencumbered Property" means each Unencumbered Development Property and each Unencumbered Stabilized Asset Property.

"Unencumbered Stabilized Asset Property" means a real property listed on Exhibit A-1 and any additional real property which satisfies the following conditions:

(a) such real property is wholly owned by Borrower or any of its consolidated subsidiaries in fee simple title, or such real property is subject to a financeable ground lease (as determined by Administrative Agent in its reasonable discretion) in favor of Borrower or any of

its consolidated subsidiaries, in excess of 30 years (provided that no less than 25 years shall be remaining on such ground lease) and such real property is located within the United States;

(b) such real property is operated primarily as residential apartments; and

(c) such real property is free of all liens, encumbrances and negative pledges, except for: (i) liens for taxes, assessments or governmental charges or levies to the extent that the owner of such real property is not yet required to pay the amount secured thereby; and (ii) liens imposed by law, such as carrier's, warehouseman's, mechanic's, materialman's and other similar liens, arising in the ordinary course of business in respect of obligations that are not overdue or are being actively contested in good faith by appropriate proceedings, as long as the owner of such real property, as applicable, has established and maintained adequate reserves for the payment of the same and, by, reason of nonpayment, such real property is not in danger of being lost or forfeited; and (iii) easements, covenants, conditions and restrictions, reciprocal easement and access agreements and similar agreements relating to ownership and operation.

"Unencumbered Stabilized Asset Property Value" means, at any time, the aggregate of the values determined for each Unencumbered Stabilized Asset Property as follows:

(a) if at such time Borrower or its consolidated subsidiary has owned such Unencumbered Stabilized Asset Property for four or more full consecutive calendar quarters (or, with respect to any such real property that was formerly an Unencumbered Development Property or a development property, if such real property has qualified as an Unencumbered Stabilized Asset Property for four or more full consecutive calendar quarters), an amount equal to (A) its Net Operating Income for the most recent four consecutive quarter period (including, with respect to any such Unencumbered Stabilized Asset Property which is a Joint Venture, Borrower's pro rata share of such Net Operating Income, based on Borrower's Capital Interests in such Joint Venture), less the Capital Reserve for such period, divided by (B) the Capitalization Rate (expressed as a decimal);

(b) if at such time Borrower or its consolidated subsidiary has owned such Unencumbered Stabilized Asset Property for one full calendar quarter or more but fewer than four full consecutive calendar quarters (or, with respect to any such real property that was formerly an Unencumbered Development Property or a development property, if such real property has qualified as an Unencumbered Stabilized Asset Property for one full calendar quarter or more but fewer than four full consecutive calendar quarters), an amount equal to (i) its annualized Net Operating Income for the number of the most recent full consecutive calendar quarters that Borrower or its consolidated subsidiary has owned such property (e.g., Net Operating Income for properties owned for two full consecutive calendar quarters is annualized by multiplying by a factor of two)(including, with respect to any such Unencumbered Stabilized Asset Property which is a Joint Venture, Borrower's pro rata share of such annualized Net Operating Income, based on Borrower's Capital Interests in such Joint Venture), less the Capital Reserve for such period, divided by (ii) the Capitalization Rate (expressed as a decimal); or

(c) if at such time Borrower or its consolidated subsidiary has owned such Unencumbered Stabilized Asset Property for less than one full calendar quarter (or, with respect to any such real property that was formerly an Unencumbered Development Property or a

development property, if such real property has qualified as an Unencumbered Stabilized Asset Property for less than one full calendar quarter), an amount equal to its acquisition cost (including, with respect to any such Unencumbered Stabilized Asset Property which is a Joint Venture, Borrower's pro rata share of such acquisition cost, based on Borrower's Capital Interests in such Joint Venture).

"Unfunded Pension Liability" means the excess of a Pension Plan's benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that Pension Plan's assets, determined in accordance with the assumptions used for funding the Pension Plan pursuant to Section 412 of the Code for the applicable plan year.

"Unrestricted Cash and Cash Equivalents" means Cash and Cash Equivalents owned by Borrower and Borrower's share of any Cash and Cash Equivalents owned by any consolidated subsidiary of Borrower that are not subject to any pledge, lien or control agreement, less (i) $10,000,000; (ii) amounts normally and customarily set aside by Borrower for capital and interest reserves, and (iii) amounts placed with third parties as deposits or security for contractual obligations.

"Unsecured Debt" means, at any time, all Indebtedness of Borrower, Guarantor and any wholly owned subsidiary of Borrower or Guarantor that is not Secured Debt at the end of Guarantor's most recent fiscal quarter, including, without limitation, Indebtedness arising under the Loan Documents; provided, however, with respect to a Joint Venture, the Indebtedness of Borrower and Guarantor with respect to such Joint Venture shall mean Borrower's and Guarantor's pro rata share of such Indebtedness based upon their Capital Interests in such Joint Venture. Notwithstanding the foregoing, Unsecured Debt shall not include (i) any Permitted Subordinated Indebtedness, and (ii) all accounts payable, accrued interest and expenses, prepaid rents, security deposits, tax liabilities and dividends declared but not yet paid, which would otherwise be included as liabilities on the liability side of the balance sheet of Borrower and/or Guarantor in accordance with GAAP.

"U.S. Bank" means, unless otherwise specified herein, U.S. Bank National Association in its capacity as a Lender hereunder, and not as Administrative Agent.

"U.S. Special Resolution Regimes" has the meaning set forth in Section 10.22.

"Write-Down and Conversion Powers" means (i) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (ii) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers. Terms capitalized in this

Agreement and not defined in this Section 1 have the meanings given to them elsewhere in this Agreement.

Terms capitalized in this Agreement and not defined in this Section 1 have the meanings given to them elsewhere in this Agreement.

1.2 Other Interpretive Provisions.

1.2.1 Use of Defined Terms. Unless otherwise specified herein or therein, all terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant to this Agreement. The meaning of defined terms shall be equally applicable to the singular and plural forms of the defined terms.

1.2.2 Certain Common Terms.

(1) The Agreement. The words "hereof," "herein," "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section, schedule and exhibit references are to this Agreement unless otherwise specified.

(2) Documents. The term "documents" includes any and all instruments, documents, agreements, certificates, indentures, notices and other writings, however evidenced.

(3) Meaning of Certain Terms. The term "including" is not limiting and means "including without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." The words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(4) Performance. Whenever any performance obligation hereunder (including a payment obligation) is stated to be due or required to be satisfied on a day other than a Business Day, such performance shall be made or satisfied on the next succeeding Business Day. In the computation of periods of time from a specified date to a later specified date (other than with respect to computation of interest owed or accrued under this Agreement), the word "from" means from and including and the words "to" and "until" each mean "to and including". If any provision of this Agreement refers to any action taken or to be taken by any Person, or which such Person is prohibited from taking, such provision shall be interpreted to encompass any and all reasonable means, direct or indirect, of taking or not taking such action.

(5) Contracts. Unless otherwise expressly provided in this Agreement, references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto, but only to the extent such amendments and other modifications are not prohibited by the terms of any Loan Document.

(6) Laws. References to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending or replacing the statute or regulation.

(7) Captions. The captions and headings of this Agreement are for convenience of reference only, and shall not affect the construction of this Agreement.

(8) Independence of Provisions. If a conflict exists between the terms of this Agreement and those of any other Loan Document, this Agreement shall prevail; provided, however, that the parties acknowledge that this Agreement and the other Loan Documents may use several different limitations, tests or measurements to regulate the same or similar matters, and that such limitations, tests and measurements are cumulative and must each be performed, except as expressly stated to the contrary in this Agreement, or unless the applicable provisions are inconsistent or cannot be simultaneously enforced or performed.

(9) Exhibits. All of the exhibits attached to this Agreement are incorporated herein by this reference.

(10) Times of Day. Unless otherwise specified, all references herein to times of day shall be references to New York City time (daylight or standard, as applicable).

1.2.3 Accounting Principles.

(1) Accounting Terms. Unless the context otherwise clearly requires, all accounting terms not otherwise expressly defined herein shall be construed, and all financial computations required under this Agreement shall be made, in accordance with GAAP, consistently applied.

(2) Fiscal Periods. References herein to “fiscal year” and “fiscal quarter” refer to such fiscal periods of Guarantor and its consolidated subsidiaries.

(3) Rounding. Any financial ratios required to be maintained by Borrower or Guarantor pursuant to this Agreement or any other Loan Document shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.2.4 Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction’s laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its equity interests at such time.

1.2.5 Rates. The interest rate on SOFR Committed Loans is determined by reference to the Term SOFR Screen Rate and the Daily Simple SOFR Rate, which are derived from the Term SOFR Reference Rate and Daily Simple SOFR, respectively. Section 3.5.2 provides a mechanism for (a) determining an alternative rate of interest if the Term SOFR Screen Rate or the Daily Simple SOFR Rate is no longer available or in the other circumstances set forth in Section 3.5.2, and (b) modifying this Agreement to give effect to such alternative rate of interest. Administrative Agent does not warrant or accept any responsibility for, and shall not have any

liability with respect to, the administration, submission or any other matter related to the Term SOFR Reference Rate, Daily Simple SOFR, SOFR or other rates in the definition of Term SOFR Screen Rate or Daily Simple SOFR Rate or with respect to any alternative or successor rate thereto, or replacement rate thereof (including any Benchmark Replacement), including without limitation, whether any such alternative, successor or replacement reference rate (including any Benchmark Replacement), as it may or may not be adjusted pursuant to Section 3.5.2, will have the same value as, or be economically equivalent to, the Term SOFR Screen Rate or Daily Simple SOFR Rate, as applicable, except, in the case of clauses (a) and (b), to the extent of liabilities resulting from the bad faith, gross negligence or willful misconduct of the Administrative Agent, as determined by a court of competent jurisdiction in a final and non-appealable judgment. Administrative Agent and its affiliates or other related entities may engage in transactions that affect the calculation of the Alternate Base Rate, the Term SOFR Reference Rate, the Term SOFR Screen Rate, the Term SOFR Screen Rate, SOFR, Daily Simple SOFR, the Daily Simple SOFR Rate, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, in each case, in a manner adverse to Borrower. Administrative Agent may select information sources or services in its reasonable discretion to ascertain the Alternate Base Rate, the Term SOFR Reference Rate, the Term SOFR Screen Rate, the Term SOFR Screen Rate, SOFR, Daily Simple SOFR, the Daily Simple SOFR Rate or any other Benchmark, in each case pursuant to the terms of this Agreement, and shall have no liability to Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service, except to the extent of liabilities resulting from the bad faith, gross negligence or willful misconduct of the Administrative Agent, as determined by a court of competent jurisdiction in a final and non-appealable judgment.

2. LOAN AMOUNTS AND TERMS.

2.1 Existing Loans; Availability.

(a) Existing Loans. Certain term loans were previously made to the Borrower under the Existing Term Loan Agreement, a portion of which remain outstanding as of the Closing Date (such outstanding loans being hereinafter referred to as the "Existing Loans"). Subject to the terms and conditions of this Agreement, the Borrower and each Lender agree that on the Closing Date the Existing Loans shall remain outstanding and thereafter constitute Loans hereunder and the principal amount thereof shall be allocated among the Lenders in the amounts set forth in Schedule 1.1 and re-evidenced as Loans under, and subject to the terms of, this Agreement (the "Existing Loan Conversion"). No amount of the Loans deemed made pursuant to the Existing Loan Conversion on the Closing Date, once repaid, may be reborrowed hereunder.

(b) Limited to Availability. Notwithstanding any contrary provision of this Agreement, the Outstanding Amount of all Loans shall not at any time exceed the Availability. The amount of any Loans repaid may not be reborrowed.

(c) Commitment Termination. For the avoidance of doubt, all Commitments under (and as defined in) the Existing Credit Agreement terminated upon the making of the Existing Loans and no Commitments remain available hereunder.

2.2 [Intentionally Omitted].

2.3 Procedure for Obtaining Loans Not later than 10:00 a.m. (New York City time) (i) on the requested borrowing date (including the Closing Date, with respect to Loans deemed made pursuant to the Existing Loan Conversion), in the case of a Base Rate Committed Loan, and (ii) two Business Days before the requested borrowing date, in the case of a Term SOFR Rate Committed Loan or a Daily Simple SOFR Rate Loan, Borrower shall have delivered to Administrative Agent a Notice of Committed Borrowing or Conversion/Continuation, specifying:

(a) the requested borrowing date;

(b) the amount of the Committed Borrowing, which shall be in an aggregate principal amount of not less than $25,000,000 and increments of $25,000,000 in excess thereof;

(c) the Type of Committed Loans comprising the Committed Borrowing;

(d) if applicable, the duration of the Interest Period applicable to the Committed Loans comprising such Committed Borrowing. If a Notice of Committed Borrowing or Conversion/Continuation fails to specify the duration of the Interest Period for the Committed Loans comprising a Committed Borrowing for which an Interest Period is applicable, such Interest Period shall be one month.

Unless the Required Lenders otherwise agree, during the existence of a Default or Event of Default, Borrower may not elect to have a Loan made as, or converted into or continued as, a Term SOFR Rate Committed Loan. After giving effect to any Loan, there shall not be more than five (5) SOFR Committed Loans outstanding.

Administrative Agent shall provide each Lender with the Notice of Committed Borrowing or Conversion/Continuation on the date that Administrative Agent receives such Notice of Committed Borrowing or Conversion/Continuation from Borrower, together with the amount of such Lender's Pro Rata Share of the amount of the Committed Loans to be funded with such Committed Borrowing. Each Lender shall make the amount specified by Administrative Agent in such notice to such Lender available to Administrative Agent in immediately available funds for the account of Administrative Agent at Administrative Agent's Office not later than 12:00 p.m. (noon), New York City time, on the requested borrowing date.

2.4 Loan Accounts; Notes.

2.4.1 Loan Accounts. The Loans made by each Lender shall be evidenced by one or more loan accounts or records maintained by such Lender and by Administrative Agent in the ordinary course of business. The loan accounts or records maintained by Administrative Agent and each Lender shall, absent manifest error, be conclusive of the amounts of the Loans made by the Lenders to Borrower and the interest and payments thereon. Any failure so to record or any error in doing so shall not, however, limit or otherwise affect Borrower's obligations hereunder to pay any amount owing with respect to the Loans. In the event of any conflict between the accounts and records maintained by Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of Administrative Agent shall control in the absence of manifest error.

2.4.2 Notes. Upon the request of any Lender made through Administrative Agent, Borrower shall execute and deliver to such Lender (through Administrative Agent) a promissory note as set forth in this Section 2.4.2. The Committed Loans made by each Lender may be evidenced by a Note in the form of Exhibit G hereto, payable to the order of such Lender in an amount equal to such Lender's Pro Rata Share of the Maximum Facility Amount on the Closing Date. Each Lender may endorse on any schedule annexed to its Note the date, amount and maturity of each Loan that it makes, and the amount of each payment of principal that Borrower makes with respect thereto. Borrower irrevocably authorizes each Lender to endorse its Note, and such Lender's record shall be conclusive absent manifest error; provided, however, that any Lender's failure to make, or its error in making, a notation thereon with respect to any Loan shall not limit or otherwise affect Borrower's obligations to such Lender hereunder or under its Note.

2.5 [Intentionally Omitted].

2.6 Conversion and Continuation Elections of Committed Loans.

2.6.1 Election to Convert and Renew. Borrower may, upon irrevocable written notice to Administrative Agent in accordance with Section 2.6.2:

(a) elect to convert, on any Business Day, any Base Rate Committed Loans (or any part thereof in an amount not less than $1,000,000 and increments of $500,000 in excess thereof) into SOFR Committed Loans;

(b) elect to convert, on any Business Day, any Daily Simple SOFR Rate Loans (in an amount not less than $500,000) and on the last day of any Interest Period, any Term SOFR Rate Committed Loans maturing on such date (or any part thereof in an amount not less than $500,000) into Base Rate Committed Loans; or

(c) elect to renew on the last day of any Interest Period (for a new Interest Period that commences immediately upon the expiration of such existing Interest Period) any Term SOFR Rate Committed Loans maturing on such date (or any part thereof in an amount not less than $1,000,000 and increments of $500,000 in excess thereof);

provided, that if the aggregate amount of Term SOFR Rate Committed Loans in respect of any Committed Borrowing shall have been reduced, by payment, prepayment or conversion of part thereof, to less than $1,000,000, such Term SOFR Rate Committed Loans shall automatically convert into Base Rate Committed Loans, and on and after such date the right of Borrower to continue such Committed Loans as, and convert such Committed Loans into, Term SOFR Rate Committed Loans shall terminate.

2.6.2 Notice of Conversion/Continuation. Borrower shall deliver in writing (including via facsimile confirmed immediately by a telephone call) a Notice of Committed Borrowing or Conversion/Continuation which notice must be received by Administrative Agent not later than 1:00 p.m. (i) at least three Business Days prior to the conversion date or continuation date, if the Committed Loans are to be converted into or continued as Term SOFR Rate Committed Loans, or (ii) on the conversion date, if the Committed Loans are to be converted into Base Rate Committed Loans or Daily Simple SOFR Rate Loans, in each case specifying:

(a) the proposed conversion date or continuation date;

(b) the aggregate amount of Committed Loans to be converted or continued;

(c) the nature of the proposed conversion or continuation; and

(d) if Borrower elects to convert a Base Rate Committed Loan into a Term SOFR Rate Committed Loan or elects to continue a Term SOFR Rate Committed Loan, the duration of the Interest Period applicable to such Committed Loan. If the Notice of Committed Borrowing or Conversion/Continuation fails to specify the duration of the Interest Period for a Term SOFR Rate Committed Loan, such Interest Period shall be one month.

2.6.3 Failure to Select a New Interest Period. If upon the expiration of any Interest Period applicable to Term SOFR Rate Committed Loans Borrower has failed to select a new Interest Period to be applicable to Term SOFR Rate Committed Loans, or if any Default or Event of Default shall then exist, Borrower shall be deemed to have elected to convert Term SOFR Rate Committed Loans into Base Rate Committed Loans effective as of the expiration date of such current Interest Period.

2.6.4 Number of Interest Periods. Notwithstanding any other provision of this Agreement, after giving effect to any conversion or continuation of any Committed Loans, there shall not be more than five (5) SOFR Committed Loans outstanding.

2.7 Voluntary Termination or Reduction of Commitment. Borrower may, upon not less than five Business Days' prior written notice to Administrative Agent, terminate the Lenders' Commitment to make Loans to Borrower, or permanently reduce the Maximum Facility Amount by a minimum amount of $5,000,000, unless, after giving effect thereto and to any prepayments of Loans made on the effective date thereof, the aggregate principal amount of the Outstanding Amount of the Loans would exceed the Availability. Once reduced in accordance with this Section 2.7, the Maximum Facility Amount may not be increased. Any reduction of the Commitment amounts shall be applied to each Lender according to its Pro Rata Share. No commitment or extension fees paid prior to the effective date of any reduction of the Maximum Facility Amount or termination of the Lenders' commitment(s) to make Loans to Borrower shall be refunded, and all accrued Commitment Fees for the period up to but not including the effective date of any reduction or termination of the Commitments shall be payable on the effective date of such reduction or termination.

2.8 Principal Payments.

2.8.1 Optional Prepayments of the Committed Loans. Subject to the provisions of Section 3.4, Borrower may, at any time or from time to time, upon at least one Business Day's prior written notice to Administrative Agent with respect to any Base Rate Committed Loan or any Daily Simple SOFR Rate Loan, or upon at least three Business Days' prior written notice to Administrative Agent with respect to any Term SOFR Rate Committed Loan, ratably prepay Committed Loans in full or in part in an amount not less than $500,000 for Base Rate Committed Loans (or if less, the aggregate outstanding principal amount of all Base Rate Committed Loans) or $1,000,000 for SOFR Committed Loans. Such notice of prepayment shall specify the date and amount of such prepayment and the Type(s) of Committed Loans to be prepaid. Administrative

Agent will promptly notify each Lender of its receipt of any such notice and such Lender's Pro Rata Share of such prepayment. If Borrower gives a prepayment notice to Administrative Agent, such notice is irrevocable and the prepayment amount specified in such notice shall be due and payable on the date specified therein, together with accrued interest to such date on the amount prepaid in the case of a prepayment of Term SOFR Rate Committed Loans, and all amounts required to be paid pursuant to Section 3.4.

2.8.2 [Intentionally Omitted].

2.8.3 Mandatory Repayments.

(a) Availability Limit. Should the Outstanding Amount of Loans at any time exceed the Availability, Borrower shall immediately repay such excess to Administrative Agent, for the account of the Lenders.

(b) Application of Repayments. Any repayments pursuant to this Section 2.8.3 shall be (i) subject to Section 3.4, and (ii) applied first, to any Base Rate Committed Loans then outstanding; second, to any Daily Simple SOFR Rate Loans then outstanding; and third, to any Term SOFR Rate Committed Loans then outstanding (in order of the shortest Interest Periods remaining).

2.8.4 Repayment at Maturity. Borrower shall repay the principal amount of all outstanding Loans on the Maturity Date or, if earlier, upon termination of the Lenders' Commitments pursuant to Section 2.7.

2.9 Increase in Maximum Facility Amount.

2.9.1 Request for Increase. Subject to the provisions of Section 2.7, on the terms and subject to the conditions set forth in this Section 2.9, Borrower shall have (A) a one-time right prior to the Initial Maturity Date, (B) a one-time right on or after the Initial Maturity Date and prior to the First Option Maturity Date, and (C) a one-time right on or after the First Option Maturity Date and prior to the Second Option Maturity Date, in each case, by written notice to Administrative Agent, to request an increase in the Maximum Facility Amount by (i) first permitting any Lender to increase its Commitment (and accordingly increase the Maximum Facility Amount by such amount), or (ii) thereafter inviting any Eligible Assignee that has previously been approved by Administrative Agent in writing to become a Lender under this Agreement and to provide a commitment to lend hereunder (and accordingly increase the Maximum Facility Amount by such amount); provided, however, that in no event shall such actions cause the Maximum Facility Amount to increase above $600,000,000.

2.9.2 No Lender Consent Required. Each of the Lenders acknowledges and agrees that, notwithstanding any contrary provision of Section 10.1, (i) its consent to any such increase in the Maximum Facility Amount shall not be required, and (ii) Eligible Assignees may be added to this Agreement and any Lender may increase its Commitment without the consent or agreement of the other Lenders (provided, however, that no Lender's Commitment may be increased without such Lender's consent), so long as Administrative Agent and Borrower have consented in writing to such Eligible Assignee or the increase in the Commitment of any of the Lenders, as applicable.

2.9.3 Administrative Agent Consent and Conditions to Increase. Administrative Agent shall not unreasonably withhold its consent to Borrower's request for an increase in the Maximum Facility Amount under this Section 2.9; provided that Borrower satisfies all of the following conditions precedent:

(a) No Default or Event of Default shall have occurred and remain uncured on the Increase Effective Date (as hereinafter defined), and Administrative Agent shall have received a certificate to that effect signed by an officer of Borrower;

(b) any Eligible Assignee is acceptable to Administrative Agent in its reasonable discretion;

(c) Borrower and each such Lender or Eligible Assignee shall have executed and delivered to Administrative Agent supplemental signature pages to this Agreement, which signature pages shall contain an acknowledgement and consent to the increase in the Maximum Facility Amount and shall otherwise be in form and substance reasonably satisfactory to Administrative Agent (each, a "Supplemental Signature Page");

(d) Borrower shall have paid to Administrative Agent, for the account of such Lender or Eligible Assignee, Administrative Agent and the Arranger, as applicable, a commitment fee and/or an arrangement fee in an amount reasonably satisfactory to Administrative Agent and Borrower;

(e) Administrative Agent shall have sent written notice of each such request by Borrower to the Lenders, together with notice of such Eligible Assignee's Commitment or such Lender's increased Commitment, as the case may be, and the effective date (the "Increase Effective Date") of such increase in the Maximum Facility Amount as set forth on the Supplemental Signature Page; and

(f) all requirements of this Section 2.9 shall have been satisfied.

2.9.4 Rights of Eligible Assignees. Upon the Increase Effective Date, and notwithstanding any contrary provision of this Agreement, (a) each such Eligible Assignee shall become a party to this Agreement, and thereafter shall have all of the rights and obligations of a Lender hereunder, (b) each such Eligible Assignee or Lender shall simultaneously pay to Administrative Agent, for distribution to the Lenders whose Pro Rata Shares of the combined Commitments of all of the Lenders have decreased as a result of the new Commitment of such Eligible Assignee or the increased Commitment of such Lender, an amount equal to the product of such Eligible Assignee's Pro Rata Share (or the increase in such Lender's Pro Rata Share), expressed as a decimal, multiplied by the aggregate outstanding principal amount of the Loans on the date of determination, and (c) each such Eligible Assignee or Lender shall thereafter be obligated to make its Pro Rata Share of Borrowings to Borrower up to and including the amount of such Eligible Assignee's or Lender's Pro Rata Share of the increased Maximum Facility Amount, on the terms and subject to the conditions set forth in this Agreement.

2.9.5 Conditions of Increase in Maximum Facility Amount. Notwithstanding any contrary provision of this Section 2.9, no increase in the Maximum Facility Amount will be permitted unless (a) all then outstanding Loans constitute Base Rate Committed Loans and/or

Daily Simple SOFR Rate Loans, or (b) the Interest Periods for all outstanding Term SOFR Rate Committed Loans will expire (and any new Interest Periods for any such Term SOFR Rate Committed Loans will commence) concurrently with the date on which any increase in the Maximum Facility Amount becomes effective, or (c) Borrower pays to Administrative Agent, for the account of Lenders, all costs arising under Section 3.4 as a result of such increase in the Maximum Facility Amount.

2.10 Interest.

2.10.1 Accrual Rate. Subject to the provisions of Section 2.10.3, each Committed Loan shall bear interest on the outstanding principal amount thereof from the date when made until it becomes due at a rate per annum equal to (i) with respect to a Term SOFR Rate Committed Loan, the Term SOFR Screen Rate for the applicable Interest Period *plus* the Applicable SOFR Committed Loan Margin, (ii) with respect to a Daily Simple SOFR Rate Loan, the Daily Simple SOFR Rate *plus* the Applicable SOFR Committed Loan Margin, and (iii) with respect to a Base Rate Committed Loan, the Base Rate.

2.10.2 Payment. Interest on each Loan shall be payable in arrears on each Interest Payment Date. Interest shall also be payable on the date of any repayment of Loans pursuant to Section 2.8 for the portion of the Loans so repaid, and upon payment (including prepayment) of the Loans in full. During the existence of any Event of Default, interest shall also be payable on demand.

2.10.3 Default Interest. Commencing upon the occurrence of any Event of Default, and continuing thereafter while such Event of Default remains uncured, or after maturity or acceleration (unless and until such acceleration is rescinded), Borrower shall pay interest (after as well as before entry of judgment thereon to the extent permitted by law) on the principal amount of all Obligations due and unpaid, at a rate per annum determined by adding 400 basis points to the Applicable Committed Loan Margin then in effect for such Loans and, in the case of Obligations not subject to an Applicable Committed Loan Margin, at a rate per annum equal to the Base Rate plus 400 basis points; provided, however that on and after the expiration of any Interest Period applicable to any Term SOFR Rate Committed Loan outstanding on the date of occurrence of such Event of Default, the principal amount of such Loan shall, during the continuation of such Event of Default, bear interest at a rate per annum equal to the Base Rate plus 400 basis points.

2.10.4 Maximum Legal Rate. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to Borrower. In determining whether the interest contracted for, charged, or received by Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

2.11 Fees. (a) In addition to all other sums payable hereunder and under the other Loan Documents, Borrower shall pay to the applicable parties any and all fees and amounts specified in the Fee Letter, as and when due thereunder. Notwithstanding anything which may be construed to the contrary contained herein or in the other Loan Documents, no party to a Fee Letter shall have any obligation to share with any of the other Lenders any fees or other sums payable under or in connection with the Fee Letter, unless, and only to the extent, set forth in a separate letter agreement between such party and any such other Lender (it being understood that no party to a Fee Letter shall have any obligation to enter into any such separate letter agreements).

(b) [reserved].

2.12 Computation of Fees and Interest. All computations of interest and fees under this Agreement shall be made on the basis of a 360-day year and actual days elapsed, which results in more interest or fees being paid than if computed on the basis of a 365-day year, except that interest computed by reference to the Alternate Base Rate shall be calculated for actual days elapsed on the basis of a 365/366 day year. Interest and fees shall accrue during each period during which interest or such fees are computed from the first day thereof to the last day thereof. Any change in the interest rate on a Loan resulting from a change in the Alternate Base Rate or the applicable reserve requirement, deposit insurance assessment rate or other regulatory cost shall become effective as of the opening of business on the day on which such change in the Alternate Base Rate or such reserve requirement, assessment rate or other regulatory cost becomes effective. Each determination of an interest rate by Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on Borrower and the Lenders in the absence of manifest error.

2.13 Payments by Borrower.

2.13.1 Timing of Payments. All payments (including prepayments) made by Borrower on account of principal, interest, fees and other amounts required hereunder shall be made without set-off or counterclaim. All such payments shall, except as otherwise expressly provided herein, be made to Administrative Agent for the account of the Lenders at Agent's Payment Office, in dollars and in immediately available funds, no later than 1:00 p.m. on the date specified herein. Any payment received by Administrative Agent later than 1:00 p.m. shall be deemed to have been received on the immediately succeeding Business Day and any applicable interest or fee shall continue to accrue. Administrative Agent will promptly (and in any event, not later than two Business Days after Administrative Agent's actual receipt) distribute to each Lender its Pro Rata Share (or other applicable share as provided herein) of such payment in like funds as received; provided, however, if and to the extent Administrative Agent shall receive any such payment for the account of Lenders on or before 1:00 p.m. on any Business Day and Administrative Agent shall not have distributed to each Lender its Pro Rata Share (or other applicable share as provided herein) on such Business Day, the distribution to each Lender when made shall include interest at the Federal Funds Effective Rate for each day from the date of Administrative Agent's actual receipt of such payment from Borrower until the date Administrative Agent distributes to each Lender its Pro Rata Share (or other applicable share as provided herein).

2.13.2 Non-Business Days. Subject to the provisions set forth in the definition of the term "Interest Period," whenever any payment hereunder is stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of interest or fees, as the case may be.

2.13.3 Payment May be Made by Administrative Agent. Unless Administrative Agent shall have received notice from Borrower prior to the date on which any payment is due to Administrative Agent for the account of the Lenders that Borrower will not make such payment, Administrative Agent may assume that Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to Administrative Agent forthwith on demand the amount so distributed to such Lender, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by Administrative Agent in accordance with banking industry rules on interbank compensation. A notice of Administrative Agent to any Lender or Borrower with respect to any amount owing under this Section 2.13.3 shall be conclusive, absent manifest error.

2.14 Payments by the Lenders to Administrative Agent.

2.14.1 Administrative Agent May Make Committed Borrowings Available. With respect to any Committed Borrowing, unless Administrative Agent receives notice from a Lender at least one Business Day prior to the date of such Committed Borrowing that such Lender will not make available to Administrative Agent, for the account of Borrower, the amount of that Lender's Pro Rata Share of the Committed Borrowing as and when required hereunder, Administrative Agent may assume that each Lender has made such amount available to Administrative Agent in immediately available funds on the Committed Borrowing date and Administrative Agent may (but shall not be so required), in reliance upon such assumption, make available to Borrower on such date a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Committed Borrowing available to Administrative Agent, then the applicable Lender and Borrower severally agree to pay to Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to Borrower to but excluding the date of payment to Administrative Agent, at (a) in the case of a payment to be made by such Lender, the greater of the Federal Funds Effective Rate and a rate determined by Administrative Agent in accordance with banking industry rules on interbank compensation and (b) in the case of a payment to be made by Borrower, the interest rate applicable to Base Rate Committed Loans. If Borrower and such Lender shall pay such interest to Administrative Agent for the same or an overlapping period, Administrative Agent shall promptly remit to Borrower the amount of such interest paid by Borrower for such period. If such Lender pays its share of the applicable Committed Borrowing to Administrative Agent, then the amount so paid shall constitute such Lender's Committed Loan included in such Committed Borrowing. Any payment by Borrower shall be without prejudice to any claim Borrower may have against a Lender that shall have failed to make such payment to Administrative Agent. A notice of Administrative Agent to any Lender

or Borrower with respect to any amount owing under this Section 2.14.1 shall be conclusive, absent manifest error.

2.14.2 Obligations of Lenders Several. The obligations of the Lenders hereunder to make Loans and to make payments pursuant to Section 10.4(c) are several and not joint. The failure of any Lender to make any Loan, or to make any payment under Section 10.4(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date. No Lender shall be responsible for the failure of any other Lender to so make its Loan or to make its payment under Section 10.4(c).

2.14.3 Failure to Satisfy Conditions Precedent. If any Lender makes available to Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article 2, and such funds are not made available to Borrower by Administrative Agent because the conditions to the applicable credit extension set forth in Article 5 are not satisfied or waived in accordance with the terms hereof, Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

2.14.4 Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

2.15 Sharing of Payments, Etc. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of the Committed Loans made by it, resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Committed Loans and accrued interest thereon greater than its Pro Rata Share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Committed Loans of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Committed Loans and other amounts owing them, provided that: (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and (ii) the provisions of this Section shall not be construed to apply to (x) any payment made by Borrower pursuant to and in accordance with the express terms of this Agreement, or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Committed Loans to any assignee or participant, other than to Borrower or any subsidiary thereof (as to which the provisions of this Section shall apply).

2.16 Defaulting Lender.

2.16.1 Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article 8 or otherwise) or received by Administrative Agent from a Defaulting Lender pursuant to Section 10.7 shall be applied at such time or times as may be determined by Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to Administrative Agent hereunder; *second*, as Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by Administrative Agent; *third*, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *fourth*, so long as no Default or Event of Default exists, to the payment of any amounts owing to Borrower as a result of any judgment of a court of competent jurisdiction obtained by Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *fifth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section 2.16.1(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees. No Defaulting Lender shall be entitled to receive any commitment fee (including, without limitation, those fees set forth in Section 2.11 hereof) for any period during which that Lender is a Defaulting Lender (and Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

2.16.2 Defaulting Lender Cure. If Borrower and Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as Administrative Agent may determine to be necessary to cause the Loans to be held pro rata by the Lenders in accordance with the Commitments, whereupon such Lender will cease to be a Defaulting Lender; *provided* that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of Borrower while that Lender was a Defaulting Lender; and *provided*, *further*, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

2.17 First Extension of Maturity Date. At the option of Borrower, the Initial Maturity Date may be extended for a period of 12 months (or, if such date is not a Business Day, the

immediately preceding Business Day) (the "First Option Maturity Date") if all of the following conditions are satisfied, in the reasonable discretion of Administrative Agent, as to such extension:

(a) Borrower has given written notice of its request for an extension to Administrative Agent by no earlier than 90 days and by no later than 30 days prior to the Initial Maturity Date;

(b) On or prior to the Initial Maturity Date, Borrower pays to Administrative Agent the Extension Fee, for the ratable benefit of the Lenders;

(c) As of the date of request and on the Initial Maturity Date there exists no Default or Event of Default that remains uncured;

(d) Borrower delivers to Administrative Agent all financial information relating to Borrower and Guarantor reasonably requested by Administrative Agent; and

(e) Borrower and Guarantor execute and deliver to Administrative Agent on or before the Initial Maturity Date such documentation as Administrative Agent may determine is reasonably necessary in connection with such extension, all of which must be in form and substance reasonably acceptable to Administrative Agent.

In the event that, for any reason, Borrower fails to satisfy all of the foregoing conditions, the Loan will mature and be due and payable in full on the Initial Maturity Date.

2.18 Second Extension of Maturity Date. At the option of Borrower, the First Option Maturity Date may be extended for a period of 12 months (or, if such date is not a Business Day, the immediately preceding Business Day) (the "Second Option Maturity Date") if all of the following conditions are satisfied, in the reasonable discretion of Administrative Agent, as to such extension:

(a) Borrower has given written notice of its request for an extension to Administrative Agent by no earlier than 90 days and by no later than 30 days prior to the First Option Maturity Date;

(b) On or prior to the First Option Maturity Date, Borrower pays to Administrative Agent the Extension Fee, for the ratable benefit of the Lenders;

(c) As of the date of request and on the First Option Maturity Date there exists no Default or Event of Default that remains uncured;

(d) Borrower delivers to Administrative Agent all financial information relating to Borrower and Guarantor reasonably requested by Administrative Agent; and

(e) Borrower and Guarantor execute and deliver to Administrative Agent on or before the First Option Maturity Date such documentation as Administrative Agent may determine is reasonably necessary in connection with such extension, all of which must be in form and substance reasonably acceptable to Administrative Agent.

In the event that, for any reason, Borrower fails to satisfy all of the foregoing conditions, the Loan will mature and be due and payable in full on the First Option Maturity Date.

2.19 Third Extension of Maturity Date. At the option of Borrower, the Second Option Maturity Date may be extended for a period of 12 months (or, if such date is not a Business Day, the immediately preceding Business Day) (the "Third Option Maturity Date") if all of the following conditions are satisfied, in the reasonable discretion of Administrative Agent, as to such extension:

(a) Borrower has given written notice of its request for an extension to Administrative Agent by no earlier than 90 days and by no later than 30 days prior to the Second Option Maturity Date;

(b) On or prior to the Second Option Maturity Date, Borrower pays to Administrative Agent the Extension Fee, for the ratable benefit of the Lenders;

(c) As of the date of request and on the Second Option Maturity Date there exists no Default or Event of Default that remains uncured;

(d) Borrower delivers to Administrative Agent all financial information relating to Borrower and Guarantor reasonably requested by Administrative Agent; and

(e) Borrower and Guarantor execute and deliver to Administrative Agent on or before the Second Option Maturity Date such documentation as Administrative Agent may determine is reasonably necessary in connection with such extension, all of which must be in form and substance reasonably acceptable to Administrative Agent.

In the event that, for any reason, Borrower fails to satisfy all of the foregoing conditions, the Loan will mature and be due and payable in full on the Second Option Maturity Date.

3. TAXES, YIELD PROTECTION AND ILLEGALITY.

3.1 Taxes.

3.1.1 Payments Free of Taxes. Any and all payments by or on account of any obligation of Borrower hereunder or under any other Loan Document shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes, provided that if Borrower shall be required by applicable Law to deduct any Indemnified Taxes (including any Other Taxes) from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 3.1) Administrative Agent or Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) Borrower shall make such deductions, and (iii) Borrower shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable Law.

3.1.2 Payment of Other Taxes by Borrower. Without limiting the provisions of Section 3.1.1 above, Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Law.

3.1.3 Indemnification by Borrower. Borrower shall indemnify Administrative Agent and each Lender, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by Administrative Agent or such Lender, as the case may be, and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to Borrower by a Lender (with a copy to Administrative Agent), or by Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive, absent manifest error.

3.1.4 Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by Borrower to a Governmental Authority, Borrower shall deliver to Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to Administrative Agent.

3.1.5 Status of Lenders. Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall deliver to Borrower (with a copy to Administrative Agent), at the time or times prescribed by applicable Law or reasonably requested by Borrower or Administrative Agent, such properly completed and executed documentation prescribed by applicable Law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if requested by Borrower or Administrative Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by Borrower or Administrative Agent as will enable Borrower or Administrative Agent, as applicable, to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Without limiting the generality of the foregoing, in the event that Borrower is resident for tax purposes in the United States, any Foreign Lender shall deliver to Borrower and Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of Borrower or Administrative Agent, but only if such Foreign Lender is legally entitled to do so), whichever of the following is applicable: (i) duly completed copies of Internal Revenue Service Form W-8BEN or W-8BEN-E claiming eligibility for benefits of an income tax treaty to which the United States is a party, (ii) duly completed copies of Internal Revenue Service Form W-8ECI, (iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate to the effect that such Foreign Lender is not (A) a “bank” within the meaning of Section 881(c)(3)(A) of the Code, (B) a “10 percent shareholder” of Borrower within the meaning of Section 881(c)(3)(B) of the Code, or (C) a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code and (y) duly completed copies of Internal Revenue Service Form W-8BEN or W-8BEN-E, or (iv) any other form prescribed by applicable Law as a basis for claiming exemption from or a reduction in United States Federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable Law to permit Borrower to determine the withholding or deduction required to be made.

3.1.6 Treatment of Certain Refunds. If Administrative Agent or any Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by Borrower or with respect to which Borrower has paid additional amounts pursuant to this Section, it shall pay to Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by Borrower under this Section 3.1 with respect to the Taxes or Other Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses of Administrative Agent or such Lender, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that Borrower, upon the request of Administrative Agent or such Lender, agrees to repay the amount paid over to Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to Administrative Agent or such Lender in the event Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This subsection shall not be construed to require Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to Borrower or any other Person.

3.1.7 FATCA. If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to Borrower and Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by Borrower or Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Borrower or Administrative Agent as may be necessary for Borrower and Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 3.1.7, "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

3.2 Illegality. If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund SOFR Committed Loans, or to determine or charge interest rates based upon the Term SOFR Screen Rate or the Daily Simple SOFR Rate, then, on notice thereof by such Lender to Borrower through Administrative Agent (a "SOFR Suspension Notice"), any obligation of such Lender to make or continue SOFR Committed Loans or to convert Base Rate Committed Loans to SOFR Committed Loans shall be suspended until such Lender notifies Administrative Agent and Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such SOFR Suspension Notice, Borrower shall, upon demand from such Lender (with a copy to Administrative Agent), repay, prepay or, if applicable, convert all SOFR Committed Loans of such Lender to Base Rate Committed Loans, either on the last day of the applicable Interest Period therefor, if such Lender may lawfully continue to maintain such SOFR Committed Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such SOFR Committed Loans. Upon any such prepayment or conversion, Borrower shall also pay accrued interest on the amount so prepaid or converted. Delivery of a SOFR Suspension Notice shall not affect the obligation of any other Lender to make, maintain and fund

SOFR Committed Loans under the terms of this Agreement, unless such other Lender also delivers a SOFR Suspension Notice under this Section 3.2.

3.3 Increased Costs.

3.3.1 Increased Costs Generally. If any Change in Law shall: (i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement reflected in the Term SOFR Screen Rate or the Daily Simple SOFR Rate); (ii) subject any Lender to any tax of any kind whatsoever with respect to this Agreement or any Committed Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof (except for Indemnified Taxes or Other Taxes covered by Section 3.1 and the imposition of, or any change in the rate of, any Excluded Tax payable by such Lender); or (iii) impose on any Lender any other condition, cost or expense affecting this Agreement or the Committed Loans made by such Lender; and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Committed Loan (or of maintaining its obligation to make any such Loan), or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered; provided, however, that such Lender's determination of any such amounts assessed against Borrower shall be consistent with the determination of amounts assessed against other borrowers that are similarly situated to Borrower.

3.3.2 Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any Lending Office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy or liquidity), then from time to time Borrower will pay to such Lender, as the case may be, such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered; provided, however, that such Lender's determination of any such amounts assessed against Borrower shall be consistent with the determination of amounts assessed against other borrowers that are similarly situated to Borrower.

3.3.3 Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to the foregoing provisions of this Article 3 shall not constitute a waiver of such Lender's right to demand such compensation, provided that Borrower shall not be required to compensate a Lender pursuant to the foregoing provisions of this Section 3 for any increased costs incurred or reductions suffered more than three months prior to the date that such Lender notifies Borrower in writing of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the three-month period referred to above shall be extended to include the period of retroactive effect thereof).

3.4 Funding Losses. Borrower agrees to pay to Administrative Agent, from time to time, for the account of the Lenders, an amount that would be necessary to reimburse the Lenders for, and to hold the Lenders harmless from, any loss or expense, or, without duplication, any Interest Differential (as defined below) as determined by any applicable Lender, which the Lenders may reasonably sustain or incur as a consequence of:

(a) the failure of Borrower to make any required payment or prepayment of principal of any Term SOFR Rate Committed Loan (including payments made after any acceleration thereof);

(b) the failure of Borrower to borrow, continue or convert a Committed Loan after Borrower has given a Notice of Committed Borrowing or Conversion/Continuation;

(c) the failure of Borrower to make any prepayment after Borrower has given a notice in accordance with Section 2.8.1;

(d) the payment of a Term SOFR Rate Committed Loan on a day which is not the last day of the Interest Period with respect thereto (whether because of acceleration, prepayment or otherwise);

(e) the conversion pursuant to Section 2.6 of any Term SOFR Rate Committed Loan to a Base Rate Committed Loan on a day that is not the last day of the respective Interest Period; or

(f) any assignment of a Term SOFR Rate Committed Loan on a day other than the last day of the Interest Period therefor as a result of a request by Borrower pursuant to Section 10.13;

including any such loss or expense arising from the liquidation or reemployment of funds obtained to maintain the Term SOFR Rate Committed Loans hereunder or from fees payable to terminate the deposits from which such funds were obtained. Solely for purposes of calculating amounts payable by Borrower to Administrative Agent, for the account of Lenders, under this Section 3.4, each Term SOFR Rate Committed Loan (and each related reserve, special deposit or similar requirement) shall be conclusively deemed to have been funded at the rate of interest used to determine such Term SOFR Rate Committed Loan by a matching deposit or other borrowing in a comparable market for a comparable amount and for a comparable period, whether or not such Term SOFR Rate Committed Loan is in fact so funded.

The term "Interest Differential" means the greater of zero and the financial loss incurred by the Lender resulting from prepayment, calculated as the difference between the amount of interest such Lender would have earned (from like investments as of the first day of the Interest Period) had prepayment not occurred and the interest such Lender will actually earn (from like investments as of the date of prepayment) as a result of the redeployment of funds from the prepayment. Because of the short-term duration of any Interest Period, the Borrower agrees that the Interest Differential shall not be discounted to its present value.

The Borrower hereby acknowledges that the Borrower shall be required to pay Interest Differential with respect to any portion of the principal balance accelerated or paid before the end of the Interest

Period for such Term SOFR Rate Committed Borrowing, whether voluntarily, involuntarily, or otherwise, including without limitation any principal payment required upon maturity when the Borrower has elected an Interest Period that extends beyond the scheduled maturity date of such Loan and any principal payment required following default, demand for payment, acceleration, collection proceedings, foreclosure, sale or other disposition of collateral, bankruptcy or other insolvency proceedings, eminent domain, condemnation, application of insurance proceeds, or otherwise. Such Interest Differential shall at all times be an Obligation as well as an undertaking by the Borrower to the Lenders whether arising out of a voluntary or mandatory prepayment.

A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section 3.4 shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

3.5 Inability to Determine Rates; Benchmark Replacement.

3.5.1 Inability to Determine Rates. Notwithstanding anything to the contrary in this Agreement or any other Loan Document, but subject to Section 3.5.2, if the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Required Lenders notify the Administrative Agent that the Required Lenders have determined, that: (i) for any reason in connection with any request for a SOFR Committed Loan or a conversion or continuation thereof that the Term SOFR Screen Rate for any requested Interest Period or the Daily Simple SOFR Rate with respect to a proposed SOFR Committed Loan does not adequately and fairly reflect the cost to such Lenders of the funding such Loans, or (ii) the interest rate applicable to Term SOFR Rate Committed Borrowings for any requested Interest Period or Daily Simple SOFR is not ascertainable or available (including, without limitation, because the applicable Screen (or on any successor or substitute page on such screen) is unavailable) and such inability to ascertain or unavailability is not expected to be permanent, Administrative Agent will promptly so notify Borrower and each Lender. Thereafter, the obligation of the Lenders to make or maintain SOFR Committed Loans shall be suspended until Administrative Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, Borrower may revoke any pending request for a Committed Borrowing of, conversion to or continuation of SOFR Committed Loans or, failing that, will be deemed to have converted such request into a request for a Committed Borrowing of Base Rate Committed Loans in the amount specified therein.

3.5.2 Benchmark Replacement.

(a) Benchmark Transition Event. Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (2) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such

Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth Business Day after the date notice of such Benchmark Replacement is provided by the Administrative Agent to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

(b) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(c) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower and the Lenders of (A) the implementation of any Benchmark Replacement, (B) the effectiveness of any Benchmark Replacement Conforming Changes, (C) the removal or reinstatement of any tenor of a Benchmark pursuant to paragraph (d) below and (D) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 3.5.2, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 3.5.2.

(d) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Screen Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove any tenor of such Benchmark that is unavailable or non-representative for any Benchmark settings and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) Benchmark Unavailability Period. Upon notice to the Borrower by the Administrative Agent in accordance with Section 10.2 of the commencement of a Benchmark Unavailability Period and until a Benchmark Replacement is determined in accordance with this Section 3.5.2), the Borrower may revoke any request for a Term SOFR Rate Committed Borrowing or Daily Simple SOFR Rate Loan, as applicable, or any request for the conversion or continuation of a Term SOFR Rate Committed Borrowing or Daily Simple SOFR Rate Loan, as applicable, to be made, converted or continued during any Benchmark Unavailability Period, and, failing that, the Borrower will be deemed to have converted any such request into a request for a Base Rate Committed Borrowing or conversion to a Base Rate Committed Borrowing. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Alternate Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Alternate Base Rate.

3.6 Certificate of Lender. Any Lender if claiming reimbursement or compensation pursuant to this Article 3, shall deliver to Borrower through Administrative Agent a certificate setting forth in reasonable detail the amount payable to such Lender or its holding company, as the case may be, hereunder, and such certificate shall be conclusive absent manifest error. Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

3.7 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.3, or Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.1, or if any Lender gives a notice pursuant to Section 3.2, then such Lender shall use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.1 or 3.3, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.2, as applicable, and (ii) in each case, would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.3, or if Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.1, Borrower may replace such Lender in accordance with Section 10.13.

3.8 Survival. The agreements and obligations of Borrower in this Article 3 shall survive the payment and performance of all other Obligations for a period of four (4) years after the Maturity Date.

4. Reserved.

5. CONDITIONS TO DISBURSEMENTS.

5.1 Effectiveness of this Agreement. The effectiveness of this Agreement is subject to the satisfaction of all of the following conditions precedent:

5.1.1 Deliveries to Administrative Agent. Administrative Agent shall have received each of the following items, in form and substance satisfactory to Administrative Agent and the Lenders:

(a) Loan Documents. This Agreement, each Note for each Lender requesting a Note hereunder, the Consent of Guarantor attached hereto and each other document the Required Lenders may reasonably require, executed and acknowledged as appropriate;

(b) Authorizations. Evidence that the execution, delivery and performance by Borrower and Guarantor, as the case may be, of this Agreement and the other Loan Documents have been duly authorized, executed and delivered by Responsible Officers of Borrower and/or Guarantor, including, without limitation, authorizing resolutions and incumbency certificates for such Responsible Officers;

(c) Governing Documents. Copies of Borrower's current partnership agreement and certificate of limited partnership and any amendments and modifications thereto, and Guarantor's articles of incorporation and bylaws and any amendments and modifications thereto;

(d) Good Standing. If required by Administrative Agent, Certificates of Good Standing for Borrower and Guarantor from their respective states of organization and from any other state in which Borrower or Guarantor is required to qualify to conduct its business;

(e) Legal Opinions. A written opinion of Borrower's legal counsel and a written opinion of Guarantor's legal counsel, each covering such matters as Administrative Agent may reasonably require. The legal counsel and the terms of the opinion must be reasonably acceptable to Administrative Agent;

(f) Insurance. If required by Administrative Agent, evidence of any insurance coverage required by Section 6.1.3 of this Agreement;

(g) Certificate Regarding No Default or Material Adverse Change. A certificate of Borrower's Responsible Officer, dated as of the Closing Date, certifying that (i) the representations and warranties contained in Article 7 are true and correct on and as of such date, as though made on and as of such date; (ii) the calculation of the Availability as of the Closing Date is true and correct on and as of such date; (iii) no Default or Event of Defaults exists or would result from the extensions of credit advanced on the Closing Date; and (iv) no material adverse change in the business, assets, operations, condition (financial or otherwise) or prospects of Borrower, Guarantor or any of their subsidiaries or Affiliates has occurred since June 30, 2025, and Guarantor's senior unsecured debt rating has not changed since June 30, 2025; and

(h) Other Items. Any other items that Administrative Agent reasonably requires.

5.1.2 Payment of Fees. Borrower shall have paid the fees set forth in the Fee Letter that are due on or before the Closing Date.

5.1.3 Payment of Expenses. Payment of the expenses of preparing this Agreement and the other Loan Documents, including reasonable attorneys' fees and costs and any and all other fees due from Borrower to Administrative Agent.

Without limiting the generality of the provisions of Section 9.4, for purposes of determining compliance with the conditions specified in this Section 5.1, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted, or to have been satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless Administrative Agent shall have received written notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

5.2 Conditions to all Borrowings. The obligation of the Lenders to make any Loan is subject to the satisfaction of all of the following conditions precedent on the relevant borrowing date:

5.2.1 Notice of Committed Borrowing or Conversion/Continuation. Administrative Agent shall have received a Notice of Committed Borrowing or Conversion/Continuation requesting an extension of credit;

5.2.2 Availability. The requested extension of credit shall not cause the aggregate Outstanding Amount of all Loans to exceed the Availability at such time;

5.2.3 Representations and Warranties. The representations and warranties of Borrower set forth in Article 7 of this Agreement (other than the representation contained in the last sentence of Section 7.6) shall be true and correct in all material respects (unless already limited by materiality, in which case such representations and warranties shall be true and correct in all respects) on and as of the date of such Borrowing with the same force and effect as if made on and as of such date; and

5.2.4 No Default. No Default or Event of Default shall exist or result from such Borrowing.

6. COVENANTS OF BORROWER AND GUARANTOR. Borrower and Guarantor promise to keep (or cause to be kept, as applicable) each of the following covenants:

6.1 Specific Affirmative Covenants.

6.1.1 Compliance with Law. Guarantor shall comply with all existing and future laws (including Environmental Laws, Anti-Corruption Laws, Anti-Money Laundering Laws and applicable Sanctions), regulations, orders and requirements of, and all agreements with and commitments to, all Governmental Authorities having jurisdiction over Guarantor or Guarantor's business. Notwithstanding any contrary provision in this Section, Guarantor shall have a right to

contest all existing and future Requirements of Law before complying therewith. Borrower shall, and shall cause its subsidiaries, as applicable, to comply with all existing and future laws (including Environmental Laws, Anti-Corruption Laws, Anti-Money Laundering Laws and applicable Sanctions), regulations, orders, building restrictions and requirements of, and all agreements with and commitments to, all Governmental Authorities having jurisdiction over Borrower or Borrower's business or such subsidiary or such subsidiary's business, as applicable, including those pertaining to the construction, sale, leasing or financing of any Unencumbered Property or the environmental condition of any Unencumbered Property, and with all recorded covenants and restrictions affecting any Unencumbered Property (all collectively, the "Requirements"). Notwithstanding any contrary provision in this Section, (i) Borrower and each applicable subsidiary of Borrower shall have a right to contest all existing and future Requirements of Law (other than those relating to Environmental Laws) before complying therewith, and (ii) Borrower and each such subsidiary shall have a right to contest all existing, and future Requirements relating to Environmental Laws for one year, before complying therewith, provide that no Unencumbered Property is in danger of being lost or forfeited. The Guarantor and Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance by Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws, Anti-Money Laundering Laws and applicable Sanctions.

6.1.2 Reserved.

6.1.3 Insurance. Borrower shall, or shall cause the applicable subsidiaries of Borrower to, maintain the following insurance:

(a) Special Form property damage insurance in non-reporting form on each of its Unencumbered Properties, with a policy limit in an amount not less than the full insurable value of the improvements located on such property on a replacement cost basis, including tenant improvements, if any, with a deductible amount, if any, reasonably satisfactory to Administrative Agent, which insurance shall cover such risks as are ordinarily insured against by similar businesses. The policy shall include a business interruption (or rent loss, if more appropriate) endorsement in the amount of six months' principal and interest payments, taxes and insurance premiums, and any other endorsements reasonably required by Administrative Agent. In addition, with respect to any Unencumbered Development Property, builder's risk insurance of a type and in an amount customarily carried in the case of similar construction in similar locations. Notwithstanding the foregoing, earthquake insurance with respect to any Unencumbered Property shall not be required unless (i) institutional lenders generally require earthquake insurance for similar types of multifamily real property in the geographic location where such Unencumbered Property is located, and (ii) such insurance is generally available at commercially reasonable rates.

(b) Comprehensive General Liability coverage with such limits as Administrative Agent may reasonably require. Coverage shall be written on an occurrence basis, not claims made, and shall cover liability for personal injury, death, bodily injury and damage to property, products and completed operations.

(c) Workers' compensation insurance for all employees of Borrower and each subsidiary in such amount as is required by law and including employer's liability insurance, if required by Administrative Agent.

All policies of insurance required by Administrative Agent must be issued by companies reasonably approved by Administrative Agent and otherwise be reasonably acceptable to Administrative Agent as to amount, forms, risk coverages and deductibles. In addition, each policy (except workers' compensation) must provide Administrative Agent at least 30 days' prior notice of cancellation, non-renewal or modification. If Borrower or the applicable subsidiary of Borrower fails to keep any such coverage in effect while any Commitment is outstanding, Administrative Agent may procure the coverage at Borrower's expense. Borrower shall reimburse Administrative Agent, on demand, for all premiums advanced by Administrative Agent or Lenders, which advances shall be considered to be additional loans to Borrower hereunder at the Default Rate applicable to Base Rate Committed Loans. Neither Administrative Agent nor any Lender shall, because of accepting, reasonably disapproving, approving or obtaining insurance, incur any liability for (i) the existence, nonexistence, form or legal sufficiency thereof, (ii) the solvency of any insurer, or (iii) the payment of losses.

6.1.4 Preservation of Rights. Borrower shall, and shall cause the applicable subsidiary of Borrower to, obtain and preserve all rights, privileges and franchises necessary or desirable for the operation of each Unencumbered Property owned by Borrower or such subsidiary of Borrower. Borrower and Guarantor shall also obtain and preserve, and shall cause their respective applicable subsidiaries to obtain and preserve, all rights, privileges and franchises necessary or desirable for the conduct of Borrower's, Guarantor's and such subsidiaries' business. Borrower shall, and shall cause its applicable subsidiary to, maintain any Unencumbered Property owned by it in good condition. Borrower shall, and shall cause its applicable subsidiary to, at Borrower's or such subsidiary's sole cost and expense, follow all recommendations in any asbestos survey conducted by an expert selected by Borrower or such subsidiary and approved by Administrative Agent with respect to any Unencumbered Property owned by Borrower or such subsidiary regarding safety conditions for, and maintenance of, any asbestos containing materials, including any recommendation to institute an O&M Plan.

6.1.5 Taxes. Borrower and Guarantor shall make, and shall cause their respective applicable subsidiaries to make, timely payments of all local, state and federal taxes; provided, however, that none of Borrower, Guarantor or any such subsidiary need pay any such taxes (a) that it is contesting in good faith and by appropriate proceedings that were promptly commenced and are being diligently pursued, and (b) for which Borrower, Guarantor or such subsidiary, as applicable, has created an appropriate reserve or other provision as required by GAAP, and no material property of Borrower, Guarantor or such subsidiary is in imminent danger of being lost or forfeited.

6.1.6 Certificate of Beneficial Ownership and Other Additional Information. If Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, then Borrower shall provide to Administrative Agent and the Lenders: (i) promptly upon such qualification, a Certificate of Beneficial Ownership in form and substance acceptable to Administrative Agent and the Lenders and thereafter from time to time confirmation of the accuracy of the information set forth in the most recent Certificate of Beneficial Ownership provided to Administrative Agent and the Lenders; (ii) a new Certificate of Beneficial Ownership, in form and substance acceptable to Administrative Agent and the Lenders, when the individual(s) to be identified as a Beneficial Owner have changed; and (iii) such other information and documentation as may reasonably be requested by Administrative Agent or any Lender from time

to time for purposes of compliance by Administrative Agent or such Lender with applicable laws (including without limitation the PATRIOT Act and other "know your customer" and anti-money laundering rules and regulations), and any policy or procedure implemented by Administrative Agent or such Lender to comply therewith.

6.2 Payment of Expenses.

(a) Borrower shall pay or reimburse Administrative Agent, within fifteen (15) days after demand, for (i) the costs of electronic distribution services (such as Debt X, SyndTrak or IntraLinks) incurred in connection with the closing and administration of the transactions contemplated by the Loan Documents (which costs with respect to administration are expected to be approximately $5,500, plus approximately $600 for the filing of CUSIP registration numbers); and (ii) costs, expenses and other amounts described in Section 10.4(a) hereof. Such costs and expenses shall include fees for due diligence and environmental services (including only those services performed by Administrative Agent or Lender employees and the cost of those services that Administrative Agent or any Lender incurs because it believes that such services are required), electronic distribution service charges, legal fees and expenses of counsel, counsel's travel expenses associated with any syndication, lender meetings or other conferences and any other reasonable fees and costs for services, regardless of whether such services are furnished by Administrative Agent's or any Lender's employees or by independent contractors.

(b) Borrower shall pay or reimburse Administrative Agent for the benefit of each Lender within fifteen (15) days after demand for all costs and expenses, including all electronic distribution service, legal, audit and review fees and expenses (including the allocated cost of such services by Administrative Agent's employees) incurred by Administrative Agent in connection with the enforcement or preservation of any rights or remedies under any Loan Document with respect to a Default or an Event of Default (including any "workout" or restructuring of the Loans, and any bankruptcy, insolvency or other similar proceeding, judicial proceeding or arbitration).

Borrower acknowledges that none of the fees described in Section 2.11 include amounts payable by Borrower under this Section 6.2. All such sums incurred by Administrative Agent or any Lender and not immediately reimbursed by Borrower within fifteen (15) days of written notice by Administrative Agent shall be considered an additional loan to Borrower hereunder at the Default Rate applicable to Base Rate Committed Loans. The agreements in this Section shall survive the termination of the Commitments and repayment of all other Obligations.

6.3 Financial and Other Information; Certification. Borrower shall provide to Administrative Agent (and the Administrative Agent shall promptly provide copies to the Lenders of any such information received) the following financial information and statements for Guarantor and its consolidated subsidiaries prepared on a consolidated basis:

(a) Within ninety (90) days after each fiscal year end, the annual audited consolidated financial statements of Guarantor prepared in accordance with GAAP, and accompanied by the opinion of KPMG LLP or another nationally recognized Certified Public Accountant stating that such consolidated financial statements present fairly the financial positions of Guarantor for the periods indicated in conformity with GAAP applied on a basis consistent with

prior years and are not subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit.

(b) Within forty-five (45) days after the end of each of the first three fiscal quarters, quarterly unaudited financial statements of Guarantor, including cash flow statements, certified by a Responsible Officer of Guarantor, and (to the extent appropriate), prepared on a consolidated basis according to GAAP.

(c) Reserved.

(d) If requested by Administrative Agent, copies of Borrower's and Guarantor's federal income tax return (with all schedule K-l's attached), within fifteen (15) days of filing, and, if requested by Administrative Agent, copies of any extensions of the filing date, certified by an appropriate Responsible Officer as being complete and correct in all material respects.

(e) Copies of Guarantor's Form 10-K Annual Report within ninety (90) days of its fiscal year end.

(f) Copies of Guarantor's Form 10-Q Quarterly Report within forty-five (45) days after the end of each calendar quarter except fiscal year end and copies of all statements, reports and notices, sent or made available generally by Borrower or Guarantor to their respective security holders at the time they are so sent or made available, any financial statements contained therein to be certified by the chief financial officer of Borrower, and (to the extent appropriate) to be prepared on a consolidated basis according to GAAP and to include Borrower and Guarantor.

(g) Within sixty (60) days of the end of each of the first three fiscal quarters and, in addition, within ninety (90) days of the end of each fiscal year, a Compliance Certificate of Borrower signed and certified by an authorized financial officer of Borrower (i) setting forth the information and computations (in sufficient detail) to determine the Gross Asset Value, the Total Liabilities, the Unsecured Debt, the Secured Debt, the Unencumbered Stabilized Asset Property Value, the Unencumbered Development Property Value, the Unencumbered Asset Value, the EBITDA, the Fixed Charges, and to establish that Borrower is in compliance with all financial covenants set forth in this Agreement at the end of the period covered by the financial statements then being furnished, (ii) stating specifically that the Outstanding Amount of Loans is less than or equal to the Availability, and (iii) setting forth whether there existed as of the date of the most recent financial statements of Guarantor and its consolidated subsidiaries and whether there exists as of the date of the certificate, any Default or Event of Default under this Agreement and, if any such Default or Event of Default exists, specifying the nature thereof and the action Borrower is taking and proposes to take with respect thereto.

(h) Intentionally omitted.

(i) Intentionally omitted.

(j) Any other financial or other information concerning the affairs and properties of Borrower, Guarantor and any subsidiary of Borrower or Guarantor as Administrative Agent may reasonably request, to be furnished promptly upon such request.

Documents required to be delivered pursuant to Section 6.3(e) or (f) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which Borrower posts such documents, or provides a link thereto on Borrower's website on the Internet at its website address set forth on the signature page hereof (or such other website address as notified to Administrative Agent and the Lenders); or (ii) on which such documents are posted on Borrower's behalf on an Internet or intranet website, if any, to which each Lender and Administrative Agent have access (whether a commercial, third-party website or whether sponsored by Administrative Agent); provided that: (A) upon request by Administrative Agent, Borrower shall deliver paper copies of such documents to Administrative Agent until a written request to cease delivering paper copies is given by Administrative Agent, and (B) Borrower shall notify (which may be by facsimile or electronic mail) Administrative Agent of the posting of any such documents and provide to Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Notwithstanding the foregoing in every instance Borrower shall be required to provide paper copies of the Compliance Certificates required hereunder. Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by Borrower with any such request for delivery, and each Lender shall be solely responsible for maintaining its copies of such documents.

Each of Borrower and, by its execution of its consent hereto, Guarantor hereby acknowledges that (a) Administrative Agent and/or the Arranger will make available to the Lenders materials and/or information provided by or on behalf of Borrower, Guarantor or any subsidiary of Borrower or Guarantor hereunder (collectively, "Borrower Materials") by posting Borrower Materials on SyndTrak or IntraLinks or another similar electronic system (the "Platform"), and (b) certain of the Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to Borrower, Guarantor, any subsidiary of Borrower or Guarantor or their securities) (each, a "Public Lender"). Each of Borrower and, by its execution of its consent hereto, Guarantor, agrees that (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," Borrower, Guarantor and each subsidiary of Borrower or Guarantor shall be deemed to have authorized Administrative Agent, the Arranger, and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to Borrower, Guarantor, any subsidiary of Borrower or Guarantor or their securities for purposes of United States Federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information. they shall be treated as set forth in Section 10.6); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Investor;" and (z) Administrative Agent and the Arranger shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Investor." Notwithstanding the foregoing, neither Borrower nor Guarantor shall be under any obligation to mark any Borrower Materials "PUBLIC."

6.4 Notices. Borrower shall promptly notify Administrative Agent in writing (and the Administrative Agent shall promptly provide copies to the Lenders of any such notice received) of any knowledge that any officer of Borrower or Guarantor has of:

(a) any litigation affecting Borrower, Guarantor, any Unencumbered Property, and/or any subsidiary or affiliate of Borrower or Guarantor that directly owns any Unencumbered Property or any development property or whose financial results are consolidated with those of Borrower or Guarantor for reporting purposes, in each case where the aggregate amount at risk or at issue (including litigation costs and attorneys' fees and expenses, but excluding claims which, in Administrative Agent's reasonable judgment, are expected to be covered by insurance) exceeds: (1) in the case of litigation affecting an Unencumbered Property, an aggregate amount of $10,000,000, or (2) in the case of litigation affecting Borrower, Guarantor or any such subsidiary or affiliate of Borrower or Guarantor, an aggregate amount of $50,000,000;

(b) any written notice from any Governmental Authority having jurisdiction thereover that any property or Borrower's or Guarantor's business fails in any material respect to comply with any applicable Law (including any Environmental Law), regulation or court order, where the failure to comply could have a material adverse effect on Borrower or Guarantor;

(c) any material adverse change in the physical condition of any Unencumbered Property or Borrower's or Guarantor's financial condition or operations, or any other circumstance that materially adversely affects Borrower's or any subsidiary of Borrower's intended use of any Unencumbered Property or Borrower's ability to repay the Loan;

(d) (i) any Default or Event of Default and any failure to comply with this Agreement or any other Loan Document or (ii) any failure to comply with any other material agreement to which Borrower or Guarantor or any consolidated subsidiary of Borrower is a party, including, but not limited to, any loan documentation relating to Indebtedness of Borrower, Guarantor or any such consolidated subsidiary of Borrower, where such noncompliance has a material adverse effect on the ability of Borrower, Guarantor or such consolidated subsidiary of Borrower to perform their respective obligations under the terms of the Loan Documents;

(e) any change in Borrower's or Guarantor's name, legal structure, jurisdiction of formation, place of business to a state other than the State of California, or chief executive office to a state other than the State of California if Borrower or Guarantor has more than one place of business;

(f) any actual or threatened condemnation of any portion of any Unencumbered Property given in writing to Borrower or any subsidiary of Borrower, as the case may be, by any Governmental Authority, or any loss of or substantial damage to any Unencumbered Property;

(g) any notice of any cancellation, alteration or non-renewal of any insurance coverage maintained with respect to any Unencumbered Property;

(h) any written notice received by Borrower from any Governmental Authority that any Unencumbered Property, or any use activity, operation or maintenance thereof or thereon, is not in compliance with any Law, including any Environmental Laws, and including notice of (i) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against Borrower or any Subsidiary of Borrower which owns any Unencumbered Property or any of their respective Unencumbered Properties pursuant to any applicable Environmental Laws, and (ii) any environmental or similar condition on any real

property adjoining or in the vicinity of any Unencumbered Property of Borrower or any Subsidiary of Borrower that could reasonably be anticipated to cause the applicable Unencumbered Property or any part thereof to be subject to any restrictions on the ownership, occupancy, transferability or use of such Unencumbered Property under any Environmental Laws; or

(i) any announcement by any of Moody's, S&P and/or Fitch, if such rating agency has provided a rating on Guarantor's senior unsecured long term debt, regarding a change or possible change in such rating of Guarantor's senior unsecured long term debt.

6.5 Negative Covenants.

6.5.1 Limitations on Certain Activities. Without the prior written consent of the Required Lenders (or Administrative Agent at the request of the Required Lenders), which consent shall not be unreasonably withheld or delayed:

(1) other than in the ordinary course of Borrower's business, Borrower shall not lease all or a substantial part of Borrower's business or Borrower's assets;

(2) neither Borrower nor Guarantor shall enter into or invest in any consolidation, merger, pool, syndicate or other combination unless Borrower, or Guarantor, as applicable, is the surviving entity and control of Borrower does not change;

(3) the legal structure of Borrower shall not change from a limited partnership that is an operating partnership whose sole general partner is Guarantor; the legal structure of Guarantor shall not change from a publicly traded real estate investment trust under the provisions of Internal Revenue Code Sections 856 and 857; and the legal structure of Borrower and Guarantor shall not change from a so-called up-REIT;

(4) Borrower's or Guarantor's jurisdiction of formation, place of business, or chief executive office (if Borrower or Guarantor has more than one place of business) shall not change except upon 30 days' prior written notice to Administrative Agent;

(5) Borrower's general partner shall not change from Guarantor; and

(6) Intentionally omitted.

6.5.2 Material Changes. Borrower and Guarantor shall not in any case (including by any division or plan of division under Delaware law or any comparable event under a different jurisdiction's laws):

(1) liquidate or dissolve Borrower's or Guarantor's business; or

(2) dispose of all or substantially all of Borrower's or Guarantor's business or of Borrower's or Guarantor's assets.

6.6 Type of Business; Development Covenants. Borrower shall own, manage, finance, lease and/or operate as an owner, developer and/or asset manager of multifamily residential properties, and all of Borrower's other business activities and investments shall be incidental

thereto, with the exception of the investments described in clause (d) below. Guarantor and its consolidated subsidiaries shall not own at any time, on a consolidated basis, and without duplication:

(a) entitled and unentitled land,

(b) development properties,

(c) Joint Venture Investments, and

(d) real estate assets (other than multifamily residential properties), or investments in, or loans to, companies that own and/or develop real estate (other than multifamily residential properties),

the value of which exceeds the following (the "Development Limits"): in the aggregate for all assets described in clauses (a)-(d) above, 35% of Gross Asset Value, or in the aggregate for the assets described in clause (a) above, 10% of Gross Asset Value, or in the aggregate for the assets described in clause (b) above, 25% of Gross Asset Value. Notwithstanding anything to the contrary herein, in the event any of the Development Limits are exceeded at any time, such failure to comply with the Development Limits requirements shall not constitute a Default or Event of Default hereunder but any such excess value shall not be included in the calculation of Gross Asset Value hereunder.

For the purpose of calculating the value for assets in clauses (a) and (b) above, projects that have not yet attained a stabilized occupancy (which, for this purpose only, shall be 90% occupancy) shall be valued at the book value of the project (multiplied, if such project is owned by a Joint Venture, by Borrower's Capital Interest in such Joint Venture). Projects that attain 90% occupancy shall no longer be considered for the purpose of calculating the Development Limits contained in this Section 6.6.

6.7 Performance of Acts. Upon request by Administrative Agent, Borrower and Guarantor shall perform all acts required of them which may be reasonably necessary or advisable to carry out the intent of the Loan Documents.

6.8 Keeping Guarantor Informed. Borrower shall keep Guarantor (and any other Person giving a guaranty to Administrative Agent and Lenders with regard to the Loans), in its capacity as a guarantor, informed of Borrower's financial condition and business operations and all other circumstances that may affect Borrower's ability to pay or perform its obligations under the Loan Documents. In addition, Borrower shall deliver to Guarantor and any other guarantor all of the financial information required to be furnished to Administrative Agent hereunder.

6.9 Maximum Total Liabilities to Gross Asset Value. Total Liabilities at the end of each calendar quarter shall not exceed 60% of Gross Asset Value at such time; provided, however, Total Liabilities may exceed 60%, so long as for acquisition purposes it does not exceed more than 65%, during any four (4) consecutive calendar quarters. For the purposes of this covenant, (i) Total Liabilities shall be adjusted by deducting therefrom an amount equal to the lesser of (x) Indebtedness that by its terms is scheduled to mature on or before the date that is 24 months from the date of calculation, and (y) Unrestricted Cash and Cash Equivalents and (ii) Gross Asset Value

shall be adjusted by deducting therefrom the amount by which Indebtedness is adjusted under clause (i).

6.10 Certain Debt Limitations. (a) The Outstanding Amount of all Loans shall not exceed the Availability at any time and (b) the amount of Secured Debt at the end of each calendar quarter shall not exceed 40% of the Gross Asset Value at such time.

6.11 Fixed Charge Coverage Ratio. The ratio determined at the end of each calendar quarter of (a) EBITDA for the four consecutive calendar quarter period ending on such determination date divided by (b) the amount of Fixed Charges for such four calendar quarter period shall not be less than 1.50:1.00.

6.12 Maximum Unsecured Debt Leverage Ratio. The ratio determined at the end of each calendar quarter of (a) the Unencumbered Asset Value for the four consecutive calendar quarter period ending on such date divided by (b) the amount of Unsecured Debt for such four calendar quarter period shall not be less than 1.50:1.00.

6.13 Maximum Quarterly Dividends. During the continuance of any Event of Default, aggregate distributions shall not exceed the minimum amount that Guarantor must distribute to its shareholders in order to qualify as a real estate investment trust under the provisions of Internal Revenue Code Sections 856 and 857.

6.14 Negative Pledge; Limitations on Affiliate Indebtedness.

(a) Borrower shall not, nor permit any of its Subsidiaries to, create, assume, or allow any Lien (including any judicial lien) on any Unencumbered Property, and neither Borrower nor Guarantor shall create, assume or allow any Lien (including any judicial lien) on Borrower's or Guarantor's direct or indirect ownership interests in any of their respective subsidiaries, except for Permitted Liens; it being understood and agreed by Borrower, Guarantor (as a signatory hereto in its capacity as the general partner of Borrower), and the other parties hereto that nothing contained in this Section 6.14 shall be deemed or construed to prohibit Borrower and Guarantor from delivering from time to time a negative pledge covenant substantially in the form contained in this Section 6.14 under and pursuant to a third party credit agreement (including any institutional private placement note agreement) or notes issued at any time in a Rule 144A, Regulation S or public offering or exchange of such notes to the institutional creditor or creditors party to any such third party credit agreement (including any such private placement note agreement) or holders of such notes.

(b) Borrower shall not, and shall not permit any of its Subsidiaries to, create, assume or allow any negative pledge agreement in favor of any other Person affecting or relating to any Unencumbered Property, other than a negative pledge agreement as contemplated by Section 6.14(a) under and pursuant to a third party credit agreement (including any third party private placement note agreement) with institutional investors or under and pursuant to notes issued at any time in a Rule 144A, Regulation S or public offering or exchange of such notes. In addition, neither Borrower nor Guarantor shall incur nor permit their respective subsidiaries to incur (in this context, an "Obligor") any intercompany Indebtedness owing to Borrower, Guarantor, any such subsidiary of Borrower or Guarantor or any other Affiliate (in this context, an

"Intercompany Creditor") other than on fair and reasonable terms substantially as favorable to the Obligor as would be obtainable by the Obligor at the time in a comparable arm's length transaction with a Person other than the Intercompany Creditor.

(c) Borrower shall have the right to contest (and to cause its applicable subsidiary to contest) in good faith by appropriate legal or administrative proceeding the validity of any prohibited Lien affecting its properties so long as (i) no Event of Default exists and is continuing, (ii) Borrower first deposits (or causes its applicable subsidiary to deposit) with Administrative Agent a bond or other security satisfactory to Administrative Agent in the amount reasonably required by Administrative Agent; (iii) Borrower immediately commences (or causes its applicable subsidiary to immediately commence) its contest of such Lien and continuously pursues the contest in good faith and with due diligence; (iv) foreclosure of the Lien is stayed; and (v) Borrower pays (or causes its applicable subsidiary to pay) any judgment rendered for the Lien claimant or other third party, unless such judgment has been stayed as the result of an appeal, within 30 days after the entry of the judgment. Borrower will (or will cause its applicable subsidiary to) discharge or elect to contest and post an appropriate bond or other security within 30 days of written demand by Administrative Agent.

6.15 Change in Ownership of Borrower or Management of the Unencumbered Property. Borrower shall not cause, permit or suffer (a) any change of the general partner of Borrower, or (b) any Change in Control of Guarantor (whether by tender offer for a majority of the outstanding shares of Guarantor, a merger in which Guarantor is not the surviving entity, or otherwise).

6.16 Books and Records. Each of Borrower and Guarantor shall maintain (and shall cause each of their respective subsidiaries to maintain) adequate books and records (provided that, with respect to any such subsidiary, such books and records shall mean its income and expense statements).

6.17 Audits. Borrower and Guarantor shall allow (and shall cause their respective subsidiaries to allow) Administrative Agent and any of its respective agents to inspect its properties and examine, audit and make copies of its books and records at any reasonable time upon reasonable notice to Borrower. If any of the properties, books or records of Borrower, Guarantor or any of their subsidiaries are in the possession of a third party, Borrower or Guarantor as applicable, shall authorize (and cause their respective applicable subsidiaries to authorize) that third party to permit Administrative Agent or any of its respective agents to have access to perform inspections or audits and to respond to Administrative Agent's requests for information concerning such properties, books and records.

6.18 Cooperation. Borrower and Guarantor shall take any action reasonably requested by Administrative Agent to carry out the intent of this Agreement.

6.19 ERISA Plans. Borrower shall give prompt written notice to Administrative Agent of the occurrence of any ERISA Event.

6.20 Use of Proceeds. Borrower shall use the proceeds of the Loans only for (a) financing for acquisition, development and/or redevelopment of real and personal property, (b) refinancing existing Indebtedness, (c) general corporate purposes, (d) working capital in

Borrower's business, and (e) other purposes permitted by Borrower's organizational documents as they appear as of the Closing Date (including, without limitation, dividends and other distributions).

6.21 Use of Proceeds – Ineligible Securities. Borrower shall not use any proceeds of the Loans, directly or indirectly, to purchase or carry, or reduce or retire any loan incurred to purchase or carry, any "Margin Stock" (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System) or to extend credit to others for the purpose of purchasing or carrying any Margin Stock. Borrower will not request any Loan, and Borrower shall not use, and Borrower shall ensure that its Subsidiaries, Affiliates and its or their respective directors and officers, and Borrower shall use commercially reasonable efforts to ensure that its employees and agents, shall not use, directly or indirectly, the proceeds of any Loan, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person, (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws or (ii)(A) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is the subject of Sanctions, or (B) in any other manner that would result in a violation of Sanctions by any Person (including any Person participating in the Loans, whether as Administrative Agent, Arranger, Lender, underwriter, advisor, investor, or otherwise).

6.22 Outbound Investment Rules. The Borrower will not, and will not permit its Affiliates or Subsidiaries to, (a) be or become a "covered foreign person," as that term is defined in the Outbound Investment Rules, or (b) engage, directly or indirectly, in (i) a "covered activity" or a "covered transaction," as each such term is defined in the Outbound Investment Rules, (ii) any activity or transaction that would constitute a "covered activity" or a "covered transaction," as each such term is defined in the Outbound Investment Rules, if such Borrower, Affiliate or Subsidiary were a U.S. Person or (iii) any other activity that would cause the Administrative Agent or any Lender to be in violation of the Outbound Investment Rules or cause the Administrative Agent or any Lender to be legally prohibited by the Outbound Investment Rules from performing under this Agreement. As used in this Section 6.22, "U.S. Person" means any United States citizen, lawful permanent resident, entity organized under the laws of the United States or any jurisdiction within the United States, including any foreign branch of any such entity, or any person in the United States

7. REPRESENTATIONS AND WARRANTIES. When Borrower and Guarantor sign this Agreement, and until Administrative Agent and Lenders are repaid in full, Borrower and Guarantor make the following representations and warranties. Each request for an extension of credit hereunder constitutes a renewal of each of the following representations and warranties.

7.1 Organization of Borrower and Guarantor. Borrower is a limited partnership duly formed, validly existing and in good standing under the laws of California. Guarantor is an entity duly organized, validly existing and in good standing under the laws of its state of formation or organization.

7.2 Authorization. The execution and compliance with this Agreement and each Loan Document to which Borrower or Guarantor is a party are within such Person's powers, have been duly authorized, and do not conflict with any of such Person's organizational or formation papers.

7.3 Enforceable Agreement. This Agreement is a legal, valid and binding agreement of Borrower, enforceable against Borrower in accordance with its terms, and it and any Loan Document to which it or Guarantor is a party, when executed and delivered, will be similarly legal, valid, binding and enforceable, except as the same may be limited by insolvency, bankruptcy, reorganization, or other laws relating to or affecting the enforcement of creditors' rights or by general equitable principles.

7.4 Good Standing. In each state in which Borrower or Guarantor does business, it is properly licensed, in good standing, and, where required, in compliance with fictitious name statutes.

7.5 No Conflicts. Neither Borrower, Guarantor nor any Unencumbered Property, are in violation of, nor do the terms of this Agreement or any other Loan Document conflict with, any law (including any Environmental Laws, Anti-Corruption Laws and applicable Sanctions), regulation or ordinance, any order of any court or governmental entity, any organizational documents of Borrower or Guarantor, or any covenant or agreement affecting Borrower or Guarantor or any Unencumbered Property, which has a Material Adverse Effect.

7.6 Financial Information. All financial information which has been and will be delivered to Administrative Agent, including all information relating to the financial condition of Borrower, Guarantor, and their respective subsidiaries and any Unencumbered Property, did as of its date fairly and accurately represent the financial condition being reported on. All such information was and will be prepared in accordance with GAAP, unless otherwise noted. Since June 30, 2025, there has been no Material Adverse Effect.

7.7 Borrower Not a "Foreign Person". Borrower is not a "foreign person" within the meaning of Section 1445(1)(3) of the Internal Revenue Code of 1986, as amended from time to time.

7.8 Lawsuits. There are no lawsuits, actions, tax claims, investigations, proceedings, or other disputes, pending or threatened, in any court or before any arbitrator or Governmental Authority that purport to affect Borrower, Guarantor, any subsidiaries or Affiliates of Borrower or Guarantor, any Unencumbered Property, or any transaction contemplated by this Agreement or any other Loan Document that will have a Material Adverse Effect or material adverse effect on any transaction contemplated by this Agreement or any other Loan Document.

7.9 Permits, Franchises. Borrower and Guarantor each possesses all permits, memberships, franchises, contracts and licenses required and all trademark rights, trade name rights, patent rights and fictitious name rights necessary to enable it to conduct the business in which it is now engaged.

7.10 Other Obligations. Neither Borrower nor Guarantor is in material default (taking into account all applicable cure periods, if any) on any material obligation for borrowed money, any purchase money obligation or any other material lease, commitment, contract, instrument or obligation.

7.11 Income Tax Returns. Except as otherwise disclosed to Administrative Agent in a writing referring to this Section 7.11, Borrower has no knowledge of any pending assessments or

adjustments of the income tax of Borrower or Guarantor in an amount in excess $500,000 for any year, individually or in the aggregate.

7.12 No Event of Default. There is no event which is, or with notice or lapse of time or both would be, an Event of Default under this Agreement.

7.13 ERISA Plans.

(a) Borrower has fulfilled its obligations, if any, under the minimum funding standards of ERISA and the Code with respect to each Plan and is in compliance in all material respects with the presently applicable provisions of ERISA and the Code, and has not incurred any liability with respect to any Plan under Title IV of ERISA.

(b) No Reportable Event has occurred.

(c) No action by Borrower to terminate or withdraw from any Plan has been taken and no notice of intent to terminate a Plan has been filed under Section 4041 of ERISA.

(d) No proceeding has been commenced with respect to a Plan under Section 4042 of ERISA, and no event has occurred or condition exists which might constitute grounds for the commencement of such a proceeding.

7.14 Location of Borrower. Borrower's place of business (or, if Borrower has more than one place of business, its chief executive office) is located at the address listed in Schedule 1.2 attached hereto or at such other place as to which Borrower has notified Administrative Agent in writing.

7.15 No Required Third Party/Governmental Approvals. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with any third party or any Governmental Authority, is necessary or required in connection with the execution, delivery or performance of this Agreement or any other Loan Document to which Borrower or Guarantor is a party, or the enforcement of any such agreements against Borrower or Guarantor.

7.16 Regulated Entities. Neither Borrower nor any Person controlling Borrower is an "Investment Company" within the meaning of the Investment Company Act of 1940; or subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, the Interstate Commerce Act, any state public utilities code, or any other federal or state statute or regulation limiting its ability to incur Indebtedness.

7.17 Anti-Money Laundering Laws; Anti-Corruption Laws; Sanctions; Anti-Terrorism Laws.

(a) Borrower, its Subsidiaries, Affiliates and, to Borrower's Knowledge, their respective officers, employees and its directors and agents, are in compliance with Anti-Corruption Laws, Anti-Money Laundering Laws and applicable Sanctions in all material respects. The Borrower and its Subsidiaries have implemented and maintain in effect policies and procedures designed to ensure compliance with Anti-Corruption Laws, Anti-Money Laundering Laws and applicable Sanctions. None of Borrower, any Subsidiary, any Affiliate or, to Borrower's

Knowledge, any of their respective directors, officers or employees, is an individual or entity that is, or is 50% or more owned (individually or in the aggregate, directly or indirectly) or controlled by individuals or entities (including any agency, political subdivision or instrumentality of any government) that are (i) the target of any Sanctions or (ii) located, organized or resident in a country or territory that is the subject of Sanctions (at the time of this Agreement, Crimea, Cuba, Iran, North Korea, Syria, the so-called Donetsk People's Republic, the so-called Luhansk People's Republic, and the Kherson and Zaporizhzhia regions of Ukraine). To Borrower's Knowledge, no Loan, use of the proceeds of any Loan or other transactions contemplated hereby will violate Anti-Corruption Laws, Anti-Money Laundering Laws or applicable Sanctions.

(b) To Borrower's Knowledge, neither the making of the Loans hereunder nor the use of the proceeds thereof will violate the PATRIOT Act, the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto or successor statute thereto. Borrower and its Subsidiaries and Affiliates are in compliance in all material respects with the PATRIOT Act.

7.18 Certificate of Beneficial Ownership. The Certificate of Beneficial Ownership executed and delivered to Administrative Agent and the Lenders for Borrower on or prior to the Closing Date (if such certification was required to be delivered by Administrative Agent), as updated from time to time in accordance with this Agreement, is accurate, complete and correct as of the date thereof and as of the date any such update is delivered.

7.19 Affected Financial Institution. Neither Borrower nor any of its Affiliates or Subsidiaries is an Affected Financial Institution.

7.1 Outbound Investment Rules. None of the Borrower nor any of its Affiliates or Subsidiaries is a "covered foreign person" as that term is used in the Outbound Investment Rules. None of the Borrower nor any of its Affiliates or Subsidiaries currently engages, or has any present intention to engage in the future, directly or indirectly, in (i) a "covered activity" or a "covered transaction," as each such term is defined in the Outbound Investment Rules, (ii) any activity or transaction that would constitute a "covered activity" or a "covered transaction," as each such term is defined in the Outbound Investment Rules, if such Borrower, Affiliate or Subsidiary were a U.S. Person or (iii) any other activity that would cause the Administrative Agent or any Lender to be in violation of the Outbound Investment Rules or cause the Administrative Agent or any Lender to be legally prohibited by the Outbound Investment Rules from performing under this Agreement. As used in this Section 7.1, "U.S. Person" means any United States citizen, lawful permanent resident, entity organized under the laws of the United States or any jurisdiction within the United States, including any foreign branch of any such entity, or any person in the United States.

8. DEFAULT AND REMEDIES.

8.1 Events of Default. Borrower will be in default under this Agreement upon the occurrence of any one or more of the following events (each, an "Event of Default"):

(a) Borrower fails to make any payment due hereunder, or fails to make any payment demanded by Administrative Agent under any Loan Document, on the earlier of (i) the

Maturity Date or (ii) within fifteen (15) days after (x) the date when due or (y) if the payment is unscheduled, the date when payment is demanded by Administrative Agent; or

(b) Borrower fails to perform or observe any term, covenant or agreement contained in (i) any of Sections 6.4(d)(i), 6.13 or 6.21; or (ii) any of Sections 6.1.3, 6.3, 6.5, 6.14 or 6.17 and does not cure that failure within fifteen (15) days after written notice from Administrative Agent; or (iii) Section 6.4 (other than Section 6.4(d)(i)) and does not cure that failure within fifteen days (15) after Borrower's Knowledge of such failure; or (iv) Section 6.15(a) and (b); or (v) any of Sections 6.9, 6.10, 6.11 or 6.12 and does not cure that failure within forty-five (45) days after the end of the fiscal quarter in which such Default arose; or

(c) Borrower fails to comply with any covenant contained in this Agreement other than those referred to in clauses (a) and (b), and does not either cure that failure within thirty (30) days after written notice from Administrative Agent, or, if the default cannot be cured in thirty (30) days, Borrower fails to promptly commence cure (in any event, within ten (10) days after receipt of such notice), and thereafter diligently prosecute such cure to completion, and complete such cure within ninety (90) days after receipt of such notice: or

(d) (i) Borrower, Guarantor or any subsidiary of Borrower or Guarantor institutes or consents to the institution of any Insolvency Proceeding, makes an assignment for the benefit of creditors or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; (ii) any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of Borrower, Guarantor or any subsidiary of Borrower or Guarantor and the appointment continues undischarged or unstayed for sixty (60) calendar days; (iii) any Insolvency Proceeding relating to Borrower, Guarantor or any subsidiary of Borrower or Guarantor or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for 60 calendar days, or an order for relief is entered in any such proceeding; (iv) Borrower, Guarantor or any subsidiary of Borrower or Guarantor becomes unable or admits in writing its inability or fails generally to pay its debts as they become due; or (v) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of Borrower, Guarantor or any subsidiary of Borrower or Guarantor and is not released, vacated or fully bonded within thirty (30) days after its issue or levy; or

(e) Borrower or Guarantor dissolves or liquidates; or

(f) Any representation or warranty made or given in any of the Loan Documents proves to be false or misleading in any material respect; or

(g) Guarantor breaches or fails to comply with any covenant contained in this Agreement or any other Loan Document applicable to it, other than those defaults included within clause (b) above, and does not cure that failure within thirty (30) days after written notice from Administrative Agent, or, if the default cannot be cured in thirty (30) days, Guarantor fails to promptly commence cure (in any event, within ten (10) days after receipt of such notice), and thereafter diligently prosecute such cure to completion, and complete such cure within ninety (90) days after receipt of such notice; or

(h) A defined event of default occurs under any of the Loan Documents; or

(i) A final non-appealable judgment or order is entered against Borrower, Guarantor or any subsidiary of Borrower or Guarantor that materially adversely affects (i) Borrower's or such subsidiary's intended use of one or more of the Unencumbered Properties or (ii) Borrower's or Guarantor's ability to repay the Loans; or

(j) Borrower or Guarantor fails, after the expiration of applicable cure periods, if any, to perform any obligation under any other agreement Borrower has with Administrative Agent or any Lender or any Affiliate of Administrative Agent or any Lender; or

(k) Borrower, Guarantor or a subsidiary of Borrower or Guarantor defaults (taking into account applicable notice and cure periods, if any) in connection with any credit such Person has with any holder of Indebtedness of such Person, (i) and such default consists of the failure to make a payment when due on one or more obligations that are recourse to Borrower, Guarantor or a subsidiary of Borrower or Guarantor whose outstanding principal amount exceeds $50,000,000 individually or in the aggregate and such default has not been waived by the holder of such Indebtedness, or (ii) as result of such default, one or more obligations that are recourse to Borrower, Guarantor or a subsidiary of Borrower or Guarantor whose outstanding principal amount exceeds $50,000,000 individually or in the aggregate have been accelerated; or

(l) Guarantor shall no longer qualify as a real estate investment trust under the provisions of Code Sections 856 and 857; or

(m) (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of Borrower under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of $15,000,000, or (ii) Borrower or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of $15,000,000; or

(n) Any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect (unless such Loan Document is replaced in a manner reasonably satisfactory to Administrative Agent); or any of Borrower or Guarantor or a subsidiary of Borrower or Guarantor contests in any manner the validity or enforceability of the remedies of Administrative Agent or any Lender under any Loan Document; or a party to a Loan Document (other than any Lender or Administrative Agent) denies that it has any further liability or obligation under any Loan Document, or purports to revoke, terminate or rescind any Loan Document.

Notwithstanding the foregoing, any event or circumstance described in the foregoing clauses (a)-(n) with respect to any subsidiary of Borrower or Guarantor shall not constitute an Event of Default hereunder as long as each Unencumbered Property owned by such subsidiary is not included in the calculation of the Unencumbered Asset Value hereunder for so long as such event or circumstances continues to exist.

8.2 Remedies. If any Event of Default occurs, Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders:

8.2.1 Termination of Commitment to Lend. Declare the Commitment of each Lender to make Loans to be terminated, whereupon such Commitments shall forthwith be terminated; and

8.2.2 Acceleration of Loans. Declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by Borrower; and

8.2.3 Intentionally Omitted.

8.2.4 Exercise of Rights and Remedies. Exercise all rights and remedies available to it under the Loan Documents or applicable Law; provided, however, that upon the occurrence of any event specified in Section 8.1(d) above, the obligation of each Lender to make Loans shall automatically terminate, and the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable without further act of Administrative Agent or any Lender.

8.3 Application of Funds. After the exercise of remedies provided for in Section 8.2 (or after the Loans have automatically become immediately due and payable), any amounts received on account of the Obligations shall be applied by Administrative Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including legal fees and expenses and amounts payable under Sections 2.11, 6.2, and 10.4) payable to Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders (including amounts payable under Sections 2.11, 3.1, 3.3, 3.4, 6.2, and 10.4), ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans, and other Obligations, ratably among the Lenders in proportion to the respective amounts described in this clause Third payable to them;

Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans ratably among the Lenders in proportion to the respective amounts described in this clause Fourth held by them;

Fifth, to the payment of any and all other remaining Obligations (not otherwise specified above in this Section 8.3); and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to Borrower or as otherwise required by law.

9. ADMINISTRATIVE AGENT.

9.1 Appointment and Authority. Each of the Lenders hereby irrevocably appoints U.S. Bank to act on its behalf as Administrative Agent hereunder and under the other Loan Documents and authorizes Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article 9 are solely for the benefit of Administrative Agent and the Lenders, and Borrower shall not have rights as a third party beneficiary of any of such provisions.

9.2 Rights as a Lender. The Person serving as Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not Administrative Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with Borrower or any subsidiary or other Affiliate thereof as if such Person were not Administrative Agent hereunder and without any duty to account therefor to the Lenders.

9.3 Exculpatory Provisions.

9.3.1 Limitation of Administrative Agent’s Duties. Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, Administrative Agent: (a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing; (b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose Administrative Agent to liability or that is contrary to any Loan Document or applicable law; and (c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as Administrative Agent or any of its Affiliates in any capacity.

9.3.2 Limitation of Administrative Agent’s Liability. Administrative Agent shall not be liable to any Lender for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 8.2 and 9.1), or (ii) in the absence of its own gross negligence or willful misconduct, Administrative Agent shall not be deemed to have knowledge

of any Default or Event of Default unless and until notice describing such Default or Event of Default is given to Administrative Agent by Borrower or a Lender.

9.3.3 Limitation of Administrative Agent's Responsibilities. Administrative Agent shall not be responsible to any Lender for, or have any duty to ascertain or inquire for the benefit of any Lender into, (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article 5 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to Administrative Agent.

9.4 Reliance by Administrative Agent. Administrative Agent shall be entitled to rely upon, and shall not incur any liability to any Lender for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person; provided, however, that notwithstanding any such notice, request or other direction to the contrary, in all events Administrative Agent shall direct that the proceeds of a Borrowing be deposited in the account of Borrower designated to Administrative Agent on the Closing Date (the "Designated Borrower's Account"). Subject to the foregoing sentence, Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, that by its terms must be fulfilled to the satisfaction of a Lender, Administrative Agent may presume that such condition is satisfactory to such Lender unless Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. Administrative Agent may consult with legal counsel (who may be counsel for Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

9.5 Delegation of Duties. Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by Administrative Agent. Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

9.6 Resignation of Administrative Agent.

9.6.1 Notice of Resignation. Administrative Agent may at any time give notice of its resignation to the Lenders and Borrower. Upon receipt of any such notice of resignation, the

Required Lenders shall have the right, in consultation with Borrower, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States; provided that as long as no Event of Default hereunder has occurred and is continuing, Borrower shall have the right to consent to such successor, such consent to not be unreasonably withheld; provided, further, that, notwithstanding the immediately preceding proviso, Borrower shall, in all events, be deemed to have approved each Lender and any of its Affiliates as a successor Administrative Agent. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above, provided that as long as no Event of Default hereunder has occurred and is continuing, Borrower shall have the right to consent to such successor, such consent to not be unreasonably withheld; provided, further, that if Administrative Agent shall notify Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents and (2) all payments, communications and determinations provided to be made by, to or through Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Administrative Agent, and the retiring Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed in writing between Borrower and such successor. After the retiring Administrative Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Section 10.4 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

9.6.2 Intentionally Omitted.

9.7 Non-Reliance on Administrative Agent and Other Lenders. Each Lender acknowledges that it has, independently and without reliance upon Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

9.8 No Other Duties, Etc. Anything herein to the contrary notwithstanding, none of the Joint Lead Arrangers, Joint Bookrunners or Co-Syndication Agents listed on the cover page hereof

shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as Administrative Agent or a Lender hereunder.

9.9 Administrative Agent May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to Borrower or Guarantor, Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether Administrative Agent shall have made any demand on Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise (a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, and all other Obligations that are owing and unpaid, and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and Administrative Agent under Sections 2.11, 6.2 and 10.4) allowed in such judicial proceeding; and (b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to Administrative Agent and, in the event that Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of Administrative Agent and its agents and counsel, and any other amounts due Administrative Agent under Sections 2.11, 6.2 and 10.4. Nothing contained herein shall be deemed to authorize Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

9.10 Certain ERISA Matters.

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, Administrative Agent and not, for the avoidance of doubt, to or for the benefit of Borrower or Guarantor, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments or this Agreement;

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-

23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement;

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement; or

(iv) such other representation, warranty and covenant as may be agreed in writing between Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (i) clause (i) of Section 9.10(a) is true with respect to a Lender or (ii) a Lender has provided another representation, warranty and covenant in accordance with clause (iv) of Section 9.10(a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, Administrative Agent and not, for the avoidance of doubt, to or for the benefit of Borrower or Guarantor, that Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

9.11 Erroneous Payments.

9.11.1 If Administrative Agent notifies a Lender or any Person who has received funds on behalf of a Lender (any such Lender or other recipient, a "Payment Recipient") that Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding subsection 9.11.2) that any funds received by such Payment Recipient from Administrative Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender or other Payment Recipient on their respective behalf) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "Erroneous Payment") and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of Administrative Agent, and such Lender or L/C Issuer (as applicable) shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter, return to Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which

such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to Administrative Agent in same day funds at the greater of the Overnight Bank Funding Rate and a rate determined by Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of Administrative Agent to any Payment Recipient under this subsection 9.11.1 shall be conclusive, absent manifest error.

9.11.2 Without limiting immediately preceding subsection 9.11.1, each Lender or any Person who has received funds on behalf of a Lender hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by Administrative Agent (or any of its Affiliates), or (z) that such Lender or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case:

(a) (i) in the case of immediately preceding clauses (x) or (y), an error shall be presumed to have been made (absent written confirmation from Administrative Agent to the contrary) or (ii) an error has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(b) such Lender shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of such error) notify Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 9.11.

9.11.3 Each Lender hereby authorizes Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender under any Loan Document, or otherwise payable or distributable by Administrative Agent to such Lender from any source, against any amount due to Administrative Agent under subsection 9.11.1 or under the indemnification provisions of this Agreement.

9.11.4 In the event that an Erroneous Payment (or portion thereof) is not recovered by Administrative Agent for any reason, after demand therefor by Administrative Agent in accordance with subsection 9.11.1, from any Lender that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an "Erroneous Payment Return Deficiency"), upon Administrative Agent's notice to such Lender at any time, (i) such Lender shall be deemed to have assigned its Loans (but not its Commitments) with respect to which such Erroneous Payment was made in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as Administrative Agent may specify) (such assignment of the Loans (but not Commitments), the "Erroneous Payment Deficiency Assignment") at par plus any accrued and unpaid interest (with the assignment fee to be waived by Administrative Agent in such

instance), and is hereby (together with Borrower) deemed to execute and deliver an Assignment and Assumption with respect to such Erroneous Payment Deficiency Assignment, and such Lender shall deliver any Notes evidencing such Loans to Borrower or Administrative Agent, (ii) Administrative Agent as the assignee Lender shall be deemed to acquire the Erroneous Payment Deficiency Assignment, (iii) upon such deemed acquisition, Administrative Agent as the assignee Lender shall become a Lender hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender shall cease to be a Lender hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender and (iv) Administrative Agent may reflect in the Register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment. Administrative Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and Administrative Agent shall retain all other rights, remedies and claims against such Lender (and/or against any recipient that receives funds on its respective behalf). For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender and such Commitments shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that Administrative Agent has sold a Loan (or portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and irrespective of whether Administrative Agent may be equitably subrogated, Administrative Agent shall be contractually subrogated to all the rights and interests of the applicable Lender under the Loan Documents with respect to each Erroneous Payment Return Deficiency (the "Erroneous Payment Subrogation Rights").

9.11.5 The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by Borrower or any other Loan Party, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by Administrative Agent from Borrower or any other Loan Party for the purpose of making such Erroneous Payment.

9.11.6 To the extent permitted by applicable Law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by Administrative Agent for the return of any Erroneous Payment received, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine.

9.11.7 Each party's obligations, agreements and waivers under this Section 9.11 shall survive the resignation or replacement of Administrative Agent, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

10. MISCELLANEOUS PROVISIONS.

10.1 Amendments and Waivers. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent with respect to any departure by Borrower

or Guarantor therefrom, shall be effective unless the same shall be in writing and signed by the Required Lenders (or by Administrative Agent at the written request of the Required Lenders) and, in the case of an amendment, by Borrower or Guarantor, and acknowledged by Administrative Agent, and then any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such waiver, amendment or consent shall:

(a) waive any condition set forth in Section 5.1 without the written consent of each Lender;

(b) increase the aggregate Commitment, or increase or reinstate the Commitment of any Lender without the written consent of such Lender;

(c) postpone or delay any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees or other amounts due to the Lenders, or any of them, hereunder or under any other Loan Document without the written consent of each Lender directly affected thereby;

(d) reduce the rate of interest or any fees or other amounts payable in connection with the Loans except as expressly provided in this Agreement without the written consent of each Lender directly affected thereby; provided, however, that only the consent of the Required Lenders shall be necessary (i) to amend the definition of "Default Rate", or (ii) to amend any financial covenant hereunder (or any defined term used therein);

(e) change Section 2.15 or Section 8.3 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender directly affected thereby;

(f) change the voting percentage of the Commitments or of the aggregate unpaid principal amount of the Loans that is required for the Lenders, or any of them, to take any action hereunder (e.g., the provisions of this Section 10.1 or the definition of the term "Required Lenders"), without the written consent of each Lender;

(g) amend this or any provision requiring consent of all Lenders for action by the Lenders or Administrative Agent, without the written consent of each Lender; or

(h) discharge Borrower or Guarantor, or release all or substantially all of the collateral securing the Obligations, if any, without the written consent of each Lender, except as otherwise may be provided in the Loan Documents, or except where only the consent of the Required Lenders is expressly required by any Loan Document;

and, provided further, that (i) no amendment, waiver or consent shall, unless in writing and signed by Administrative Agent in addition to the Lenders required above, affect the rights or duties of Administrative Agent under this Agreement or any other Loan Document; and (ii) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Commitment of such Lender may not be increased or extended without the consent of such Lender.

In addition, notwithstanding the foregoing, with the consent of the Borrower, the Administrative Agent may amend, modify or supplement any Loan Document without the consent of the Lenders or the Required Lenders in order to correct or cure any ambiguity, inconsistency or defect or correct any typographical or ministerial error in any Loan Document (provided that any such amendment, modification or supplement shall not be materially adverse to the interests of the Lenders, taken as a whole). Promptly upon execution of any such amendment, modification or supplement to any Loan Document, the Administrative Agent will provide notice and a copy of such agreement to the Lenders.

10.2 Notices; Effectiveness; Electronic Communication.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in Section 10.2(b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to Borrower or Administrative Agent to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 1.2; and

(ii) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through electronic communications to the extent provided in Section 10.2(b) below, shall be effective as provided in such Section 10.2(b).

(b) Electronic Communications. (i) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or Intranet websites) pursuant to procedures approved by Administrative Agent, provided that the foregoing shall not apply to notices to any Lender pursuant to Article 2 if such Lender has notified Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. Administrative Agent or Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications, and (ii) unless Administrative Agent otherwise prescribes, (y) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (z) notices or communications posted to an Internet or

intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (y) of notification that such notice or communication is available and identifying the website address therefor. Borrower hereby authorizes Administrative Agent to extend, convert or continue Loans and to transfer funds based on oral or written requests, including Notices of Committed Borrowing or Conversion/Continuation via telephone. Administrative Agent may rely upon, and shall incur no liability for relying upon, any oral or written requests that the Administrative Agent believes to be genuine and to have been signed, sent or made by an authorized person. Upon request by Administrative Agent, Borrower shall promptly confirm each oral notice in writing (which may include email), authenticated by a Responsible Officer. If the written confirmation differs in any material respect from the action taken by Administrative Agent, the records of Administrative Agent shall govern absent manifest error.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to Borrower, Guarantor, any Lender, or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of Borrower's, Guarantor's or Administrative Agent's transmission of Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party; provided, however, that in no event shall any Agent Party have any liability to Borrower, Guarantor, any Lender or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(d) Change of Address, Etc. Each of Borrower and Administrative Agent may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to Borrower and Administrative Agent. In addition, each Lender agrees to notify Administrative Agent from time to time to ensure that Administrative Agent has on record (i) an effective address, contact name, telephone number, facsimile number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender,

(e) Reliance by Administrative Agent and Lenders. Administrative Agent and the Lenders shall be entitled to rely and act upon any notices (including telephonic Notices of Borrowing) purportedly given by or on behalf of Borrower by a Person identifying himself or herself as a Responsible Officer, even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified

herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. Borrower shall indemnify Administrative Agent, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of Borrower by a Person identifying himself or herself as a Responsible Officer. All telephonic notices to and other telephonic communications with Administrative Agent may be recorded by Administrative Agent, and each of the parties hereto hereby consents to such recording.

(f) Communication with Lenders; Availability of Documents. All communications from Administrative Agent to the Lenders requesting the Lenders' determination, consent, approval or disapproval (a) shall be given in the form of a written notice to each Lender, (b) shall be accompanied by a description of the matter or time as to which such determination, approval, consent or disapproval is requested, or shall advise each Lender where such matter or item may be inspected, or shall otherwise describe the matter or issue to be resolved, and (c) shall include Administrative Agent's recommended course of action or determination in respect thereof. Each Lender shall reply promptly, but in any event within ten (10) Business Days after receipt of the request from Administrative Agent (the "Lender Reply Period"). Unless a Lender shall give written notice to Administrative Agent that it objects to the recommendation or determination of Administrative Agent (together with a written explanation of the reasons behind such objection) within the Lender Reply Period, such Lender shall be deemed to have approved of or consented to such recommendation or determination. With respect to decisions requiring the approval of the Required Lenders or all the Lenders, Administrative Agent shall submit its recommendation or determination for approval of or consent to such recommendation or determination to all Lenders and upon receiving the required approval or consent shall follow the course of action or determination of the Required Lenders (and each nonresponding Lender shall be deemed to have concurred with such recommended course of action) or all the Lenders, as the case may be. Administrative Agent will make available to the Lenders copies of the Loan Documents and any notices of default given to Borrower and, to the extent made available to Administrative Agent pursuant to the terms of this Agreement, copies of the organizational documents and financial information of Borrower, Guarantor and their respective subsidiaries and Affiliates.

10.3 No Waiver; Cumulative Remedies. No failure by any Lender or Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

10.4 Costs and Expenses; Indemnity; Waiver of Consequential Damages, Etc.

(a) Costs and Expenses. Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for Administrative Agent), in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution and delivery of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby

or thereby shall be consummated), and (ii) all reasonable out-of-pocket expenses incurred by Administrative Agent and/or any Lender (including the fees, charges and disbursements of any counsel for Administrative Agent and/or any Lender), and shall pay all fees and time charges for attorneys who may be employees of Administrative Agent or any Lender in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) Indemnification by Borrower. Borrower shall indemnify Administrative Agent (and any sub-agent thereof) and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by Borrower or Guarantor arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or, in the case of Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents, (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Substances on or from any property owned or operated by Borrower or any of its subsidiaries, or any liability under any Environmental Laws related in any way to Borrower or any of its subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by Borrower or Guarantor, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by Borrower or Guarantor against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if Borrower or Guarantor has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction.

(c) Reimbursement by Lenders. To the extent that Borrower for any reason fails to indefeasibly pay any amount required under Sections 10.4(a) or (b) to be paid by it to Administrative Agent (or any sub-agent thereof), or any Related Party of any of the foregoing, each Lender severally agrees to pay to Administrative Agent (or any such sub-agent), or such Related Party, as the case may be, such Lender's Pro Rata Share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against Administrative Agent (or any such sub-agent) in its capacity as such, or against any Related Party of any of the foregoing acting

for Administrative Agent (or any such sub-agent) in connection with such capacity. The obligations of the Lenders under this Section 10.4(c) are subject to the provisions of Section 2.14.2.

(d) Payments. All amounts due under this Section shall be payable not later than fifteen (15) days after demand therefor.

(e) Survival. The agreements in this Section shall survive the resignation of Administrative Agent, the replacement of any Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all the other Obligations.

(f) Waiver of Consequential Damages. To the fullest extent permitted by applicable Law, Borrower agrees that it will not assert, and hereby waives, any claim against Administrative Agent, any Lender or any Related Party of any of the foregoing (each, a "Lender-Related Party") on any theory of liability, for special, indirect, consequential or punitive damages arising out of, in connection with, or as a result of any Loan Document or any agreement or instrument contemplated thereby, the transactions contemplated thereby, any Loan, or the use of the proceeds thereof. To the fullest extent permitted by applicable law, Administrative Agent and each Lender agrees that it will not assert, and hereby waives, any claim against Borrower on any theory of liability, for special, indirect, consequential or punitive damages arising out of, in connection with, or as a result of any Loan Document or any agreement or instrument contemplated thereby, the transactions contemplated thereby, any Loan, or the use of the proceeds thereof; provided that, nothing in this Section 10.4(f) shall relieve the Borrower of any obligation it may have to indemnify a Lender-Related Party, as provided in Section 10.4(b), against any special, indirect, consequential or punitive damages asserted against such Lender-Related Party by a third party.

10.5 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of Section 10.5(b), (ii) by way of participation in accordance with the provisions of Section 10.5(d), or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 10.5(f). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 10.5(d) and, to the extent expressly contemplated hereby, the Related Parties of each of Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignment by Lenders. Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans) at the time owing to it; provided that (i) except in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of

a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than $5,000,000 unless each of Administrative Agent and, so long as no Event of Default has occurred and is continuing, Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed), provided that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single Eligible Assignee (or to an Eligible Assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met; (ii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned; (iii) any assignment of a Commitment must be approved by Administrative Agent (which consent will not be unreasonably withheld or delayed) unless the Person that is the proposed assignee is itself a Lender or an Affiliate of a Lender (whether or not the proposed assignee would otherwise qualify as an Eligible Assignee); and (iv) the parties to each assignment shall execute and deliver to Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount, if any, required as set forth in Schedule 1.4, and the Eligible Assignee, if it shall not be a Lender, shall deliver to Administrative Agent an Administrative Questionnaire. Subject to acceptance and recording thereof by Administrative Agent pursuant to clause (b) of this Section, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.1, 3.3, 3.4, and 10.4 with respect to facts and circumstances occurring prior to the effective date of such assignment). Upon request, Borrower (at its expense) shall execute and deliver a Note to the assignee Lender and, in such event, the assigning Lender shall return the original Note for cancellation and, if the assignment is for a portion of the assigning Lender's Commitment, replacement by a new Note issued by Borrower and evidencing the assigning Lender's reduced Commitment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with clause (d) of this Section.

(c) Register. Administrative Agent, acting solely for this purpose as a non-fiduciary agent of Borrower, shall maintain at Administrative Agent's Office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and Borrower, Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by Borrower at any reasonable time and from time to time upon reasonable

prior notice. In addition, at any time that a request for a consent for a material or substantive change to the Loan Documents is pending, any Lender may request and receive from Administrative Agent a copy of the Register.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, Borrower or Administrative Agent, sell participations to any Person (other than a natural person, a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural person, a Defaulting Lender, or Borrower or any of Borrower's Affiliates or subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) Borrower, Guarantor, Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement: provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in clauses (a)-(g) of Section 10.1 that directly affects such Participant. Subject to clause (e) of this Section, Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.1, 3.3, 3.4, and 10.4 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to clause (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.7 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.15 as though it were a Lender.

(e) Limitations on Participant Rights. Participant shall not be entitled to receive any greater payment under Section 3.1 or 3.3 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 3.1 unless Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of Borrower, to comply with Sections 3.1.5 and 3.3.3 as though it were a Lender.

(f) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) Electronic Execution of Assignments and Certain Other Documents. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption or in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global

and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

10.6 Confidentiality. Each of Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to Borrower and its obligations, (g) with the consent of Borrower or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to Administrative Agent, any Lender, or any of their respective Affiliates on a nonconfidential basis from a source other than Borrower.

For purposes of this Section, "Information" means all information received from Borrower or any subsidiary thereof relating to Borrower or any subsidiary thereof or any of their respective businesses, other than any such information that is available to Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by Borrower or any subsidiary thereof, provided that, in the case of information received from Borrower or any subsidiary thereof after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

For the avoidance of doubt, nothing in this Section shall prohibit any Person from voluntarily communicating, disclosing or providing information within the scope of the confidentiality provisions of this Section regarding suspected violations of laws, rules, or regulations to a governmental, regulatory or self-regulatory organization without any notification to any Person.

Each of Administrative Agent and the Lenders acknowledges that (a) the Information may include material non-public information concerning Borrower or a subsidiary thereof, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including Federal and state securities Laws.

10.7 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, with the prior written consent of Administrative Agent, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender to or for the credit or the account of Borrower against any and all of the obligations of Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or any other Loan Document and although such obligations of Borrower may be contingent or unmatured or are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, or its respective Affiliates, may have. Each Lender agrees to notify Borrower and Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

10.8 No Third Parties Benefited. This Agreement is made and entered into for the sole protection and benefit of the parties signing this Agreement and their successors and assigns. No trust is created by this Agreement and no other persons or entities shall have any right of action under this Agreement or any right to the Loan funds.

10.9 Payments Set Aside. To the extent that any payment by or on behalf of Borrower or Guarantor is made to Administrative Agent, or any Lender, or Administrative Agent, or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff, or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by Administrative Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any Insolvency Proceeding or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Effective Rate from time to time in effect. The obligations of the Lenders under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

10.10 Counterparts; Integration; Effectiveness. This Agreement, may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Agreement shall become effective when it shall have been executed by Administrative Agent and when Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement and any other Loan Documents by facsimile or in electronic format (e.g. “pdf” or “tif”) shall be effective

as delivery of a manually executed counterpart of this Agreement or such other Loan Documents, provided that Administrative Agent reserves the right to require delivery of an original signature page in addition to any signature page delivered via facsimile or electronic format.

10.11 Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by Administrative Agent and each Lender, regardless of any investigation made by Administrative Agent or any Lender or on their behalf and notwithstanding that Administrative Agent or any Lender may have had notice or knowledge of any Default or Event of Default at the time of any credit extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied.

10.12 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.13 Replacement of Lenders. If Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.1 or Section 3.3, or if any Lender is a Defaulting Lender, then Borrower may, at its sole expense and effort, upon notice to such Lender and Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.5), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) Borrower shall have paid to Administrative Agent the assignment fee specified in Section 10.5(b);

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents from the assignee (to the extent of such outstanding principal and accrued interest and fees) and from Borrower (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.3 or payments required to be made pursuant to Section 3.1, such assignment will result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with applicable Laws; and

(e) a Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling Borrower to require such assignment and delegation cease to apply.

10.14 Governing Law; Jurisdiction; Etc.

(a) GOVERNING LAW. THIS AGREEMENT IS TO BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF CALIFORNIA (AS PERMITTED BY SECTION 1646.5 OF THE CALIFORNIA CIVIL CODE OR ANY SIMILAR SUCCESSOR PROVISION), WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW RULE THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE INTERNAL LAWS OF THE STATE OF CALIFORNIA TO THE RIGHTS AND DUTIES OF THE PARTIES.

(b) SUBMISSION TO JURISDICTION. BORROWER AND ADMINISTRATIVE AGENT EACH IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF CALIFORNIA SITTING IN SAN FRANCISCO COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE NORTHERN DISTRICT OF CALIFORNIA, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY SUCH ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH CALIFORNIA STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT, EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT ADMINISTRATIVE AGENT, ANY LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST BORROWER OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION WHERE BORROWER OR ITS PROPERTIES ARE LOCATED.

(c) WAIVER OF VENUE. BORROWER AND ADMINISTRATIVE AGENT EACH IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.2(a). NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

10.15 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

10.16 Judicial Reference. If any action or proceeding by or against any party hereto in connection with any of the transactions contemplated by this Agreement or any other Loan Document is filed in a forum in which predispute waivers of the right to trial by jury are invalid under applicable law, (a) the court shall, and is hereby directed to, make a general reference pursuant to California Code of Civil Procedure Section 638 (or similar applicable law) to a referee (who shall be a single active or retired judge) to hear and determine all of the issues in such action or proceeding (whether of fact or of law) and to report a statement of decision, provided that at the option of any party to such proceeding, any such issues pertaining to a "provisional remedy" (or similar term) as defined in California Code of Civil Procedure Section 1281.8 (or similar applicable law) shall be heard and determined by the court, and (b) the prevailing party, or the non-dismissing party in the event of a voluntary dismissal by the party instituting the action, shall be entitled to the full amount of all fees and expenses of any referee appointed in such action or proceeding.

10.17 PATRIOT Act Notice; Anti-Money Laundering Compliance. Each Lender that is subject to the Act (as hereinafter defined) and Administrative Agent (for itself and not on behalf of any Lender) hereby notifies Borrower that pursuant to the requirements of the PATRIOT Act, it is required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information that will allow such Lender or Administrative Agent, as applicable, to identify Borrower in accordance with the PATRIOT Act. The Borrower will, and will cause each Subsidiary to, provide such information and take such actions as are reasonably requested by the Administrative Agent or any Lender in order to assist the Administrative Agent and the Lenders in maintaining compliance with anti-money laundering laws and regulations.

10.18 Time of the Essence. Time is of the essence of the Loan Documents.

10.19 No Fiduciary Relationship. In connection with all aspects of each transaction contemplated by the Loan Documents, Borrower and Guarantor each acknowledges and agrees that: (i) the Loan Documents and any related arranging or other services described in any of the Loan Documents (or in any commitment letter by U.S. Bank, the Arranger or any affiliate thereof) is an arm's-length commercial transaction between Borrower and its Affiliates, on the one hand, and the Arranger, on the other hand, and Borrower, Guarantor and their respective Affiliates and subsidiaries are capable of evaluating and understanding and understand and accept the terms, risks and conditions of the transactions contemplated by the Loan Documents; (ii) in connection with the process leading to such transaction, U.S. Bank and the Arranger each is and has been acting solely as a principal and is not the financial advisor, agent or fiduciary, for Borrower, Guarantor or any of their respective subsidiaries, Affiliates, stockholders, creditors or employees or any other party; (iii) neither U.S. Bank nor the Arranger has assumed or will assume an advisory, agency or fiduciary responsibility in Borrower's, Guarantor's, or any of their respective Affiliates' or subsidiaries' favor with respect to any of the transactions contemplated by the Loan Documents or the process leading thereto (irrespective of whether U.S. Bank or the Arranger has advised or is currently advising any such Person or its Affiliates on other matters) and neither U.S. Bank nor the Arranger has any obligation to Borrower, Guarantor or any of their respective Affiliates or subsidiaries with respect to the transactions contemplated by the Loan Documents except those obligations expressly set forth herein and therein; (iv) U.S. Bank and the Arranger and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of Borrower, Guarantor, and their respective Affiliates or subsidiaries and U.S. Bank and the Arranger have no obligation to disclose any of such interests by virtue of any advisory agency or fiduciary relationship; and (v) U.S. Bank and the Arranger have not provided any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated by the Loan Documents and Borrower, Guarantor, and their respective Affiliates and subsidiaries have consulted their own legal, accounting, regulatory and tax advisors to the extent they have deemed appropriate, Borrower and Guarantor each hereby waives and releases, to the fullest extent, permitted by law, any claims that it may have against U.S. Bank and the Arranger with respect to any breach or alleged breach of agency or fiduciary duty relating to the transactions contemplated by the Loan Documents.

10.20 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any applicable Resolution Authority.

10.21 Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any other agreement or instrument that is a QFC (such support, "QFC Credit Support" and each such QFC, a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the Laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the Laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the Laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 10.21, the following terms have the following meanings:

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Covered Entity" means any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b), (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12

C.F.R. § 47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

10.22 Document Imaging; Electronic Transactions and the UETA; Telecopy and PDF Signatures; Electronic Signatures.

(a) Without notice to or consent of Borrower or Guarantor, Administrative Agent may create electronic images of this Agreement and the other Loan Documents and destroy paper originals of any such imaged documents. So long as such images are maintained by or on behalf of Administrative Agent or any Lender as part of Administrative Agent's or such Lender's normal business processes, each of the parties hereto agrees that such images have the same legal force and effect as the paper originals, and are enforceable against such party, as the case may be. Furthermore, each of the parties hereto agrees that Administrative Agent may convert any Loan Document into a "transferable record" as such term is defined under, and to the extent permitted by, UETA, with the image of such instrument in Administrative Agent's possession constituting an "authoritative copy" under UETA.

(b) Administrative Agent is not obligated, but in its sole discretion may agree, to accept signatures on any of the Loan Documents or other documents required to be delivered under the Loan Documents (other than the Notes) that are images of manually executed signatures transmitted by telecopy, facsimile or other electronic format (including, without limitation, "pdf", "tif" or "jpg") or other electronic signatures.

(c) In the event Administrative Agent agrees in its sole discretion to accept electronic signatures executed or adopted using an electronic signature platform not provided by Administrative Agent, Administrative Agent's counsel or their respective contractor, Borrower or the applicable Lender will make available, or cause the electronic signature platform to make available, to Administrative Agent all such information and records as Administrative Agent requests to evaluate the electronic signature platform and any actual signatures that Borrower or such Lender is requesting Administrative Agent accept, including, without limitation, any digital records authenticating the identity of the signer. Any such electronic signature platform must be fully compliant with UETA and E-Sign.

(d) In the event that Administrative Agent agrees to accept any electronic signatures under this Section, the words "execution," "signed," "signature," and words of like import in or referring to any document so executed will be deemed to include images of manually executed signatures transmitted by telecopy, facsimile or other electronic format (including, without limitation, "pdf", "tif" or "jpg") and other electronic signatures (including, without limitation, any electronic sound, symbol, or process, attached to or logically associated with a contract or other record and executed or adopted by a person with the intent to sign the record) and the keeping of records in electronic form (including, without limitation, any contract or other

record created, generated, sent, communicated, received, or stored by electronic means), each of which will be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, as applicable, E-Sign, ESRA, ECSA, UETA, any other state law similar to UETA or the UCC. Borrower, Guarantor and each Lender agrees that it will be solely responsible to employ all security procedures necessary to ensure that only authorized parties will have access to making the electronic signatures by Borrower, Guarantor or such Lender, as applicable, and their respective affiliates, agents and designees. Borrower, Guarantor and each Lender agrees that Administrative Agent and Lenders are entitled to rely without further inquiry on the authenticity and validity of any such electronic signature received by Administrative Agent or such Lender under this Section in lieu of an original manually executed signature.

10.23 Amendment and Restatement; No Novation. The parties to this Agreement agree that, upon (x) the execution and delivery by each of the parties hereto of this Agreement and (y) satisfaction of the conditions set forth in Section 5.1, the terms and provisions of the Existing Term Loan Agreement shall be and hereby are amended, superseded and restated in their entirety by the terms and provisions of this Agreement. This Agreement is not intended to and shall not constitute a novation. All Loans made and Obligations incurred under the Existing Term Loan Agreement which are outstanding on the Closing Date shall continue as Loans and Obligations under (and shall be governed by the terms of) this Agreement and the other Loan Documents. Without limiting the foregoing, upon the effectiveness hereof: (i) all references in the "Loan Documents" (as defined in the Existing Term Loan Agreement) to the "Administrative Agent", the "Term Loan Agreement" and the "Loan Documents" shall be deemed to refer to the Administrative Agent, this Agreement and the Loan Documents, (ii) all obligations constituting "Obligations" with any Lender or any Affiliate of any Lender which are outstanding on the Closing Date shall continue as Obligations under this Agreement and the other Loan Documents, (iii) the Administrative Agent shall make such reallocations, sales, assignments or other relevant actions in respect of each Lender's Loans under the Existing Term Loan Agreement as are necessary in order that each such Lender's outstanding credit exposure (including all outstanding Loans hereunder) reflects such Lender's pro rata share of the outstanding aggregate outstanding credit exposure on the Closing Date and (iv) the Borrower hereby agrees to compensate each Lender for any and all losses, costs and expenses incurred by such Lender in connection with the sale and assignment of any Existing Loans under the Existing Term Loan Agreement and such reallocation described above, in each case on the terms and in the manner set forth in Section 3.4 hereof.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, Borrower and the other parties hereto have duly executed and delivered this Agreement as of the date first above written.

ESSEX PORTFOLIO, L.P.,
a California limited partnership

By: Essex Property Trust, Inc.,
a Maryland corporation,
its general partner

By: /s/ BARBARA PAK
Name: Barbara Pak
Title: Executive Vice President and Chief Financial Officer

[Signatures Continue on the Next Page]

U.S. BANK NATIONAL ASSOCIATION,
as Administrative Agent

By:/s/ LEONARD OLSAVSKY
Name: Leonard Olsavsky
Title: Senior Vice President

[Signatures Continue on the Next Page]

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ LEONARD OLSAVSKY
Name: Leonard Olsavsky
Title: Senior Vice President

[Signatures Continue on the Next Page]

REGIONS BANK,
as Co-Syndication Agent and as a Lender

By:/s/ WILLIAM CHALMERS
Name: William Chalmers
Title: Senior Vice President

[Signatures Continue on the Next Page]

TD BANK, N.A.,
as Co-Syndication Agent and as a Lender

By:/s/ GEORGE SKOUFIS
Name: George Skoufis
Title: Vice President

[Signatures Continue on the Next Page]

TRUIST BANK,
as Co-Syndication Agent and as a Lender

By:/s/ C. VINCENT HUGHES, JR.
Name: C. Vincent Hughes, Jr.
Title: Director

[Signatures Continue on the Next Page]

SCOTIA FINANCING (USA) LLC,
as a Lender

By:/s/ DAVID DEWAR
Name: David Dewar
Title: Authorized Signatory

[Signatures Continue on the Next Page]

ASSOCIATED BANK, NATIONAL ASSOCIATION,
as a Lender

By:/s/ MITCHELL VEGA
Name: Mitchell Vega
Title: Senior Vice President

[Signatures Continue on the Next Page]

CITY NATIONAL BANK,
as a Lender

By:/s/ CYNTHIA CHOY
Name: Cynthia Choy
Title: Vice President

[Signatures Continue on the Next Page]

PNC BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ DAVID C. DROUILLARD
Name: David C. Drouillard
Title: Senior Vice President

CONSENT OF GUARANTOR

Reference is made to that certain Amended and Restated Term Loan Agreement dated as of October 10, 2025 (the "Credit Agreement"), to which this Consent is attached. Capitalized terms used but not defined in this Consent shall have the meanings set forth in the Credit Agreement.

Essex Property Trust, Inc., a Maryland corporation, as the "Guarantor" under the Credit Agreement (a) acknowledges and consents to the terms and provisions of the Credit Agreement; (b) makes the representations set forth in Article 7 of the Credit Agreement that apply to Guarantor; (c) agrees to be bound by the covenants of Articles 6 and 10 of the Credit Agreement that apply to Guarantor; (d) acknowledges and affirms its obligations as a guarantor in favor of Administrative Agent and the Lenders pursuant to the Guaranty; and (e) represents and warrants, to its knowledge, it has no defense, set-off, counterclaim or challenge against the performance of its obligations under the Guaranty or the enforcement of any of the terms or conditions thereof.

Dated as of October 10, 2025

ESSEX PROPERTY TRUST, INC.,
a Maryland corporation

By:/s/ BARBARA PAK
Name: Barbara Pak
Title: Executive Vice President and Chief Financial Officer

Exhibit 21.1

ESSEX PROPERTY TRUST, INC.

List of Subsidiaries
as of December 31, 2025

1	360 Residences, L.P., a California limited partnership
2	500 Folsom, L.P., a California limited partnership
3	8th & Republican SPE, LLC, a Delaware limited liability company
4	8th and Republican, LLC, a Washington limited liability company
5	5600 Wilshire SPE, LLC, a Delaware limited liability company
6	Allure Scripps Ranch SPE, LLC, a Delaware limited liability company
7	Bella Villagio SPE, LLC, a Delaware limited liability company
8	Belmont Affordable Partners, L.P., a California limited partnership
9	Bennet Lofts SPE, LLC, a Delaware limited liability company
10	Bernardo Crest SPE, LLC, a Delaware limited liability company
11	BEX FMCA, LLC, a Delaware limited liability company
12	BEX II GP, LLC, a Delaware limited liability company
13	BEX II, LLC, a Delaware limited liability company
14	BEX III GP, LLC, a Delaware limited liability company
15	BEX III, LLC, a Delaware limited liability company
16	BEX IV GP, LLC, a Delaware limited liability company
17	BEX IV, LLC, a Delaware limited liability company
18	BEX Portfolio, LLC, a Delaware limited liability company
19	BEXAEW Bothell Ridge, LP, a Washington limited partnership
20	BEXAEW Esplanade, LP, a California limited partnership
21	BEXAEW GP, LLC, a Delaware limited liability company
22	BEXAEW Parkside Court, LP, a California limited partnership
23	BEXAEW The Havens, LP, a California limited partnership
24	BEXAEW, LLC, a Delaware limited liability company
25	Block 9 MRU Residential, LLC, a Delaware limited liability company
26	Block 9 Residential, LLC, a Delaware limited liability company
27	Block 9 Transbay, LLC, a Delaware limited liability company
28	Block 9 UPPER MRU and Retail, LLC, a Delaware limited liability company
29	BRE-FMCA, LLC, a Delaware limited liability company
30	Cadence Phase III REIT, LLC, a Delaware limited liability company
31	Cadence REIT, LLC, a Delaware limited liability company
32	Cadence San Jose, L.P., a Delaware limited partnership
33	Courtyards at 65th, L.P., a California limited partnership
34	EMC SPE, LLC, a Delaware limited liability company
35	Emerald Pointe Apartments, LLC, a Delaware limited liability company
36	EPLP CA, LLC, a Delaware limited liability company
37	EPT 100 Grand FC Palo Alto II LLC, a Delaware limited liability company
38	EPT 100 Grand FC Riviera LLC, a Delaware limited liability company
39	EPT 100 Grand FC SJ III LLC, a Delaware limited liability company
40	EPT 100 Grand FC Square Assoc LLC, a Delaware limited liability company
41	EPT 100 Grand FC Western Inv LLC, a Delaware limited liability company

42	EPT Beaumont Apartments, LLC, a Delaware limited liability company
43	EPT Campbell Palo Alto II LLC, a Delaware limited liability company
44	EPT Campbell Riviera LLC, a Delaware limited liability company
45	EPT Campbell SJ III LLC, a Delaware limited liability company
46	EPT Campbell Square Assoc LLC, a Delaware limited liability company
47	EPT Campbell Western INV LLC, a Delaware limited liability company
48	EPT Lakeside SV LLC, a Delaware limited liability company
49	EPT Middlefield 355, LLC, a Delaware limited liability company
50	EPT Middlefield 415, LLC, a Delaware limited liability company
51	EPT Parc Pruneyard LLC, a Delaware limited liability company
52	EPT Plaza FC, L.P., a Delaware limited partnership
53	EPT Plaza, LLC, a Delaware limited liability company
54	EPT PROP Exchange, LLC, a Delaware limited liability company
55	EPT Revere Campbell LLC, a Delaware limited liability company
56	EPT Roen MP LLC, a Delaware limited liability company
57	EPT SPE LLC, a Delaware limited liability company
58	EPT ViO SJ LLC, a Delaware limited liability company
59	Essex 19 BWay, LLC, a Delaware limited liability company
60	Essex 500 Folsom, LLC, a Delaware limited liability company
61	Essex Alamo, L.P., a Delaware limited partnership
62	Essex Arbors, L.P., a California limited partnership
63	Essex Bella Villagio, L.P., a California limited partnership
64	Essex Bellerive, L.P., a California limited partnership
65	Essex Bellevue Park, L.P., a California limited partnership
66	Essex Berkeley 4th Street, L.P., a California limited partnership
67	Essex Bernard, L.P., a California limited partnership
68	Essex BEX Holding, LLC, a Delaware limited liability company
69	Essex BEX II, LLC, a Delaware limited liability company
70	Essex BEX III, LLC, a Delaware limited liability company
71	Essex BEX IV, LLC, a Delaware limited liability company
72	Essex BEXAEW, LLC, a Delaware limited liability company
73	Essex Block 9 Manager, LLC, a Delaware limited liability company
74	Essex Bluffs, L.P., a California limited partnership
75	Essex Briarwood, L.P., a California limited partnership
76	Essex Bridgeport, L.P., a California limited partnership
77	Essex Broadway, LLC, a Washington limited liability company
78	Essex Buena Vista, LLC, a Delaware limited liability company
79	Essex Bunker Hill, L.P., a California limited partnership
80	Essex Cadence GP, L.P., a Delaware limited partnership
81	Essex Cadence Owner, L.P., a California limited partnership
82	Essex Cadence Phase III Owner, L.P., a California limited partnership
83	Essex CAL-WA, L.P., a California limited partnership
84	Essex Camarillo Corporation, a California corporation
85	Essex Camarillo Oaks 5, L.P., a California limited partnership
86	Essex Camarillo Oaks 789, L.P., a California limited partnership
87	Essex Camarillo, L.P., a California limited partnership
88	Essex Camino Ruiz Apartments, L.P., a California limited partnership

89	Essex Canvas, LLC, a Delaware limited liability company
90	Essex Canyon Oaks Apartments, L.P., a California limited partnership
91	Essex Carlyle, L.P., a California limited partnership
92	Essex Catalina Gardens, LLC, a Delaware limited liability company
93	Essex Chestnut Apartments, L.P., a California limited partnership
94	Essex City View, L.P., a California limited partnership
95	Essex Cochran, L.P., a California limited partnership
96	Essex Columbus, L.P., a California limited partnership
97	Essex Courtyard, L.P., a California limited partnership
98	Essex Derian, L.P., a California limited partnership
99	Essex Dublin GP, L.P., a Delaware limited partnership
100	Essex Dublin Owner, L.P., a California limited partnership
101	Essex Eagle Rim, L.P., a California limited partnership
102	Essex Emerald Ridge, L.P., a California limited partnership
103	Essex Emeryville GP, L.P., a Delaware limited partnership
104	Essex Emeryville Owner, L.P., a California limited partnership
105	Essex Emeryville REIT, LLC, a Delaware limited liability company
106	Essex Emeryville, L.P., a Delaware limited partnership
107	Essex Esplanade, L.P., a California limited partnership
108	Essex Euclid, L.P., a California limited partnership
109	Essex Excess Assets TRS, Inc., a Delaware corporation
110	Essex Fairwood Pond, L.P., a California limited partnership
111	Essex Form 15, LP, a California limited partnership
112	Essex Fountain Park Apartments, L.P., a California limited partnership
113	Essex Fox Plaza, L.P., a California limited partnership
114	Essex Gas Company Lofts, L.P., a California limited partnership
115	Essex Gateway Management, LLC, a California limited liability company
116	Essex Glenbrook, L.P., a California limited partnership
117	Essex Hamilton, L.P., a California limited partnership
118	Essex Haver Hill, L.P., a California limited partnership
119	Essex HGA, LLC, a Delaware limited liability company
120	Essex Hillcrest Park, L.P., a California limited partnership
121	Essex Hillsborough Park, L.P., a California limited partnership
122	Essex Hillsdale Holding GP, LLC, a Delaware limited liability company
123	Essex Hillsdale Holding, L.P., a Delaware limited partnership
124	Essex Holding 3, L.P., a Washington limited partnership
125	Essex Holding 4, L.P., a California limited partnership
126	Essex Holdings, GP LLC, a Delaware limited liability company
127	Essex Holdings I, LP, a Delaware limited partnership
128	Essex Holdings I-B, LLC, a Delaware limited liability company
129	Essex Huntington Breakers, L.P., a California limited partnership
130	Essex Huntington on Edinger, L.P., a California limited partnership
131	Essex Inglenook Court, LLC, a Delaware limited liability company
132	Essex Jaysac Tasman, L.P., a California limited partnership
133	Essex JMS Acquisition, L.P., a California limited partnership
134	Essex JV, LLC, a Delaware limited liability company
135	Essex Kiely, LP, a California limited partnership

136	Essex Kings Road, L.P., a California limited partnership
137	Essex Lawrence Station, L.P., a California limited partnership
138	Essex Le Parc, L.P., a California limited partnership
139	Essex Lorraine, L.P., a California limited partnership
140	Essex Management Corporation, a California corporation
141	Essex Marbrisa Long Beach, L.P., a California limited partnership
142	Essex Marina City Club, L.P., a California limited partnership
143	Essex Maxwell, LLC, a Delaware limited liability company
144	Essex MCC, LLC, a Delaware limited liability company
145	Essex Meadowood, L.P., a California limited partnership
146	Essex Meridian, LLC, a Delaware limited liability company
147	Essex Mirabella Marina Apartments, L.P., a California limited partnership
148	Essex Monarch I, L.P., a Delaware limited partnership
149	Essex Monarch II, L.P., a Delaware limited partnership
150	Essex Monarch La Brea Apartments, L.P., a California limited partnership
151	Essex Monarch Santa Monica Apartments, L.P., a California limited partnership
152	Essex Montebello, L.P., a California limited partnership
153	Essex Monterey Villas, L.P., a California limited partnership
154	Essex Monterey Villas, LLC, a Delaware limited liability company
155	Essex Monterra, LLC, a Delaware limited liability company
156	Essex Moorpark GP, L.P., a California limited partnership
157	Essex Moorpark Owner, L.P., a California limited partnership
158	Essex Moorpark REIT, LLC, a Delaware limited liability company
159	Essex Moorpark, L.P., a Delaware limited partnership
160	Essex Mountainview Owner, LLC, a Delaware limited liability company
161	Essex NBN SPE, LLC, a Delaware limited liability company
162	Essex NoHo Apartments, L.P., a California limited partnership
163	Essex Northwest Gateway, LLC, a Delaware limited liability company
164	Essex Paragon, L.P., a California limited partnership
165	Essex Park Catalina, L.P., a California limited partnership
166	Essex PE Lofts, L.P., a California limited partnership
167	Essex Piedmont, L.P., a California limited partnership
168	Essex Pleasanton GP, L.P., a Delaware limited partnership
169	Essex Pleasanton Owner, L.P., a California limited partnership
170	Essex Pleasanton REIT, LLC, a Delaware limited liability company
171	Essex Pleasanton, L.P., a Delaware limited partnership
172	Essex Portfolio Management, L.P., a California limited partnership
173	Essex Portfolio, L.P., a California limited partnership
174	Essex Queen Anne, LLC, a Washington limited liability company
175	Essex Redmond Hill CW, L.P., a California limited partnership
176	Essex Redmond Hill NE, L.P., a California limited partnership
177	Essex Regency Escuela, L.P., a California limited partnership
178	Essex Rexford, LLC, a Delaware limited liability company
179	Essex Riley Square, L.P., a California limited partnership
180	Essex San Fernando, L.P., a California limited partnership
181	Essex San Ramon Partners L.P., a California limited partnership
182	Essex Santee Court, L.P., a California limited partnership

183	Essex Scripps, LLC, a Delaware limited liability company
184	Essex Skyline, L.P., a Delaware limited partnership
185	Essex SPE, LLC, a Delaware limited liability company
186	Essex Stonehedge Village, L.P., A California limited partnership
187	Essex Summerhill Park, L.P., a California limited partnership
188	Essex The Commons, L.P., a California limited partnership
189	Essex The Pointe, L.P., a California limited partnership
190	Essex The Woods, L.P., a California limited partnership
191	Essex Tierra Vista, L.P., a California limited partnership
192	Essex Tiffany Court, LLC, a Delaware limited liability company
193	Essex Toluca Lake, L.P., a California limited partnership
194	Essex Township, L.P., a California limited partnership
195	Essex Treetops, L.P., a California limited partnership
196	Essex Valley Village Magnolia, LLC, a Delaware limited liability company
197	Essex Vela On Ox, LLC, a Delaware limited liability company
198	Essex Velo Ray, L.P., a California limited partnership
199	Essex Vista Belvedere, L.P., a California limited partnership
200	Essex Walnut GP, L.P., a Delaware limited partnership
201	Essex Walnut Owner, L.P., a California limited partnership
202	Essex Walnut, L.P., a Delaware limited partnership
203	Essex Wandering Creek, LLC, a Delaware limited liability company
204	Essex Warner Center, L.P., a California limited partnership
205	Essex Waterford, L.P., a California limited partnership
206	Essex Wesco III, L.P. a California limited partnership
207	Essex Wesco IV, LLC, a Delaware limited liability company
208	Essex Wesco SSF LLC (fka Wesco Alexan Icon, LLC), a Delaware limited liability company
209	Essex Wesco V, LLC, a California limited liability company
210	Essex Wesco VI, LLC, a Delaware limited liability company
211	Essex Wesco VII, LLC, a Delaware limited liability company
212	Essex Wesco, L.P., a California limited partnership
213	Essex Wilshire, L.P., a California limited partnership
214	Essex Wynhaven, L.P., a California limited partnership
215	EssexMonarch GP I, LLC, a Delaware limited liability company
216	EssexMonarch GP II, LLC, a Delaware limited liability company
217	Essex-Palisades Facilitator, a California limited partnership
218	Fairhaven Apartment Fund, Ltd., a California limited partnership
219	GBR Palm Valley LLC, a Delaware limited liability company
220	GBR Palm Valley Podium LLC, a Delaware limited liability company
221	GBR Palma Sorrento LLC, a Delaware limited liability company
222	GBR Santa Palmia LLC, a Delaware limited liability company
223	GBR Villa Veneto LLC, a Delaware limited liability company
224	Gilroy Associates, a California limited partnership
225	GR Block B LLC, a Delaware limited liability company
226	GR Block C LLC, a Delaware limited liability company
227	Irvington Square Associates, a California limited partnership
228	Jackson School Village Limited Partnership, a California limited partnership
229	Japantown Associates LLC, a Delaware limited liability company

230	K-H Properties, a California limited partnership
231	La Brea Affordable Partners, L.P., a California limited partnership
232	LINC REIT, LLC, a Delaware limited liability company
233	Martha Lake Apartments, LLC, a Delaware limited liability company
234	Mirabella Marina Apartments SPE, LLC, a Delaware limited liability company
235	Monarch Buena Vista Borrower, LLC, a Delaware limited liability company
236	Monarch Essex Scripps GP, LLC, a Delaware limited liability company
237	Monarch Essex Scripps, LLC, a Delaware limited liability company
238	New Century Towers, LLC, a Delaware limited liability company
239	Newport Beach North LLC, a Delaware limited liability company
240	Northwest Gateway Apartments, L.P., a California limited partnership
241	Pacific Western Insurance LLC, a Hawaii limited liability company
242	PacWest Insurance Services, LLC, a California limited liability company
243	Palm Valley Roll-Up LLC, a Delaware limited liability company
244	Park Hill, LLC, a Washington limited liability company
245	Pinnacle Lake Washington SPE, LLC, a Delaware limited liability company
246	Pine Grove Apartment Fund, Ltd., a California limited partnership
247	PPC Sage Apartments Manager II LLC, a Delaware limited liability company
248	PPC Sage LLC, a Delaware limited liability company
249	Richmond Essex, L.P., a California limited partnership
250	RP/Essex Skyline Holdings, L.L.C., a Delaware limited liability company
251	SAC Redwood City Apartments LLC, a Delaware limited liability company
252	San Pablo Medical Investors, Ltd., a California limited partnership
253	Santa Clara Square, LLC, a California limited liability company
254	Santa Monica Affordable Partners, L.P., a California limited partnership
255	Scripps AU Owner, L.P., a California limited partnership
256	Scripps MRU Owner, L.P., a California limited partnership
257	Taylor 28 SPE, LLC, a Delaware limited liability company
258	The Carlyle SPE, LLC, a Delaware limited liability company
259	The Oakbrook Company, an Ohio limited partnership
260	Valley Park Apartments, Ltd., a California limited partnership
261	Villa Angelina Apartment Fund, Ltd., a California limited partnership
262	WC Brio Apartments LLC, a Delaware limited liability company
263	Wesco GP, LLC, a Delaware limited liability company
264	Wesco I, LLC, a Delaware limited liability company
265	Wesco III BEX, LLC, a Delaware limited liability company
266	Wesco III GP, LLC, a Delaware limited liability company
267	Wesco III, LLC, a Delaware limited liability company
268	Wesco IV, LLC, a Delaware limited liability company
269	Wesco Redmond CW GP, LLC, a Delaware limited liability company
270	Wesco Redmond NE GP, LLC, a Delaware limited liability company
271	Wesco V GP, LLC, a Delaware limited liability company
272	Wesco V Sub GP, LLC, a Delaware limited liability company
273	Wesco V Sub, LLC, a Delaware limited liability company
274	Wesco V, LLC, a Delaware limited liability company
275	Wesco VI, LLC, a Delaware limited liability company
276	Wesco VII, LLC, a Delaware limited liability company

277	West Dublin Bart, L.P., a Delaware limited partnership
278	Western - Las Hadas Investors, A California limited partnership
279	Western Blossom Hill Investors, A California limited partnership
280	Western Highridge Investors, A California limited partnership
281	Western Mountain View II Investors, A California limited partnership
282	Western Riviera Investors, a California limited partnership
283	Western San Jose IV Investors Limited Partnership, a California limited partnership
284	Western-Los Gatos I Investors, A California limited partnership
285	Western-Palo Alto II Investors, a California limited partnership
286	Western-San Jose III Investors, a California limited partnership
287	Western-Seven Trees Investors, A California limited partnership

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

To the Board of Directors
Essex Property Trust, Inc.:

We consent to the incorporation by reference in the registration statements (Nos. 333-281244 and 333-102552) on Form S-3 and registration statements (Nos. 333-224941, 333-189239, and 333-123001) on Form S-8 of our reports dated February 20, 2026, with respect to the consolidated financial statements of Essex Property Trust, Inc. and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP
San Francisco, California
February 20, 2026

Exhibit 23.2

Consent of Independent Registered Public Accounting Firm

To the Partners of Essex Portfolio, L.P. and the Board of Directors of Essex Property Trust, Inc.:

We consent to the incorporation by reference in the registration statement (No. 333-281244-01) on Form S-3 of our report dated February 20, 2026, with respect to the consolidated financial statements of Essex Portfolio, L.P.

/s/ KPMG LLP
San Francisco, California
February 20, 2026

Exhibit 31.1

ESSEX PROPERTY TRUST, INC.
Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Angela L. Kleiman, certify that:

1. I have reviewed this annual report on Form 10-K of Essex Property Trust, Inc.;
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 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 officer 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: February 20, 2026

/s/ Angela L. Kleiman

Angela L. Kleiman
Chief Executive Officer and President
Essex Property Trust, Inc.

Exhibit 31.2

ESSEX PROPERTY TRUST, INC.
Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Barbara Pak, certify that:

1. I have reviewed this annual report on Form 10-K of Essex Property Trust, Inc.;

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 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 officer 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: February 20, 2026

/s/ Barbara Pak

Barbara Pak
Executive Vice President, Chief Financial Officer
Essex Property Trust, Inc.

Exhibit 31.3

ESSEX PORTFOLIO, L.P.
Certification of Chief Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Angela L. Kleiman, certify that:

1. I have reviewed this annual report on Form 10-K of Essex Portfolio, L.P.;

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 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 officer 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: February 20, 2026

/s/ Angela L. Kleiman

Angela L. Kleiman
Chief Executive Officer and President
Essex Property Trust, Inc., general partner of
Essex Portfolio, L.P.

Exhibit 31.4

ESSEX PORTFOLIO, L.P.
Certification of Chief Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Barbara Pak, certify that:

1. I have reviewed this annual report on Form 10-K of Essex Portfolio, L.P.;

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 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 officer 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: February 20, 2026

/s/ Barbara Pak

Barbara Pak
Executive Vice President, Chief Financial Officer
Essex Property Trust, Inc., general partner of
Essex Portfolio, L.P.

Exhibit 32.1

ESSEX PROPERTY TRUST, INC.
Certification of Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350 as adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, chapter 63 of title 18, United States Code), I, Angela L. Kleiman, hereby certify, to the best of my knowledge, that the Annual Report on Form 10-K for the year ended December 31, 2025 (the "Form 10-K") of Essex Property Trust, Inc. fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Essex Property Trust, Inc. at the dates of and for the periods presented.

Date: February 20, 2026

/s/ Angela L. Kleiman

Angela L. Kleiman
Chief Executive Officer and President
Essex Property Trust, Inc.

Exhibit 32.2

ESSEX PROPERTY TRUST, INC.
Certification of Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350 as adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, chapter 63 of title 18, United States Code), I, Barbara Pak, hereby certify, to the best of my knowledge, that the Annual Report on Form 10-K for the year ended December 31, 2025 (the “Form 10-K”) of Essex Property Trust, Inc. fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Essex Property Trust, Inc. at the dates of and for the periods presented.

Date: February 20, 2026

/s/ Barbara Pak

Barbara Pak
Executive Vice President, Chief Financial Officer
Essex Property Trust, Inc.

Exhibit 32.3

ESSEX PORTFOLIO, L.P.
Certification of Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350 as adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, chapter 63 of title 18, United States Code), I, Angela L. Kleiman, hereby certify, to the best of my knowledge, that the Annual Report on Form 10-K for the year ended December 31, 2025 (the "Form 10-K") of Essex Portfolio, L.P. fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Essex Portfolio, L.P. at the dates of and for the periods presented.

Date: February 20, 2026

/s/ Angela L. Kleiman

Angela L. Kleiman
Chief Executive Officer and President
Essex Property Trust, Inc., general partner of
Essex Portfolio, L.P.

Exhibit 32.4

ESSEX PORTFOLIO, L.P.
Certification of Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350 as adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, chapter 63 of title 18, United States Code), I, Barbara Pak, hereby certify, to the best of my knowledge, that the Annual Report on Form 10-K for the year ended December 31, 2025 (the “Form 10-K”) of Essex Portfolio, L.P. fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Essex Portfolio, L.P. at the dates of and for the periods presented.

Date: February 20, 2026

/s/ Barbara Pak

Barbara Pak
Executive Vice President, Chief Financial Officer
Essex Property Trust, Inc., general partner of
Essex Portfolio, L.P.

Exhibit 99.1

MATERIAL FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary of certain material U.S. federal income tax considerations regarding our election to be taxed as a real estate investment trust ("REIT") and the purchase, ownership and disposition of our capital stock and debt securities of Essex Portfolio, L.P. (our "Operating Partnership"). Supplemental U.S. federal income tax considerations relevant to the ownership of the securities offered by the prospectus dated August 5, 2024 (the "Prospectus") may be provided in the Prospectus Supplement (as defined in the Prospectus) that relates to those securities. This summary replaces and supersedes in all respects the information contained under the heading "Material Federal Income Tax Considerations" that is contained in the Prospectus, which is part of Essex Property Trust, Inc.'s and Essex Portfolio, L.P.'s Registration Statement on Form S-3 (File No. 333-281244) filed with the Securities and Exchange Commission on August 5, 2024. Your tax treatment will vary depending upon the terms of the specific securities you acquire, as well as your particular situation. For purposes of this discussion, references to "we," "our" and "us" mean only Essex Property Trust, Inc. and do not include any of its subsidiaries, except as otherwise indicated. This summary is for general information only and is not tax advice. The information in this summary is based on:

- the Internal Revenue Code of 1986, as amended (the "Code");
- current, temporary and proposed Treasury regulations promulgated under the Code (the "Treasury Regulations");
- the legislative history of the Code;
- administrative interpretations and practices of the Internal Revenue Service (the "IRS"); and
- court decisions;

in each case, as of the date of this Exhibit 99.1 to Annual Report on Form 10-K. In addition, the administrative interpretations and practices of the IRS include its practices and policies as expressed in private letter rulings that are not binding on the IRS except with respect to the particular taxpayers who requested and received those rulings. The sections of the Code and the corresponding Treasury Regulations that relate to qualification and taxation as a REIT are highly technical and complex. The following discussion sets forth certain material aspects of the sections of the Code that govern the U.S. federal income tax treatment of a REIT and its stockholders and the holders of our Operating Partnership's debt securities. This summary is qualified in its entirety by the applicable Code provisions, Treasury Regulations, and administrative and judicial interpretations thereof. Potential tax reforms may result in significant changes to the rules governing U.S. federal income taxation. New legislation, Treasury Regulations, administrative interpretations and practices and/or court decisions may significantly and adversely affect our ability to qualify as a REIT, the U.S. federal income tax consequences of such qualification, or the U.S. federal income tax consequences of an investment in our capital stock or our Operating Partnership's debt securities, including those described in this discussion. Moreover, the law relating to the tax treatment of other entities, or an investment in other entities, could change, making an investment in such other entities more attractive relative to an investment in a REIT. Any such changes could apply retroactively to transactions preceding the date of the change. We have not requested, and do not plan to request, any rulings from the IRS that we qualify as a REIT, and the statements in the Prospectus and this Exhibit 99.1 to the Annual Report on Form 10-K are not binding on the IRS or any court. Thus, we can provide no assurance that the tax considerations contained in this discussion will not be challenged by the IRS or will be sustained by a court if challenged by the IRS. This summary does not discuss any state, local or non-U.S. tax consequences, or any tax consequences arising under any U.S. federal tax laws other than U.S. federal income tax laws, associated with the purchase, ownership or disposition of our capital stock or our Operating Partnership's debt securities, or our election to be taxed as a REIT. This discussion does not attempt to address all aspects of U.S. federal income taxation relating to holders of our capital stock or our Operating Partnership's debt securities. You should review the applicable Prospectus Supplement in connection with the purchase of any of our capital stock or our Operating Partnership's debt securities.

You are urged to consult your tax advisors regarding the tax consequences to you of:

- **the purchase, ownership and disposition of our capital stock or our Operating Partnership's debt securities, including the U.S. federal, state, local, non-U.S. and other tax consequences;**
- **our election to be taxed as a REIT for U.S. federal income tax purposes; and**
- **potential changes in applicable tax laws.**

Taxation of Our Company

General. We have elected to be taxed as a REIT under Sections 856 through 860 of the Code commencing with our taxable year ended December 31, 1994. We believe that we have been organized and have operated in a manner that has allowed us to qualify for taxation as a REIT under the Code commencing with such taxable year, and we intend to continue to

be organized and operate in this manner. However, qualification and taxation as a REIT depend upon our ability to meet the various qualification tests imposed under the Code, including through actual operating results, asset composition, distribution levels and diversity of stock ownership. Accordingly, no assurance can be given that we have been organized and have operated, or will continue to be organized and operate, in a manner so as to qualify or remain qualified as a REIT. See "—Failure to Qualify" for potential tax consequences if we fail to qualify as a REIT.

Latham & Watkins LLP has acted as our tax counsel in connection with the filing of the Prospectus. Latham & Watkins LLP has rendered an opinion to us, as of the date of the Prospectus, to the effect that, commencing with our taxable year ended December 31, 2014, we have been organized and have operated in conformity with the requirements for qualification and taxation as a REIT under the Code, and our proposed method of operation will enable us to continue to meet the requirements for qualification and taxation as a REIT under the Code. It must be emphasized that this opinion was based on various assumptions and representations as to factual matters, including representations made by us in a factual certificate provided by one or more of our officers. In addition, this opinion was based upon our factual representations set forth in the Prospectus and does not foreclose the possibility that we may have to pay a deficiency dividend, or an excise or penalty tax, which could be significant in amount, in order to maintain our REIT qualification. Moreover, our qualification and taxation as a REIT depend upon our ability to meet the various qualification tests imposed under the Code, which are discussed below, including through actual operating results, asset composition, distribution levels and diversity of stock ownership, the results of which have not been and will not be reviewed by Latham & Watkins LLP. Accordingly, no assurance can be given that our actual results of operations for any particular taxable year have satisfied or will satisfy those requirements. Further, the anticipated U.S. federal income tax treatment described herein may be changed, perhaps retroactively, by legislative, administrative or judicial action at any time. Latham & Watkins LLP has no obligation to update its opinion subsequent to the date of such opinion.

Provided we qualify for taxation as a REIT, we generally will not be required to pay U.S. federal corporate income taxes on our REIT taxable income that is currently distributed to our stockholders. This treatment substantially eliminates the "double taxation" that ordinarily results from investment in a C corporation. A C corporation is a corporation that generally is required to pay tax at the corporate level. Double taxation means taxation once at the corporate level when income is earned and once again at the stockholder level when the income is distributed. We will, however, be required to pay U.S. federal income tax as follows:

- First, we will be required to pay regular U.S. federal corporate income tax on any undistributed REIT taxable income, including undistributed capital gain.
- Second, if we have (i) net income from the sale or other disposition of "foreclosure property" held primarily for sale to customers in the ordinary course of business or (ii) other nonqualifying income from foreclosure property, we will be required to pay regular U.S. federal corporate income tax on this income. To the extent that income from foreclosure property is otherwise qualifying income for purposes of the 75% gross income test, this tax is not applicable. Subject to certain other requirements, foreclosure property generally is defined as property we acquired through foreclosure or after a default on a loan secured by the property or a lease of the property.
- Third, we will be required to pay a 100% tax on any net income from prohibited transactions. Prohibited transactions are, in general, sales or other taxable dispositions of property, other than foreclosure property, held as inventory or primarily for sale to customers in the ordinary course of business.

- Fourth, if we fail to satisfy the 75% gross income test or the 95% gross income test, as described below, but have otherwise maintained our qualification as a REIT because certain other requirements are met, we will be required to pay a tax equal to (i) the greater of (A) the amount by which we fail to satisfy the 75% gross income test and (B) the amount by which we fail to satisfy the 95% gross income test, multiplied by (ii) a fraction intended to reflect our profitability.
- Fifth, if we fail to satisfy any of the asset tests (other than a *de minimis* failure of the 5% or 10% asset test), as described below, due to reasonable cause and not due to willful neglect, and we nonetheless maintain our REIT qualification because of specified cure provisions, we will be required to pay a tax equal to the greater of $50,000 or the U.S. federal corporate income tax rate multiplied by the net income generated by the nonqualifying assets that caused us to fail such test.
- Sixth, if we fail to satisfy any provision of the Code that would result in our failure to qualify as a REIT (other than a violation of the gross income tests or certain violations of the asset tests, as described below) and the violation is due to reasonable cause and not due to willful neglect, we may retain our REIT qualification but we will be required to pay a penalty of $50,000 for each such failure.
- Seventh, we will be required to pay a 4% excise tax to the extent we fail to distribute during each calendar year at least the sum of (i) 85% of our ordinary income for the year, (ii) 95% of our capital gain net income for the year, and (iii) any undistributed taxable income from prior periods.
- Eighth, if we acquire any asset from a corporation that is or has been a C corporation in a transaction in which our tax basis in the asset is less than the fair market value of the asset, in each case determined as of the date on which we acquired the asset, and we subsequently recognize gain on the disposition of the asset during the five-year period beginning on the date on which we acquired the asset, then we generally will be required to pay regular U.S. federal corporate income tax on this gain to the extent of the excess of (i) the fair market value of the asset over (ii) our adjusted tax basis in the asset, in each case determined as of the date on which we acquired the asset. The results described in this paragraph with respect to the recognition of gain assume that the C corporation will refrain from making an election to receive different treatment under applicable Treasury Regulations on its tax return for the year in which we acquire the asset from the C corporation. Under applicable Treasury Regulations, any gain from the sale of property we acquired in an exchange under Section 1031 (a like-kind exchange) or Section 1033 (an involuntary conversion) of the Code generally is excluded from the application of this built-in gains tax.
- Ninth, our subsidiaries that are C corporations and are not qualified REIT subsidiaries, including our "taxable REIT subsidiaries" described below, generally will be required to pay regular U.S. federal corporate income tax on their earnings.
- Tenth, we will be required to pay a 100% tax on any "redetermined rents," "redetermined deductions," "excess interest" or "redetermined TRS service income," as described below under "—Penalty Tax." In general, redetermined rents are rents from real property that are overstated as a result of services furnished to any of our tenants by a taxable REIT subsidiary of ours. Redetermined deductions and excess interest generally represent amounts that are deducted by a taxable REIT subsidiary of ours for amounts paid to us that are in excess of the amounts that would have been deducted based on arm's length negotiations. Redetermined TRS service income generally represents income of a taxable REIT subsidiary that is understated as a result of services provided to us or on our behalf.
- Eleventh, we may elect to retain and pay income tax on our net capital gain. In that case, a stockholder would include its proportionate share of our undistributed capital gain (to the extent we make a timely designation of such gain to the stockholder) in its income, would be deemed to have paid the tax that we paid on such gain, and would be allowed a credit for its proportionate share of the tax deemed to have been paid, and an adjustment would be made to increase the tax basis of the stockholder in our capital stock.
- Twelfth, if we fail to comply with the requirement to send annual letters to our stockholders holding at least a certain percentage of our stock, as determined under applicable Treasury Regulations, requesting information regarding the actual ownership of our stock, and the failure is not due to reasonable cause or is due to willful neglect, we will be subject to a $25,000 penalty, or if the failure is intentional, a $50,000 penalty.

We and our subsidiaries may be subject to a variety of taxes other than U.S. federal income tax, including payroll taxes and state and local income, property and other taxes on our assets and operations.

Requirements for Qualification as a REIT. The Code defines a REIT as a corporation, trust or association:

(1) that is managed by one or more trustees or directors;

(2) that issues transferable shares or transferable certificates to evidence its beneficial ownership;

(3) that would be taxable as a domestic corporation, but for Sections 856 through 860 of the Code;

(4) that is not a financial institution or an insurance company within the meaning of certain provisions of the Code;

(5) that is beneficially owned by 100 or more persons;

(6) not more than 50% in value of the outstanding stock of which is owned, actually or constructively, by five or fewer individuals, including certain specified entities, during the last half of each taxable year; and

(7) that meets other tests, described below, regarding the nature of its income and assets and the amount of its distributions.

The Code provides that conditions (1) to (4), inclusive, must be met during the entire taxable year and that condition (5) must be met during at least 335 days of a taxable year of 12 months, or during a proportionate part of a taxable year of less than 12 months. Conditions (5) and (6) do not apply until after the first taxable year for which an election is made to be taxed as a REIT. For purposes of condition (6), the term "individual" includes a supplemental unemployment compensation benefit plan, a private foundation or a portion of a trust permanently set aside or used exclusively for charitable purposes, but generally does not include a qualified pension plan or profit sharing trust.

We believe that we have been organized and have operated in a manner that has allowed us, and will continue to allow us, to satisfy conditions (1) through (7), inclusive, during the relevant time periods. In addition, our charter provides for restrictions regarding ownership and transfer of our shares that are intended to assist us in continuing to satisfy the share ownership requirements described in conditions (5) and (6) above. A description of the share ownership and transfer restrictions relating to our capital stock is contained in the discussion in the Prospectus under the heading "Description of Common Stock — Restrictions on Ownership and Transfer." These restrictions, however, do not ensure that we have previously satisfied, and may not ensure that we will, in all cases, be able to continue to satisfy, the share ownership requirements described in conditions (5) and (6) above. If we fail to satisfy these share ownership requirements, then except as provided in the next sentence, our status as a REIT will terminate. If, however, we comply with the rules contained in applicable Treasury Regulations that require us to ascertain the actual ownership of our shares and we do not know, or would not have known through the exercise of reasonable diligence, that we failed to meet the requirement described in condition (6) above, we will be treated as having met this requirement. See "—Failure to Qualify."

In addition, we may not maintain our status as a REIT unless our taxable year is the calendar year. We have and will continue to have a calendar taxable year.

Ownership of Interests in Partnerships, Limited Liability Companies and Qualified REIT Subsidiaries. In the case of a REIT that is a partner in a partnership (for purposes of this discussion, references to "partnership" include a limited liability company treated as a partnership for U.S. federal income tax purposes, and references to "partner" include a member in such limited liability company), Treasury Regulations provide that the REIT will be deemed to own its proportionate share of the assets of the partnership based on its interest in partnership capital, subject to special rules relating to the 10% asset test described below. Also, the REIT will be deemed to be entitled to its proportionate share of the income of that entity. The assets and gross income of the partnership retain the same character in the hands of the REIT for purposes of Section 856 of the Code, including satisfying the gross income tests and the asset tests. Thus, our pro rata share of the assets and items of income of our Operating Partnership, including our Operating Partnership's share of these items of any partnership or disregarded entity for U.S. federal income tax purposes in which it owns an interest, is treated as our assets and items of income for purposes of applying the requirements described in this discussion, including the gross income and asset tests described below. A brief summary of the rules governing the U.S. federal income taxation of partnerships is set forth below in "—Tax Aspects of Our Operating Partnership and the Subsidiary Partnerships and Limited Liability Companies."

We have control of our Operating Partnership and the subsidiary partnerships and intend to operate them in a manner consistent with the requirements for our qualification as a REIT. If we become a limited partner or non-managing member in any partnership and such entity takes or expects to take actions that could jeopardize our status as a REIT or require us to pay tax, we may be forced to dispose of our interest in such entity. In addition, it is possible that a partnership could take an action which could cause us to fail a gross income or asset test, and that we would not become aware of such action in time to dispose of our interest in the partnership or take other corrective action on a timely basis. In such a case, we could fail to qualify as a REIT unless we were entitled to relief, as described below.

We may from time to time own and operate certain properties through wholly-owned subsidiaries that we intend to be treated as "qualified REIT subsidiaries" under the Code. A corporation (or other entity treated as a corporation for U.S. federal income tax purposes) will qualify as our qualified REIT subsidiary if we own 100% of the corporation's outstanding stock and do not elect with the subsidiary to treat it as a "taxable REIT subsidiary," as described below. A qualified REIT subsidiary is not treated as a separate corporation, and all assets, liabilities and items of income, gain, loss, deduction and credit of a qualified

REIT subsidiary are treated as assets, liabilities and items of income, gain, loss, deduction and credit of the parent REIT for all purposes under the Code, including all REIT qualification tests. Thus, in applying the U.S. federal income tax requirements described in this discussion, any qualified REIT subsidiaries we own are ignored, and all assets, liabilities and items of income, gain, loss, deduction and credit of such corporations are treated as our assets, liabilities and items of income, gain, loss, deduction and credit. A qualified REIT subsidiary is not subject to U.S. federal income tax, and our ownership of the stock of a qualified REIT subsidiary will not violate the restrictions on ownership of securities, as described below under "—Asset Tests."

Ownership of Interests in Taxable REIT Subsidiaries. We, through our Operating Partnership, own interests in companies that have elected, together with us, to be treated as our taxable REIT subsidiaries, and we may acquire securities in additional taxable REIT subsidiaries in the future. A taxable REIT subsidiary is a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) other than a REIT in which a REIT directly or indirectly holds stock, and that has made a joint election with such REIT to be treated as a taxable REIT subsidiary. If a taxable REIT subsidiary owns more than 35% of the total voting power or value of the outstanding securities of another corporation, such other corporation will also be treated as a taxable REIT subsidiary. Other than some activities relating to lodging and health care facilities, a taxable REIT subsidiary may generally engage in any business, including the provision of customary or non-customary services to tenants of its parent REIT. A taxable REIT subsidiary is subject to U.S. federal income tax as a regular C corporation. A REIT is not treated as holding the assets of a taxable REIT subsidiary or as receiving any income that the taxable REIT subsidiary earns. Rather, the stock issued by the taxable REIT subsidiary is an asset in the hands of the REIT, and the REIT generally recognizes as income the dividends, if any, that it receives from the taxable REIT subsidiary. A REIT's ownership of securities of a taxable REIT subsidiary is not subject to the 5% or 10% asset test described below. See "—Asset Tests." Taxpayers are subject to a limitation on their ability to deduct net business interest generally equal to 30% of adjusted taxable income, subject to certain exceptions. See "—Annual Distribution Requirements." While not certain, this provision may limit the ability of our taxable REIT subsidiaries to deduct interest, which could increase their taxable income.

Ownership of Interests in Subsidiary REITs. We own and may acquire direct or indirect interests in one or more entities that have elected or will elect to be taxed as REITs under the Code (each, a "Subsidiary REIT"). A Subsidiary REIT is subject to the various REIT qualification requirements and other limitations described herein that are applicable to us. If a Subsidiary REIT were to fail to qualify as a REIT, then (i) that Subsidiary REIT would become subject to U.S. federal income tax and (ii) the Subsidiary REIT's failure to qualify could have an adverse effect on our ability to comply with the REIT income and asset tests, and thus could impair our ability to qualify as a REIT unless we could avail ourselves of certain relief provisions.

Income Tests. We must satisfy two gross income requirements annually to maintain our qualification as a REIT. First, in each taxable year we must derive directly or indirectly at least 75% of our gross income (excluding gross income from prohibited transactions, certain hedging transactions and certain foreign currency gains) from investments relating to real property or mortgages on real property, including "rents from real property," dividends from other REITs and, in certain circumstances, interest, or certain types of temporary investments. Second, in each taxable year we must derive at least 95% of our gross income (excluding gross income from prohibited transactions, certain hedging transactions and certain foreign currency gains) from the real property investments described above or dividends, interest and gain from the sale or disposition of stock or securities, or from any combination of the foregoing. For these purposes, the term "interest" generally does not include any amount received or accrued, directly or indirectly, if the determination of all or some of the amount depends in any way on the income or profits of any person. However, an amount received or accrued generally will not be excluded from the term "interest" solely by reason of being based on a fixed percentage or percentages of receipts or sales.

Rents we receive from a tenant will qualify as "rents from real property" for the purpose of satisfying the gross income requirements for a REIT described above only if all of the following conditions are met:

- The amount of rent is not based in whole or in part on the income or profits of any person. However, an amount we receive or accrue generally will not be excluded from the term "rents from real property" solely because it is based on a fixed percentage or percentages of receipts or sales or if it is based on the net income of a tenant which derives substantially all of its income with respect to such property from subleasing of substantially all of such property, to the extent that the rents paid by the subtenants would qualify as rents from real property if we earned such amounts directly;
- Neither we nor an actual or constructive owner of 10% or more of our capital stock actually or constructively owns 10% or more of the interests in the assets or net profits of a non-corporate tenant, or, if the tenant is a corporation, 10% or more of the total combined voting power of all classes of stock entitled to vote or 10% or more of the total value of all classes of stock of the tenant. Rents we receive from such a tenant that is a taxable REIT subsidiary of ours, however, will not be excluded from the definition of "rents from real property" as a result of this condition if at least 90% of the space at the property to which the rents relate is leased to third parties, and the rents paid by the taxable REIT subsidiary are substantially comparable to rents paid by our other tenants for comparable space. Whether rents paid by a taxable REIT subsidiary are substantially comparable to rents paid by other tenants is determined at the time the lease with the taxable REIT subsidiary is entered into,

extended, and modified, if such modification increases the rents due under such lease. Notwithstanding the foregoing, however, if a lease with a "controlled taxable REIT subsidiary" is modified and such modification results in an increase in the rents payable by such taxable REIT subsidiary, any such increase will not qualify as "rents from real property." For purposes of this rule, a "controlled taxable REIT subsidiary" is a taxable REIT subsidiary in which the parent REIT owns stock possessing more than 50% of the voting power or more than 50% of the total value of the outstanding stock of such taxable REIT subsidiary;

- Rent attributable to personal property, leased in connection with a lease of real property, is not greater than 15% of the total rent received under the lease. If this condition is not met, then the portion of the rent attributable to personal property will not qualify as "rents from real property." To the extent that rent attributable to personal property, leased in connection with a lease of real property, exceeds 15% of the total rent received under the lease, we may transfer a portion of such personal property to a taxable REIT subsidiary; and
- We generally may not operate or manage the property or furnish or render services to our tenants, subject to a 1% *de minimis* exception and except as provided below. We may, however, perform services that are "usually or customarily rendered" in connection with the rental of space for occupancy only and are not otherwise considered "rendered to the occupant" of the property. Examples of these services include the provision of light, heat, or other utilities, trash removal and general maintenance of common areas. In addition, we may employ an independent contractor from whom we derive no revenue to provide customary services to our tenants, or a taxable REIT subsidiary (which may be wholly or partially owned by us) to provide both customary and non-customary services to our tenants, without causing the rent we receive from those tenants to fail to qualify as "rents from real property."

We generally do not intend, and, as the general partner of our Operating Partnership, we do not intend to permit our Operating Partnership, to take actions we believe will cause us to fail to satisfy the rental conditions described above. However, we may intentionally fail to satisfy some of these conditions to the extent we determine, based on the advice of our tax counsel, that the failure will not jeopardize our tax status as a REIT. In addition, with respect to the limitation on the rental of personal property, we generally have not obtained appraisals of the real property and personal property leased to tenants. Accordingly, there can be no assurance that the IRS will not disagree with our determinations of value.

From time to time, we may enter into hedging transactions with respect to one or more of our assets or liabilities. Our hedging activities may include entering into interest rate swaps, caps, and floors, options to purchase these items, and futures and forward contracts. Income from a hedging transaction, including gain from the sale or disposition of such a transaction, that is clearly identified as a hedging transaction as specified in the Code will not constitute gross income under, and thus will be exempt from, the 75% and 95% gross income tests. The term "hedging transaction," as used above, generally means (A) any transaction we enter into in the normal course of our business primarily to manage risk of (1) interest rate changes or fluctuations with respect to borrowings made or to be made by us to acquire or carry real estate assets, or (2) currency fluctuations with respect to an item of qualifying income under the 75% or 95% gross income test or any property which generates such income and (B) new transactions entered into to hedge the income or loss from prior hedging transactions, where any portion of the property or indebtedness which was the subject of the prior hedging transaction was extinguished or disposed of. To the extent that we do not properly identify such transactions as hedges or we hedge with other types of financial instruments, the income from those transactions is not likely to be treated as qualifying income for purposes of the gross income tests. We intend to structure any hedging transactions in a manner that does not jeopardize our status as a REIT.

To the extent our taxable REIT subsidiaries pay dividends or interest, our allocable share of such dividend or interest income will qualify under the 95%, but (subject to certain exceptions) not the 75%, gross income test. Notwithstanding the foregoing, our allocable share of such interest would also qualify under the 75% gross income test to the extent the interest is paid on a loan that is adequately secured by real property.

We will monitor the amount of the dividend and other income from our taxable REIT subsidiaries and will take actions intended to keep this income, and any other nonqualifying income, within the limitations of the gross income tests. Although we expect these actions will be sufficient to prevent a violation of the gross income tests, we cannot guarantee that such actions will in all cases prevent such a violation.

If we fail to satisfy one or both of the 75% or 95% gross income tests for any taxable year, we may nevertheless qualify as a REIT for the year if we are entitled to relief under certain provisions of the Code. We generally may make use of the relief provisions if:

- following our identification of the failure to meet the 75% or 95% gross income tests for any taxable year, we file a schedule with the IRS setting forth each item of our gross income for purposes of the 75% or 95% gross income tests for such taxable year in accordance with Treasury Regulations to be issued; and
- our failure to meet these tests was due to reasonable cause and not due to willful neglect.

It is not possible, however, to state whether in all circumstances we would be entitled to the benefit of these relief provisions. For example, if we fail to satisfy the gross income tests because nonqualifying income that we intentionally accrue or receive exceeds the limits on nonqualifying income, the IRS could conclude that our failure to satisfy the tests was not due to reasonable cause. If these relief provisions do not apply to a particular set of circumstances, we will not qualify as a REIT. See "—Failure to Qualify" below. As discussed above in "—General," even if these relief provisions apply, and we retain our status as a REIT, a tax would be imposed with respect to our nonqualifying income. We may not always be able to comply with the gross income tests for REIT qualification despite periodic monitoring of our income.

Prohibited Transaction Income. Any gain that we realize on the sale of property (other than any foreclosure property) held as inventory or otherwise held primarily for sale to customers in the ordinary course of business, including our share of any such gain realized by our Operating Partnership, either directly or through its subsidiary partnerships, will be treated as income from a prohibited transaction that is subject to a 100% penalty tax, unless certain safe harbor exceptions apply. This prohibited transaction income may also adversely affect our ability to satisfy the gross income tests for qualification as a REIT. Under existing law, whether property is held as inventory or primarily for sale to customers in the ordinary course of a trade or business is a question of fact that depends on all the facts and circumstances surrounding the particular transaction. As the general partner of our Operating Partnership, we intend to cause our Operating Partnership to hold its properties for investment with a view to long-term appreciation, to engage in the business of acquiring, developing and owning its properties and to make occasional sales of the properties as are consistent with our investment objectives. We do not intend, and do not intend to permit our Operating Partnership or its subsidiary partnerships, to enter into any sales that are prohibited transactions. However, the IRS may successfully contend that some or all of the sales made by our Operating Partnership or its subsidiary partnerships are prohibited transactions. We would be required to pay the 100% penalty tax on our allocable share of the gains resulting from any such sales. The 100% penalty tax will not apply to gains from the sale of assets that are held through a taxable REIT subsidiary, but such income will be subject to regular U.S. federal corporate income tax.

Penalty Tax. Any redetermined rents, redetermined deductions, excess interest or redetermined TRS service income we generate will be subject to a 100% penalty tax. In general, redetermined rents are rents from real property that are overstated as a result of any services furnished to any of our tenants by a taxable REIT subsidiary of ours, redetermined deductions and excess interest represent any amounts that are deducted by a taxable REIT subsidiary of ours for amounts paid to us that are in excess of the amounts that would have been deducted based on arm's length negotiations, and redetermined TRS service income is income of a taxable REIT subsidiary that is understated as a result of services provided to us or on our behalf. Rents we receive will not constitute redetermined rents if they qualify for certain safe harbor provisions contained in the Code.

We do not believe we have been, and do not expect to be, subject to this penalty tax, although any rental or service arrangements we enter into from time to time may not satisfy the safe-harbor provisions referenced above. These determinations are inherently factual, and the IRS has broad discretion to assert that amounts paid between related parties should be reallocated to clearly reflect their respective incomes. If the IRS successfully made such an assertion, we would be required to pay a 100% penalty tax on any overstated rents paid to us, or any excess deductions or understated income of our taxable REIT subsidiaries.

Asset Tests. At the close of each calendar quarter of our taxable year, we must also satisfy certain tests relating to the nature and diversification of our assets. First, at least 75% of the value of our total assets must be represented by real estate assets, cash, cash items and U.S. government securities. For purposes of this test, the term "real estate assets" generally means real property (including interests in real property and interests in mortgages on real property or on both real property and, to a limited extent, personal property), shares (or transferable certificates of beneficial interest) in other REITs, any stock or debt instrument attributable to the investment of the proceeds of a stock offering or a public offering of debt with a term of at least five years (but only for the one-year period beginning on the date the REIT receives such proceeds), debt instruments of publicly offered REITs, and personal property leased in connection with a lease of real property for which the rent attributable to personal property is not greater than 15% of the total rent received under the lease.

Second, not more than 25% of the value of our total assets may be represented by securities (including securities of taxable REIT subsidiaries), other than those securities includable in the 75% asset test.

Third, of the investments included in the 25% asset class, and except for certain investments in other REITs, our qualified REIT subsidiaries and taxable REIT subsidiaries, the value of any one issuer's securities may not exceed 5% of the value of our total assets, and we may not own more than 10% of the total vote or value of the outstanding securities of any one issuer. Certain types of securities we may own are disregarded as securities solely for purposes of the 10% value test, including, but not limited to, securities satisfying the "straight debt" safe harbor, securities issued by a partnership that itself would satisfy the 75% income test if it were a REIT, any loan to an individual or an estate, any obligation to pay rents from real property and any security issued by a REIT. In addition, solely for purposes of the 10% value test, the determination of our interest in the assets of a partnership in which we own an interest will be based on our proportionate interest in any securities issued by the partnership, excluding for this purpose certain securities described in the Code. From time to time we may own securities (including debt securities) of issuers that do not qualify as a REIT, a qualified REIT subsidiary or a taxable REIT subsidiary.

We intend that our ownership of any such securities will be structured in a manner that allows us to comply with the asset tests described above.

Fourth, not more than 25% (20% for (i) taxable years beginning before July 31, 2008 and (ii) taxable years beginning after December 31, 2017 and before January 1, 2026) of the value of our total assets may be represented by the securities of one or more taxable REIT subsidiaries. We and our Operating Partnership own interests in companies that have elected, together with us, to be treated as our taxable REIT subsidiaries, and we may acquire securities in additional taxable REIT subsidiaries in the future. So long as each of these companies qualifies as a taxable REIT subsidiary of ours, we will not be subject to the 5% asset test, the 10% voting power limitation or the 10% value limitation with respect to our ownership of the securities of such companies. We believe that the aggregate value of our taxable REIT subsidiaries has not exceeded, and in the future will not exceed, 25% (20% for (i) taxable years beginning before July 31, 2008 and (ii) taxable years beginning after December 31, 2017 and before January 1, 2026) of the aggregate value of our gross assets. We generally do not obtain independent appraisals to support these conclusions. In addition, there can be no assurance that the IRS will not disagree with our determinations of value.

Fifth, not more than 25% of the value of our total assets may be represented by debt instruments of publicly offered REITs to the extent those debt instruments would not be real estate assets but for the inclusion of debt instruments of publicly offered REITs in the meaning of real estate assets, as described above (e.g., a debt instrument issued by a publicly offered REIT that is not secured by a mortgage on real property).

In addition, we may acquire certain mezzanine loans secured by equity interests in pass-through entities that directly or indirectly own real property. Revenue Procedure 2003-65 (the “Revenue Procedure”) provides a safe harbor pursuant to which mezzanine loans meeting the requirements of the safe harbor will be treated by the IRS as real estate assets for purposes of the REIT asset tests. In addition, any interest derived from such mezzanine loans will be treated as qualifying mortgage interest for purposes of the 75% gross income test (described above). Although the Revenue Procedure provides a safe harbor on which taxpayers may rely, it does not prescribe rules of substantive tax law. The mezzanine loans that we acquire may not meet all of the requirements of the safe harbor. Accordingly, there can be no assurance that the IRS will not challenge the qualification of such assets as real estate assets or the interest generated by these loans as qualifying income under the 75% gross income test (described above).

The asset tests must be satisfied at the close of each calendar quarter of our taxable year in which we (directly or through any partnership or qualified REIT subsidiary) acquire securities in the applicable issuer, and also at the close of each calendar quarter in which we increase our ownership of securities of such issuer (including as a result of an increase in our interest in any partnership that owns such securities). For example, our indirect ownership of securities of each issuer will increase as a result of our capital contributions to our Operating Partnership or as limited partners exercise any redemption/exchange rights. Also, after initially meeting the asset tests at the close of any quarter, we will not lose our status as a REIT for failure to satisfy the asset tests at the end of a later quarter solely by reason of changes in asset values. If we fail to satisfy an asset test because we acquire securities or other property during a quarter (including as a result of an increase in our interest in any partnership), we may cure this failure by disposing of sufficient nonqualifying assets within 30 days after the close of that quarter. We believe that we have maintained, and we intend to maintain, adequate records of the value of our assets to ensure compliance with the asset tests. If we fail to cure any noncompliance with the asset tests within the 30-day cure period, we would cease to qualify as a REIT unless we are eligible for certain relief provisions discussed below.

Certain relief provisions may be available to us if we discover a failure to satisfy the asset tests described above after the 30-day cure period. Under these provisions, we will be deemed to have met the 5% and 10% asset tests if the value of our nonqualifying assets (i) does not exceed the lesser of (a) 1% of the total value of our assets at the end of the applicable quarter or (b) $10,000,000, and (ii) we dispose of the nonqualifying assets or otherwise satisfy such tests within (a) six months after the last day of the quarter in which the failure to satisfy the asset tests is discovered or (b) the period of time prescribed by Treasury Regulations to be issued. For violations of any of the asset tests due to reasonable cause and not due to willful neglect and that are, in the case of the 5% and 10% asset tests, in excess of the *de minimis* exception described above, we may avoid disqualification as a REIT after the 30-day cure period by taking steps including (i) the disposition of sufficient nonqualifying assets, or the taking of other actions, which allow us to meet the asset tests within (a) six months after the last day of the quarter in which the failure to satisfy the asset tests is discovered or (b) the period of time prescribed by Treasury Regulations to be issued, (ii) paying a tax equal to the greater of (a) $50,000 or (b) the U.S. federal corporate income tax rate multiplied by the net income generated by the nonqualifying assets, and (iii) disclosing certain information to the IRS.

Although we believe we have satisfied the asset tests described above and plan to take steps to ensure that we satisfy such tests for any quarter with respect to which retesting is to occur, there can be no assurance that we will always be successful, or will not require a reduction in our Operating Partnership’s overall interest in an issuer (including in a taxable REIT subsidiary). If we fail to cure any noncompliance with the asset tests in a timely manner, and the relief provisions described above are not available, we would cease to qualify as a REIT.

Annual Distribution Requirements. To maintain our qualification as a REIT, we are required to distribute dividends, other than capital gain dividends, to our stockholders each year in an amount at least equal to the sum of:

- 90% of our REIT taxable income; and
- 90% of our after-tax net income, if any, from foreclosure property; minus
- the excess of the sum of certain items of non-cash income over 5% of our REIT taxable income.

For these purposes, our REIT taxable income is computed without regard to the dividends paid deduction and our net capital gain. In addition, for purposes of this test, non-cash income generally means income attributable to leveled stepped rents, original issue discount, cancellation of indebtedness, or a like-kind exchange that is later determined to be taxable.

In addition, our REIT taxable income will be reduced by any taxes we are required to pay on any gain we recognize from the disposition of any asset we acquired from a corporation that is or has been a C corporation in a transaction in which our tax basis in the asset is less than the fair market value of the asset, in each case determined as of the date on which we acquired the asset, within the five-year period following our acquisition of such asset, as described above under "—General."

Except as provided below, a taxpayer's deduction for net business interest expense will generally be limited to 30% of its taxable income, as adjusted for certain items of income, gain, deduction or loss. Any business interest deduction that is disallowed due to this limitation may be carried forward to future taxable years, subject to special rules applicable to partnerships. If we or any of our subsidiary partnerships (including our Operating Partnership) are subject to this interest expense limitation, our REIT taxable income for a taxable year may be increased. Taxpayers that conduct certain real estate businesses may elect not to have this interest expense limitation apply to them, provided that they use an alternative depreciation system to depreciate certain property. We believe that we or any of our subsidiary partnerships that are subject to this interest expense limitation will be eligible to make this election. If such election is made, although we or such subsidiary partnership, as applicable, would not be subject to the interest expense limitation described above, depreciation deductions may be reduced and, as a result, our REIT taxable income for a taxable year may be increased.

We generally must pay, or be treated as paying, the distributions described above in the taxable year to which they relate. At our election, a distribution will be treated as paid in a taxable year if it is declared before we timely file our tax return for such year and paid on or before the first regular dividend payment after such declaration, provided such payment is made during the 12-month period following the close of such year. These distributions are treated as received by our stockholders in the year in which they are paid. This is so even though these distributions relate to the prior year for purposes of the 90% distribution requirement. In order to be taken into account for purposes of our distribution requirement, except as provided below, the amount distributed must not be preferential—*i.e.*, every stockholder of the class of stock to which a distribution is made must be treated the same as every other stockholder of that class, and no class of stock may be treated other than according to its dividend rights as a class. This preferential dividend limitation will not apply to distributions made by us, provided we qualify as a "publicly offered REIT." We believe that we are, and expect we will continue to be, a publicly offered REIT. However, Subsidiary REITs we may own from time to time may not be publicly offered REITs. To the extent that we do not distribute all of our net capital gain, or distribute at least 90%, but less than 100%, of our REIT taxable income, as adjusted, we will be required to pay regular U.S. federal corporate income tax on the undistributed amount. We believe that we have made, and we intend to continue to make, timely distributions sufficient to satisfy these annual distribution requirements and to minimize our corporate tax obligations. In this regard, the partnership agreement of our Operating Partnership authorizes us, as the general partner of our Operating Partnership, to take such steps as may be necessary to cause our Operating Partnership to distribute to its partners an amount sufficient to permit us to meet these distribution requirements and to minimize our corporate tax obligation.

We expect that our REIT taxable income will be less than our cash flow because of depreciation and other non-cash charges included in computing REIT taxable income. Accordingly, we anticipate that we generally will have sufficient cash or liquid assets to enable us to satisfy the distribution requirements described above. However, from time to time, we may not have sufficient cash or other liquid assets to meet these distribution requirements due to timing differences between the actual receipt of income and actual payment of deductible expenses, and the inclusion of income and deduction of expenses in determining our taxable income. In addition, we may decide to retain our cash, rather than distribute it, in order to repay debt or for other reasons. If these timing differences occur, we may borrow funds to pay dividends or pay dividends in the form of taxable stock distributions in order to meet the distribution requirements, while preserving our cash.

Under some circumstances, we may be able to rectify an inadvertent failure to meet the 90% distribution requirement for a year by paying "deficiency dividends" to our stockholders in a later year, which may be included in our deduction for dividends paid for the earlier year. In that case, we may be able to avoid being taxed on amounts distributed as deficiency dividends, subject to the 4% excise tax described below. However, we will be required to pay interest to the IRS based upon the amount of any deduction claimed for deficiency dividends. While the payment of a deficiency dividend will apply to a prior year for purposes of our REIT distribution requirements, it will be treated as an additional distribution to our stockholders in the year

such dividend is paid. In addition, if a dividend paid by a REIT (including any of our Subsidiary REITs) is treated as a preferential dividend, in lieu of treating the dividend as not counting toward satisfying the 90% distribution requirement, the IRS may provide a remedy to cure such failure if the IRS determines that such failure is (or is of a type that is) inadvertent or due to reasonable cause and not due to willful neglect.

Furthermore, we will be required to pay a 4% excise tax to the extent we fail to distribute during each calendar year at least the sum of 85% of our ordinary income for such year, 95% of our capital gain net income for the year and any undistributed taxable income from prior periods. Any ordinary income and net capital gain on which U.S. federal corporate income tax is imposed for any year is treated as an amount distributed during that year for purposes of calculating this excise tax.

For purposes of the 90% distribution requirement and excise tax described above, dividends declared during the last three months of the taxable year, payable to stockholders of record on a specified date during such period and paid during January of the following year, will be treated as paid by us and received by our stockholders on December 31 of the year in which they are declared.

Like-Kind Exchanges. We may dispose of real property that is not held primarily for sale in transactions intended to qualify as like-kind exchanges under the Code. Such like-kind exchanges are intended to result in the deferral of gain for U.S. federal income tax purposes. The failure of any such transaction to qualify as a like-kind exchange could require us to pay U.S. federal income tax, possibly including the 100% prohibited transaction tax, or deficiency dividends, depending on the facts and circumstances surrounding the particular transaction.

Tax Liabilities and Attributes Inherited in Connection with Acquisitions. From time to time, we or our Operating Partnership may acquire other corporations or entities and, in connection with such acquisitions, we may succeed to the historical tax attributes and liabilities of such entities. For example, if we acquire a C corporation and subsequently dispose of its assets within five years of the acquisition, we could be required to pay the built-in gain tax described above under "—General." In addition, in order to qualify as a REIT, at the end of any taxable year, we must not have any earnings and profits accumulated in a non-REIT year. As a result, if we acquire a C corporation, we must distribute the corporation's earnings and profits accumulated prior to the acquisition before the end of the taxable year in which we acquire the corporation. We also could be required to pay the acquired entity's unpaid taxes even though such liabilities arose prior to the time we acquired the entity.

Moreover, we or one of our subsidiaries may from time to time acquire other REITs through a merger or acquisition. If any such REIT failed to qualify as a REIT for any of its taxable years, such REIT would be liable for (and we or our subsidiary, as applicable, as the surviving corporation in the merger or acquisition, would be obligated to pay) regular U.S. federal corporate income tax on its taxable income for such taxable years. In addition, if such REIT was a C corporation at the time of the merger or acquisition, the tax consequences described in the preceding paragraph generally would apply. If such REIT failed to qualify as a REIT for any of its taxable years, but qualified as a REIT at the time of such merger or acquisition, and we acquired such REIT's assets in a transaction in which our tax basis in the assets of such REIT is determined, in whole or in part, by reference to such REIT's tax basis in such assets, we generally would be subject to tax on the built-in gain on each asset of such REIT as described above if we were to dispose of the asset in a taxable transaction during the five-year period following such REIT's requalification as a REIT, subject to certain exceptions. Moreover, even if such REIT qualified as a REIT at all relevant times, we would similarly be liable for other unpaid taxes (if any) of such REIT (such as the 100% tax on gains from any sales treated as "prohibited transactions" as described above under "—Prohibited Transaction Income").

Furthermore, after our acquisition of another corporation or entity, the asset and income tests will apply to all of our assets, including the assets we acquire from such corporation or entity, and to all of our income, including the income derived from the assets we acquire from such corporation or entity. As a result, the nature of the assets that we acquire from such corporation or entity and the income we derive from those assets may have an effect on our tax status as a REIT.

Failure to Qualify. If we discover a violation of a provision of the Code that would result in our failure to qualify as a REIT, certain specified cure provisions may be available to us. Except with respect to violations of the gross income tests and asset tests (for which the cure provisions are described above), and provided the violation is due to reasonable cause and not due to willful neglect, these cure provisions generally impose a $50,000 penalty for each violation in lieu of a loss of REIT status. If we fail to satisfy the requirements for taxation as a REIT in any taxable year, and the relief provisions do not apply, we will be required to pay regular U.S. federal corporate income tax, including any applicable alternative minimum tax, on our taxable income. Distributions to stockholders in any year in which we fail to qualify as a REIT will not be deductible by us. As a result, we anticipate that our failure to qualify as a REIT would reduce the cash available for distribution by us to our stockholders. In addition, if we fail to qualify as a REIT, we will not be required to distribute any amounts to our stockholders and all distributions to stockholders will be taxable as regular corporate dividends to the extent of our current and accumulated earnings and profits. In such event, corporate stockholders may be eligible for the dividends-received deduction. In addition, non-corporate stockholders, including individuals, may be eligible for the preferential tax rates on qualified dividend income. Non-corporate stockholders, including individuals, generally may deduct up to 20% of dividends from a REIT, other than

capital gain dividends and dividends treated as qualified dividend income, for purposes of determining their U.S. federal income tax (but not for purposes of the 3.8% Medicare tax), subject to certain holding period requirements and other limitations. If we fail to qualify as a REIT, such stockholders may not claim this deduction with respect to dividends paid by us. Unless entitled to relief under specific statutory provisions, we would also be ineligible to elect to be treated as a REIT for the four taxable years following the year for which we lose our qualification. It is not possible to state whether in all circumstances we would be entitled to this statutory relief.

Tax Aspects of Our Operating Partnership and the Subsidiary Partnerships and Limited Liability Companies

General. Substantially all of our investments are held indirectly through our Operating Partnership. In addition, our Operating Partnership holds certain of its investments indirectly through subsidiary partnerships and limited liability companies that we believe are and will continue to be treated as partnerships or disregarded entities for U.S. federal income tax purposes. In general, entities that are treated as partnerships or disregarded entities for U.S. federal income tax purposes are "pass-through" entities which are not required to pay U.S. federal income tax. Rather, partners of such partnerships are allocated their shares of the items of income, gain, loss, deduction and credit of the partnership, and are potentially required to pay tax on this income, without regard to whether they receive a distribution from the partnership. We will include in our income our share of these partnership items for purposes of the various gross income tests, the computation of our REIT taxable income, and the REIT distribution requirements. Moreover, for purposes of the asset tests, we will include our pro rata share of assets held by our Operating Partnership, including its share of the assets of its subsidiary partnerships, based on our capital interests in each such entity. See "—Taxation of Our Company—Ownership of Interests in Partnerships, Limited Liability Companies and Qualified REIT Subsidiaries." A disregarded entity is not treated as a separate entity for U.S. federal income tax purposes, and all assets, liabilities and items of income, gain, loss, deduction and credit of a disregarded entity are treated as assets, liabilities and items of income, gain, loss, deduction and credit of its parent that is not a disregarded entity (e.g., our Operating Partnership) for all purposes under the Code, including all REIT qualification tests.

Entity Classification. Our interests in our Operating Partnership and the subsidiary partnerships and limited liability companies involve special tax considerations, including the possibility that the IRS might challenge the status of these entities as partnerships or disregarded entities for U.S. federal income tax purposes. For example, an entity that would otherwise be treated as a partnership for U.S. federal income tax purposes may nonetheless be taxable as a corporation if it is a "publicly traded partnership" and certain other requirements are met. A partnership would be treated as a publicly traded partnership if its interests are traded on an established securities market or are readily tradable on a secondary market or a substantial equivalent thereof, within the meaning of applicable Treasury Regulations. We do not anticipate that our Operating Partnership or any subsidiary partnership will be treated as a publicly traded partnership that is taxable as a corporation. However, if any such entity were treated as a corporation, it would be required to pay an entity-level tax on its income. In this situation, the character of our assets and items of gross income would change and could prevent us from satisfying the REIT asset tests and possibly the REIT income tests. See "—Taxation of Our Company—Asset Tests" and "—Income Tests." This, in turn, could prevent us from qualifying as a REIT. See "—Taxation of Our Company—Failure to Qualify" for a discussion of the effect of our failure to meet these tests. In addition, a change in the tax status of our Operating Partnership or a subsidiary treated as a partnership or disregarded entity to a corporation might be treated as a taxable event. If so, we might incur a tax liability without any related cash payment. We believe our Operating Partnership and each of the subsidiary partnerships and limited liability companies are and will continue to be treated as partnerships or disregarded entities for U.S. federal income tax purposes.

Allocations of Items of Income, Gain, Loss and Deduction. A partnership agreement (or, in the case of a limited liability company treated as a partnership for U.S. federal income tax purposes, the limited liability company agreement) generally will determine the allocation of income and loss among partners. These allocations, however, will be disregarded for tax purposes if they do not comply with the provisions of Section 704(b) of the Code and the Treasury Regulations thereunder. Generally, Section 704(b) of the Code and the Treasury Regulations thereunder require that partnership allocations respect the economic arrangement of the partners.

The partnership agreement for our Operating Partnership provides that our Operating Partnership's net income (including net gains) and net losses generally will be allocated first to ensure, to the extent possible, that we have received cumulative allocations of net income equal to the amount of dividends that have been paid and the amount of accrued but unpaid dividends in respect of preferred stock issued by us to our stockholders, and thereafter to us, as the general partner, and to the limited partners in proportion to their percentage interests. The partnership agreement also contains special allocations that are made under certain circumstances, including special allocations of net gain to the holders of incentive units (including LTIP Units) in connection with a sale of all or substantially all of our Operating Partnership's assets or certain "book-ups" of capital accounts. These special allocations may result in overall allocations of net income or net loss in any particular year that deviate from the allocations that would have been made if the partnership agreement did not contain such special allocations.

If an allocation of partnership income or loss does not comply with the requirements of Section 704(b) of the Code and the Treasury Regulations thereunder, the item subject to the allocation will be reallocated in accordance with the partners' interests

in the partnership. This reallocation will be determined by taking into account all of the facts and circumstances relating to the economic arrangement of the partners with respect to such item. The allocations of taxable income and loss of our Operating Partnership and any subsidiaries that are treated as partnerships for U.S. federal income tax purposes are intended to comply with the requirements of Section 704(b) of the Code and the Treasury Regulations thereunder.

Tax Allocations With Respect to the Properties. Under Section 704(c) of the Code, items of income, gain, loss and deduction attributable to appreciated or depreciated property that is contributed to a partnership in exchange for an interest in the partnership must be allocated in a manner so that the contributing partner is charged with the unrealized gain or benefits from the unrealized loss associated with the property at the time of the contribution. The amount of the unrealized gain or unrealized loss generally is equal to the difference between the fair market value or book value and the adjusted tax basis of the contributed property at the time of contribution (this difference is referred to as a book-tax difference), as adjusted from time to time. These allocations are solely for U.S. federal income tax purposes and do not affect the book capital accounts or other economic or legal arrangements among the partners.

Our Operating Partnership may, from time to time, acquire interests in property in exchange for interests in our Operating Partnership. In that case, the tax basis of these property interests generally will carry over to our Operating Partnership, notwithstanding their different book (*i.e.*, fair market) value. The partnership agreement requires that income and loss allocations with respect to these properties be made in a manner consistent with Section 704(c) of the Code. Treasury Regulations issued under Section 704(c) of the Code provide partnerships with a choice of several methods of accounting for book-tax differences. Depending on the method we choose in connection with any particular contribution, the carryover basis of each of the contributed interests in the properties in the hands of our Operating Partnership (1) could cause us to be allocated lower amounts of depreciation deductions for tax purposes than would be allocated to us if any of the contributed properties were to have a tax basis equal to its respective fair market value at the time of the contribution and (2) could cause us to be allocated taxable gain in the event of a sale of such contributed interests or properties in excess of the economic or book income allocated to us as a result of such sale, with a corresponding benefit to the other partners in our Operating Partnership. An allocation described in clause (2) above might cause us or the other partners to recognize taxable income in excess of cash proceeds in the event of a sale or other disposition of property, which might adversely affect our ability to comply with the REIT distribution requirements. See "—Taxation of Our Company—Requirements for Qualification as a REIT" and "—Annual Distribution Requirements."

Any property acquired by our Operating Partnership in a taxable transaction will initially have a tax basis equal to its fair market value, and Section 704(c) of the Code generally will not apply.

Partnership Audit Rules. Under current tax law, subject to certain exceptions, any audit adjustment to items of income, gain, loss, deduction, or credit of a partnership (and any partner's distributive share thereof) is determined, and taxes, interest, or penalties attributable thereto are assessed and collected, at the partnership level. It is possible that these rules could result in partnerships in which we directly or indirectly invest, including our Operating Partnership, being required to pay additional taxes, interest and penalties as a result of an audit adjustment, and we, as a direct or indirect partner of these partnerships, could be required to bear the economic burden of those taxes, interest, and penalties even though we, as a REIT, may not otherwise have been required to pay additional corporate-level taxes as a result of the related audit adjustment. Investors are urged to consult their tax advisors with respect to these rules and their potential impact on their investment in our capital stock.

Material U.S. Federal Income Tax Consequences to Holders of Our Capital Stock and Our Operating Partnership's Debt Securities

The following discussion is a summary of certain material U.S. federal income tax consequences to you of purchasing, owning and disposing of our capital stock or our Operating Partnership's debt securities. This discussion is limited to holders who hold our capital stock or our Operating Partnership's debt securities as "capital assets" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all U.S. federal income tax consequences relevant to a holder's particular circumstances, including the alternative minimum tax. In addition, except where specifically noted, it does not address consequences relevant to holders subject to special rules, including, without limitation:

- U.S. expatriates and former citizens or long-term residents of the United States;
- U.S. holders (as defined below) whose functional currency is not the U.S. dollar;
- persons holding our capital stock or our Operating Partnership's debt securities as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies, and other financial institutions;
- REITs or regulated investment companies;
- brokers, dealers or traders in securities;

- “controlled foreign corporations,” “foreign controlled foreign corporations,” “passive foreign investment companies,” and corporations that accumulate earnings to avoid U.S. federal income tax;
- S corporations, partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- tax-exempt organizations or governmental organizations;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to our capital stock or our Operating Partnership’s debt securities being taken into account in an applicable financial statement;
- persons deemed to sell our capital stock or our Operating Partnership’s debt securities under the constructive sale provisions of the Code; and
- persons who hold or receive our capital stock pursuant to the exercise of any employee stock option or otherwise as compensation.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT INTENDED AS TAX ADVICE. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR CAPITAL STOCK OR OUR OPERATING PARTNERSHIP’S DEBT SECURITIES ARISING UNDER OTHER U.S. FEDERAL TAX LAWS (INCLUDING ESTATE AND GIFT TAX LAWS), UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

For purposes of this discussion, a “U.S. holder” is a beneficial owner of our capital stock or our Operating Partnership’s debt securities that, for U.S. federal income tax purposes, is or is treated as:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more “United States persons” (within the meaning of Section 7701(a)(30) of the Code) or (2) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

For purposes of this discussion, a “non-U.S. holder” is any beneficial owner of our capital stock or our Operating Partnership’s debt securities that is neither a U.S. holder nor an entity treated as a partnership for U.S. federal income tax purposes.

If an entity treated as a partnership for U.S. federal income tax purposes holds our capital stock or our Operating Partnership’s debt securities, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships holding our capital stock or our Operating Partnership’s debt securities and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

Taxation of Taxable U.S. Holders of Our Capital Stock

Distributions Generally. Distributions out of our current or accumulated earnings and profits will be treated as dividends and, other than with respect to capital gain dividends and certain amounts which have previously been subject to corporate level tax, as discussed below, will be taxable to our taxable U.S. holders as ordinary income when actually or constructively received. See “—Tax Rates” below. As long as we qualify as a REIT, these distributions will not be eligible for the dividends-received deduction in the case of U.S. holders that are corporations or, except to the extent described in “—Tax Rates” below, the preferential rates on qualified dividend income applicable to non-corporate U.S. holders, including individuals. For purposes of determining whether distributions to holders of our capital stock are out of our current or accumulated earnings and profits, our earnings and profits will be allocated first to our outstanding preferred stock, if any, and then to our outstanding common stock.

To the extent that we make distributions on our capital stock in excess of our current and accumulated earnings and profits allocable to such stock, these distributions will be treated first as a tax-free return of capital to a U.S. holder to the extent of the U.S. holder’s adjusted tax basis in such shares of stock. This treatment will reduce the U.S. holder’s adjusted tax basis in such shares of stock by such amount, but not below zero. Distributions in excess of our current and accumulated earnings and profits and in excess of a U.S. holder’s adjusted tax basis in its shares will be taxable as capital gain. Such gain will be taxable as long-term capital gain if the shares have been held for more than one year. Dividends we declare in October, November, or

December of any year and which are payable to a holder of record on a specified date in any of these months will be treated as both paid by us and received by the holder on December 31 of that year, provided we actually pay the dividend on or before January 31 of the following year. U.S. holders may not include in their own income tax returns any of our net operating losses or capital losses.

U.S. holders that receive taxable stock distributions, including distributions partially payable in our capital stock and partially payable in cash, would be required to include the full amount of the distribution (*i.e.*, the cash and the stock portion) as a dividend (subject to limited exceptions) to the extent of our current and accumulated earnings and profits for U.S. federal income tax purposes, as described above. The amount of any distribution payable in our capital stock generally is equal to the amount of cash that could have been received instead of the capital stock. Depending on the circumstances of a U.S. holder, the tax on the distribution may exceed the amount of the distribution received in cash, in which case such U.S. holder would have to pay the tax using cash from other sources. If a U.S. holder sells the capital stock it received in connection with a taxable stock distribution in order to pay this tax and the proceeds of such sale are less than the amount required to be included in income with respect to the stock portion of the distribution, such U.S. holder could have a capital loss with respect to the stock sale that could not be used to offset such income. A U.S. holder that receives capital stock pursuant to such distribution generally has a tax basis in such capital stock equal to the amount of cash that could have been received instead of such capital stock as described above, and has a holding period in such capital stock that begins on the day immediately following the payment date for the distribution.

Capital Gain Dividends. Dividends that we properly designate as capital gain dividends will be taxable to our taxable U.S. holders as a gain from the sale or disposition of a capital asset held for more than one year, to the extent that such gain does not exceed our actual net capital gain for the taxable year, and may not exceed our dividends paid for the taxable year, including dividends paid the following year that are treated as paid in the current year. U.S. holders that are corporations may, however, be required to treat up to 20% of certain capital gain dividends as ordinary income. If we properly designate any portion of a dividend as a capital gain dividend, then, except as otherwise required by law, we presently intend to allocate a portion of the total capital gain dividends paid or made available to holders of all classes of our capital stock for the year to the holders of each class of our capital stock in proportion to the amount that our total dividends, as determined for U.S. federal income tax purposes, paid or made available to the holders of each such class of our capital stock for the year bears to the total dividends, as determined for U.S. federal income tax purposes, paid or made available to holders of all classes of our capital stock for the year. In addition, except as otherwise required by law, we will make a similar allocation with respect to any undistributed long-term capital gains which are to be included in our stockholders' long-term capital gains, based on the allocation of the capital gain amount which would have resulted if those undistributed long-term capital gains had been distributed as "capital gain dividends" by us to our stockholders.

Retention of Net Capital Gains. We may elect to retain, rather than distribute as a capital gain dividend, all or a portion of our net capital gains. If we make this election, we would pay tax on our retained net capital gains. In addition, to the extent we so elect, our earnings and profits (determined for U.S. federal income tax purposes) would be adjusted accordingly, and a U.S. holder generally would:

- include its pro rata share of our undistributed capital gain in computing its long-term capital gains in its U.S. federal income tax return for its taxable year in which the last day of our taxable year falls, subject to certain limitations as to the amount that is includable;
- be deemed to have paid its share of the capital gains tax imposed on us on the designated amounts included in the U.S. holder's income as long-term capital gain;
- receive a credit or refund for the amount of tax deemed paid by it;
- increase the adjusted tax basis of its capital stock by the difference between the amount of includable gains and the tax deemed to have been paid by it; and
- in the case of a U.S. holder that is a corporation, appropriately adjust its earnings and profits for the retained capital gains in accordance with Treasury Regulations to be promulgated by the IRS.

Passive Activity Losses and Investment Interest Limitations. Distributions we make and gain arising from the sale or exchange of our capital stock by a U.S. holder will not be treated as passive activity income. As a result, U.S. holders generally will not be able to apply any "passive losses" against this income or gain. A U.S. holder generally may elect to treat capital gain dividends, capital gains from the disposition of our capital stock and income designated as qualified dividend income, as described in "—Tax Rates" below, as investment income for purposes of computing the investment interest limitation, but in such case, the holder will be taxed at ordinary income rates on such amount. Other distributions made by us, to the extent they do not constitute a return of capital, generally will be treated as investment income for purposes of computing the investment interest limitation.

Dispositions of Our Capital Stock. Except as described below under "—Taxation of Taxable U.S. Holders of Our Capital Stock—Redemption or Repurchase by Us," if a U.S. holder sells or disposes of shares of our capital stock, it will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale or other disposition and the holder's adjusted tax basis in the shares. This gain or loss, except as provided below, will be long-term capital gain or loss if the holder has held such capital stock for more than one year. However, if a U.S. holder recognizes a loss upon the sale or other disposition of capital stock that it has held for six months or less, after applying certain holding period rules, the loss recognized will be treated as a long-term capital loss to the extent the U.S. holder received distributions from us which were required to be treated as long-term capital gains. The deductibility of capital losses is subject to limitations.

Redemption or Repurchase by Us. A redemption or repurchase of shares of our capital stock will be treated under Section 302 of the Code as a distribution (and taxable as a dividend to the extent of our current and accumulated earnings and profits as described above under "—Distributions Generally") unless the redemption or repurchase satisfies one of the tests set forth in Section 302(b) of the Code and is therefore treated as a sale or exchange of the redeemed or repurchased shares. The redemption or repurchase generally will be treated as a sale or exchange if it:

- is "substantially disproportionate" with respect to the U.S. holder,
- results in a "complete redemption" of the U.S. holder's stock interest in us, or
- is "not essentially equivalent to a dividend" with respect to the U.S. holder,

all within the meaning of Section 302(b) of the Code.

In determining whether any of these tests has been met, shares of our capital stock, including common stock and other equity interests in us, considered to be owned by the U.S. holder by reason of certain constructive ownership rules set forth in the Code, as well as shares of our capital stock actually owned by the U.S. holder, generally must be taken into account. Because the determination as to whether any of the alternative tests of Section 302(b) of the Code will be satisfied with respect to the U.S. holder depends upon the facts and circumstances at the time that the determination must be made, U.S. holders are advised to consult their tax advisors to determine such tax treatment.

If a redemption or repurchase of shares of our capital stock is treated as a distribution, the amount of the distribution will be measured by the amount of cash and the fair market value of any property received. See "—Distributions Generally." A U.S. holder's adjusted tax basis in the redeemed or repurchased shares generally will be transferred to the holder's remaining shares of our capital stock, if any. If a U.S. holder owns no other shares of our capital stock, under certain circumstances, such basis may be transferred to a related person or it may be lost entirely. Prospective investors should consult their tax advisors regarding the U.S. federal income tax consequences of a redemption or repurchase of our capital stock.

If a redemption or repurchase of shares of our capital stock is not treated as a distribution, it will be treated as a taxable sale or exchange in the manner described under "—Dispositions of Our Capital Stock."

Tax Rates. The maximum tax rate for non-corporate taxpayers for (1) long-term capital gains, including certain "capital gain dividends," generally is 20% (although depending on the characteristics of the assets which produced these gains and on designations which we may make, certain capital gain dividends may be taxed at a 25% rate) and (2) "qualified dividend income" generally is 20%. In general, dividends payable by REITs are not eligible for the reduced tax rate on qualified dividend income, except to the extent that certain holding period requirements have been met and the REIT's dividends are attributable to dividends received from taxable corporations (such as its taxable REIT subsidiaries) or to income that was subject to tax at the corporate/REIT level (for example, if the REIT distributed taxable income that it retained and paid tax on in the prior taxable year). Capital gain dividends will only be eligible for the rates described above to the extent that they are properly designated by the REIT as "capital gain dividends." U.S. holders that are corporations may be required to treat up to 20% of some capital gain dividends as ordinary income. In addition, non-corporate U.S. holders, including individuals, generally may deduct up to 20% of dividends from a REIT, other than capital gain dividends and dividends treated as qualified dividend income, for purposes of determining their U.S. federal income tax (but not for purposes of the 3.8% Medicare tax), subject to certain holding period requirements and other limitations.

Taxation of Tax-Exempt Holders of Our Capital Stock

Dividend income from us and gain arising upon a sale of shares of our capital stock generally should not be unrelated business taxable income ("UBTI") to a tax-exempt holder, except as described below. This income or gain will be UBTI, however, to the extent a tax-exempt holder holds its shares as "debt-financed property" within the meaning of the Code. Generally, "debt-financed property" is property the acquisition or holding of which was financed through a borrowing by the tax-exempt holder.

For tax-exempt holders that are social clubs, voluntary employee benefit associations or supplemental unemployment benefit trusts exempt from U.S. federal income taxation under Sections 501(c)(7), (c)(9) or (c)(17) of the Code, respectively, income from an investment in our shares will constitute UBTI unless the organization is able to properly claim a deduction for amounts set aside or placed in reserve for specific purposes so as to offset the income generated by its investment in our shares. These prospective investors should consult their tax advisors concerning these "set aside" and reserve requirements.

Notwithstanding the above, however, a portion of the dividends paid by a "pension-held REIT" may be treated as UBTI as to certain trusts that hold more than 10%, by value, of the interests in the REIT. A REIT will not be a "pension-held REIT" if it is able to satisfy the "not closely held" requirement without relying on the "look-through" exception with respect to certain trusts or if such REIT is not "predominantly held" by "qualified trusts." As a result of restrictions on ownership and transfer of our stock contained in our charter, we do not expect to be classified as a "pension-held REIT," and as a result, the tax treatment described above should be inapplicable to our holders. However, because our common stock is (and, we anticipate, will continue to be) publicly traded, we cannot guarantee that this will always be the case.

Taxation of Non-U.S. Holders of Our Capital Stock

The following discussion addresses the rules governing U.S. federal income taxation of the purchase, ownership and disposition of our capital stock by non-U.S. holders. These rules are complex, and no attempt is made herein to provide more than a brief summary of such rules. Accordingly, the discussion does not address all aspects of U.S. federal income taxation and does not address other federal, state, local or non-U.S. tax consequences that may be relevant to a non-U.S. holder in light of its particular circumstances. We urge non-U.S. holders to consult their tax advisors to determine the impact of U.S. federal, state, local and non-U.S. income and other tax laws and any applicable tax treaty on the purchase, ownership and disposition of shares of our capital stock, including any reporting requirements.

Distributions Generally. Distributions (including any taxable stock distributions) that are neither attributable to gains from sales or exchanges by us of United States real property interests ("USRPIs") nor designated by us as capital gain dividends (except as described below) will be treated as dividends of ordinary income to the extent that they are made out of our current or accumulated earnings and profits. Such distributions ordinarily will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty, unless the distributions are treated as effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such dividends are attributable). Under certain treaties, however, lower withholding rates generally applicable to dividends do not apply to dividends from a REIT. Certain certification and disclosure requirements must be satisfied for a non-U.S. holder to be exempt from withholding under the effectively connected income exemption. Dividends that are treated as effectively connected with a U.S. trade or business generally will not be subject to withholding but will be subject to U.S. federal income tax on a net basis at the regular rates, in the same manner as dividends paid to U.S. holders are subject to U.S. federal income tax. Any such dividends received by a non-U.S. holder that is a corporation may also be subject to an additional branch profits tax at a 30% rate (applicable after deducting U.S. federal income taxes paid on such effectively connected income) or such lower rate as may be specified by an applicable income tax treaty.

Except as otherwise provided below, we expect to withhold U.S. federal income tax at the rate of 30% on any distributions made to a non-U.S. holder unless:

(1) a lower treaty rate applies and the non-U.S. holder furnishes an IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) evidencing eligibility for that reduced treaty rate; or

(2) the non-U.S. holder furnishes an IRS Form W-8ECI (or other applicable documentation) claiming that the distribution is income effectively connected with the non-U.S. holder's trade or business.

Distributions in excess of our current and accumulated earnings and profits will not be taxable to a non-U.S. holder to the extent that such distributions do not exceed the adjusted tax basis of the holder's capital stock, but rather will reduce the adjusted tax basis of such stock. To the extent that such distributions exceed the non-U.S. holder's adjusted tax basis in such capital stock, they generally will give rise to gain from the sale or exchange of such stock, the tax treatment of which is described below. However, such excess distributions may be treated as dividend income for certain non-U.S. holders. For withholding purposes, we expect to treat all distributions as made out of our current or accumulated earnings and profits. However, amounts withheld may be refundable if it is subsequently determined that the distribution was, in fact, in excess of our current and accumulated earnings and profits, provided that certain conditions are met.

Capital Gain Dividends and Distributions Attributable to a Sale or Exchange of United States Real Property Interests. Distributions to a non-U.S. holder that we properly designate as capital gain dividends, other than those arising from the disposition of a USRPI, generally should not be subject to U.S. federal income taxation, unless:

(1) the investment in our capital stock is treated as effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such dividends are attributable), in which case the non-U.S. holder will be subject to the same treatment as U.S. holders with respect to such gain, except that a non-U.S. holder that is a corporation may also be subject to a branch profits tax of up to 30%, as discussed above; or

(2) the non-U.S. holder is a nonresident alien individual who is present in the United States for 183 days or more during the taxable year and certain other conditions are met, in which case the non-U.S. holder will be subject to U.S. federal income tax at a rate of 30% on the non-U.S. holder's capital gains (or such lower rate specified by an applicable income tax treaty), which may be offset by U.S. source capital losses of such non-U.S. holder (even though the individual is not considered a resident of the United States), provided the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses.

Pursuant to the Foreign Investment in Real Property Tax Act, which is referred to as "FIRPTA," distributions to a non-U.S. holder that are attributable to gain from sales or exchanges by us of USRPIs, whether or not designated as capital gain dividends, will cause the non-U.S. holder to be treated as recognizing such gain as income effectively connected with a U.S. trade or business. Non-U.S. holders generally would be taxed at the regular rates applicable to U.S. holders, subject to any applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals. We also will be required to withhold and to remit to the IRS 21% of any distribution to non-U.S. holders attributable to gain from sales or exchanges by us of USRPIs. Distributions subject to FIRPTA may also be subject to a 30% branch profits tax in the hands of a non-U.S. holder that is a corporation. The amount withheld is creditable against the non-U.S. holder's U.S. federal income tax liability. However, any distribution with respect to any class of stock that is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market located in the United States is not subject to FIRPTA, and therefore, not subject to the 21% U.S. withholding tax described above, if the non-U.S. holder did not own more than 10% of such class of stock at any time during the one-year period ending on the date of the distribution. Instead, such distributions generally will be treated as ordinary dividend distributions and subject to withholding in the manner described above with respect to ordinary dividends. In addition, distributions to certain non-U.S. publicly traded shareholders that meet certain record-keeping and other requirements ("qualified shareholders") are exempt from FIRPTA, except to the extent owners of such qualified shareholders that are not also qualified shareholders own, actually or constructively, more than 10% of our capital stock. Furthermore, distributions to certain "qualified foreign pension funds" or entities all of the interests of which are held by such "qualified foreign pension funds" are exempt from FIRPTA. Non-U.S. holders should consult their tax advisors regarding the application of these rules.

Retention of Net Capital Gains. Although the law is not clear on the matter, it appears that amounts we designate as retained net capital gains in respect of our capital stock should be treated with respect to non-U.S. holders as actual distributions of capital gain dividends. Under this approach, the non-U.S. holders may be able to offset as a credit against their U.S. federal income tax liability their proportionate share of the tax paid by us on such retained net capital gains and to receive from the IRS a refund to the extent their proportionate share of such tax paid by us exceeds their actual U.S. federal income tax liability. If we were to designate any portion of our net capital gain as retained net capital gain, non-U.S. holders should consult their tax advisors regarding the taxation of such retained net capital gain.

Sale of Our Capital Stock. Except as described below under "—Redemption or Repurchase by Us," gain realized by a non-U.S. holder upon the sale, exchange or other taxable disposition of our capital stock generally will not be subject to U.S. federal income tax unless such stock constitutes a USRPI. In general, stock of a domestic corporation that constitutes a "United States real property holding corporation," or USRPHC, will constitute a USRPI. We believe that we are a USRPHC. Our capital stock will not, however, constitute a USRPI so long as we are a "domestically controlled qualified investment entity." A "domestically controlled qualified investment entity" includes a REIT in which at all times during a five-year testing period less than 50% in value of its stock is held directly or indirectly by non-United States persons, subject to certain ownership rules. For purposes of determining whether a REIT is a "domestically controlled qualified investment entity," ownership generally will be determined by looking through certain pass-through entities and certain other entities. Notwithstanding the foregoing ownership rules, a person who at all applicable times holds less than 5% of a class of a REIT's stock that is "regularly traded" on an established securities market in the United States will be treated as a United States person unless the REIT has actual knowledge that such person (i) is not a United States person or (ii) in certain cases, is a foreign-controlled entity. We believe, but cannot guarantee, that we are a "domestically controlled qualified investment entity." Because our common stock is (and, we anticipate, will continue to be) publicly traded, no assurance can be given that we will continue to be a "domestically controlled qualified investment entity."

Even if we do not qualify as a "domestically controlled qualified investment entity" at the time a non-U.S. holder sells our capital stock, gain realized from the sale or other taxable disposition by a non-U.S. holder of such capital stock would not be subject to U.S. federal income tax under FIRPTA as a sale of a USRPI if:

(1) such class of stock is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market such as the New York Stock Exchange; and

(2) such non-U.S. holder owned, actually and constructively, 10% or less of such class of stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the non-U.S. holder's holding period.

In addition, dispositions of our capital stock by qualified shareholders are exempt from FIRPTA, except to the extent owners of such qualified shareholders that are not also qualified shareholders own, actually or constructively, more than 10% of our capital stock. Furthermore, dispositions of our capital stock by certain "qualified foreign pension funds" or entities all of the interests of which are held by such "qualified foreign pension funds" are exempt from FIRPTA. Non-U.S. holders should consult their tax advisors regarding the application of these rules.

Notwithstanding the foregoing, gain from the sale, exchange or other taxable disposition of our capital stock not otherwise subject to FIRPTA will be taxable to a non-U.S. holder if either (a) the investment in our capital stock is treated as effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such gain is attributable), in which case the non-U.S. holder will be subject to the same treatment as U.S. holders with respect to such gain, except that a non-U.S. holder that is a corporation may also be subject to the 30% branch profits tax (or such lower rate as may be specified by an applicable income tax treaty) on such gain, as adjusted for certain items, or (b) the non-U.S. holder is a nonresident alien individual who is present in the United States for 183 days or more during the taxable year and certain other conditions are met, in which case the non-U.S. holder will be subject to a 30% tax on the non-U.S. holder's capital gains (or such lower rate specified by an applicable income tax treaty), which may be offset by U.S. source capital losses of the non-U.S. holder (even though the individual is not considered a resident of the United States), provided the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses. In addition, even if we are a domestically controlled qualified investment entity, upon disposition of our capital stock, a non-U.S. holder may be treated as having gain from the sale or other taxable disposition of a USRPI if the non-U.S. holder (1) disposes of such stock within a 30-day period preceding the ex-dividend date of a distribution, any portion of which, but for the disposition, would have been treated as gain from the sale or exchange of a USRPI and (2) acquires, or enters into a contract or option to acquire, or is deemed to acquire, other shares of that stock during the 61-day period beginning with the first day of the 30-day period described in clause (1), unless such class of stock is "regularly traded" and the non-U.S. holder did not own more than 10% of such class of stock at any time during the one-year period ending on the date of the distribution described in clause (1).

If gain on the sale, exchange or other taxable disposition of our capital stock were subject to taxation under FIRPTA, the non-U.S. holder would be required to file a U.S. federal income tax return and would be subject to regular U.S. federal income tax with respect to such gain in the same manner as a taxable U.S. holder (subject to any applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals). In addition, if the sale, exchange or other taxable disposition of our capital stock were subject to taxation under FIRPTA, and if shares of the applicable class of our capital stock were not "regularly traded" on an established securities market, the purchaser of such capital stock generally would be required to withhold and remit to the IRS 15% of the purchase price.

Redemption or Repurchase by Us. A redemption or repurchase of shares of our capital stock will be treated under Section 302 of the Code as a distribution (and taxable as a dividend to the extent of our current and accumulated earnings and profits) unless the redemption or repurchase satisfies one of the tests set forth in Section 302(b) of the Code and is therefore treated as a sale or exchange of the redeemed or repurchased shares. See "—Taxation of Taxable U.S. Holders of Our Capital Stock—Redemption or Repurchase by Us." Qualified shareholders and their owners may be subject to different rules, and should consult their tax advisors regarding the application of such rules. If the redemption or repurchase of shares is treated as a distribution, the amount of the distribution will be measured by the amount of cash and the fair market value of any property received. See "—Taxation of Non-U.S. Holders of Our Capital Stock—Distributions Generally" above. If the redemption or repurchase of shares is not treated as a distribution, it will be treated as a taxable sale or exchange in the manner described above under "—Sale of Our Capital Stock."

Taxation of Holders of Our Operating Partnership's Debt Securities

The following summary describes certain material U.S. federal income tax consequences of purchasing, owning and disposing of debt securities issued by our Operating Partnership. This discussion assumes the debt securities will be issued with less than a statutory *de minimis* amount of original issue discount for U.S. federal income tax purposes. In addition, this discussion is limited to persons purchasing the debt securities for cash at original issue and at their original "issue price" within the meaning of Section 1273 of the Code (i.e., the first price at which a substantial amount of the debt securities is sold to the public for cash).

U.S. Holders

Payments of Interest. Interest on a debt security generally will be taxable to a U.S. holder as ordinary income at the time such interest is received or accrued, in accordance with such U.S. holder's method of accounting for U.S. federal income tax purposes.

Sale or Other Taxable Disposition. A U.S. holder will recognize gain or loss on the sale, exchange, redemption, retirement or other taxable disposition of a debt security. The amount of such gain or loss generally will be equal to the difference between the amount received for the debt security in cash or other property valued at fair market value (less amounts attributable to any accrued but unpaid interest, which will be taxable as interest to the extent not previously included in income) and the U.S. holder's adjusted tax basis in the debt security. A U.S. holder's adjusted tax basis in a debt security generally will be equal to the amount the U.S. holder paid for the debt security. Any gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if the U.S. holder has held the debt security for more than one year at the time of such sale or other taxable disposition. Otherwise, such gain or loss will be short-term capital gain or loss. Long-term capital gains recognized by certain non-corporate U.S. holders, including individuals, generally will be taxable at reduced rates. The deductibility of capital losses is subject to limitations.

Non-U.S. Holders

Payments of Interest. Interest paid on a debt security to a non-U.S. holder that is not effectively connected with the non-U.S. holder's conduct of a trade or business within the United States generally will not be subject to U.S. federal income tax or withholding, provided that:

- the non-U.S. holder does not, actually or constructively, own 10% or more of our Operating Partnership's capital or profits;
- the non-U.S. holder is not a controlled foreign corporation related to our Operating Partnership through actual or constructive stock ownership; and
- either (1) the non-U.S. holder certifies in a statement provided to the applicable withholding agent under penalties of perjury that it is not a United States person and provides its name and address; (2) a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business and holds the debt security on behalf of the non-U.S. holder certifies to the applicable withholding agent under penalties of perjury that it, or the financial institution between it and the non-U.S. holder, has received from the non-U.S. holder a statement under penalties of perjury that such holder is not a United States person and provides the applicable withholding agent with a copy of such statement; or (3) the non-U.S. holder holds its debt security directly through a "qualified intermediary" (within the meaning of the applicable Treasury Regulations) and certain conditions are satisfied.

If a non-U.S. holder does not satisfy the requirements above, such non-U.S. holder will be subject to withholding tax of 30%, subject to a reduction in or an exemption from withholding on such interest as a result of an applicable tax treaty. To claim such entitlement, the non-U.S. holder must provide the applicable withholding agent with a properly executed IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) claiming a reduction in or exemption from withholding tax under the benefit of an income tax treaty between the United States and the country in which the non-U.S. holder resides or is established.

If interest paid to a non-U.S. holder is effectively connected with the non-U.S. holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such interest is attributable), the non-U.S. holder will be exempt from the U.S. federal withholding tax described above. To claim the exemption, the non-U.S. holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI, certifying that interest paid on a debt security is not subject to withholding tax because it is effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States. Any such effectively connected interest generally will be subject to U.S. federal income tax at the regular rates. A non-U.S. holder that is a corporation may also be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected interest, as adjusted for certain items.

The certifications described above must be provided to the applicable withholding agent prior to the payment of interest and must be updated periodically. Non-U.S. holders that do not timely provide the applicable withholding agent with the required certification, but that qualify for a reduced rate under an applicable income tax treaty, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

Sale or Other Taxable Disposition. A non-U.S. holder will not be subject to U.S. federal income tax on any gain realized upon the sale, exchange, redemption, retirement or other taxable disposition of a debt security (such amount excludes any amount allocable to accrued and unpaid interest, which generally will be treated as interest and may be subject to the rules

discussed above in "—Taxation of Holders of Our Operating Partnership's Debt Securities—Non-U.S. Holders—Payments of Interest") unless:

- the gain is effectively connected with the non-U.S. holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such gain is attributable); or
- the non-U.S. holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular rates. A non-U.S. holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

A non-U.S. holder described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on gain realized upon the sale or other taxable disposition of a debt security, which may be offset by U.S. source capital losses of the non-U.S. holder (even though the individual is not considered a resident of the United States), provided the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses.

Non-U.S. holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

U.S. Holders. A U.S. holder may be subject to information reporting and backup withholding when such holder receives payments on our capital stock or our Operating Partnership's debt securities or proceeds from the sale or other taxable disposition of such stock or debt securities (including a redemption or retirement of a debt security). Certain U.S. holders are exempt from backup withholding, including corporations and certain tax-exempt organizations. A U.S. holder will be subject to backup withholding if such holder is not otherwise exempt and:

- the holder fails to furnish the holder's taxpayer identification number, which for an individual is ordinarily his or her social security number;
- the holder furnishes an incorrect taxpayer identification number;
- the applicable withholding agent is notified by the IRS that the holder previously failed to properly report payments of interest or dividends; or
- the holder fails to certify under penalties of perjury that the holder has furnished a correct taxpayer identification number and that the IRS has not notified the holder that the holder is subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS. U.S. holders should consult their tax advisors regarding their qualification for an exemption from backup withholding and the procedures for obtaining such an exemption.

Non-U.S. Holders. Payments of dividends on our capital stock or interest on our Operating Partnership's debt securities generally will not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the holder is a United States person and the holder either certifies its non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E or W-8ECI, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any distributions on our capital stock or interest on our Operating Partnership's debt securities paid to the non-U.S. holder, regardless of whether such distributions constitute a dividend or whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of such stock or debt securities (including a retirement or redemption of a debt security) within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting, if the applicable withholding agent receives the certification described above and does not have actual knowledge or reason to know that such holder is a United States person, or the holder otherwise establishes an exemption. Proceeds of a disposition of such stock or debt securities conducted through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the non-U.S. holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a non-U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Medicare Contribution Tax on Unearned Income

Certain U.S. holders that are individuals, estates or trusts are required to pay an additional 3.8% tax on, among other things, dividends on stock, interest on debt obligations and capital gains from the sale or other disposition of stock or debt obligations, subject to certain limitations. U.S. holders should consult their tax advisors regarding the effect, if any, of these rules on their ownership and disposition of our capital stock or our Operating Partnership's debt securities.

Additional Withholding Tax on Payments Made to Foreign Accounts

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such sections commonly referred to as the Foreign Account Tax Compliance Act ("FATCA")) on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on our capital stock, interest on our Operating Partnership's debt securities, or (subject to the proposed Treasury Regulations discussed below) gross proceeds from the sale or other disposition of our capital stock or our Operating Partnership's debt securities, in each case paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in clause (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on our capital stock or interest on our Operating Partnership's debt securities. While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of stock or debt securities on or after January 1, 2019, proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued. Because we may not know the extent to which a distribution is a dividend for U.S. federal income tax purposes at the time it is made, for purposes of these withholding rules we may treat the entire distribution as a dividend.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in our capital stock or our Operating Partnership's debt securities.

Other Tax Consequences

State, local and non-U.S. income tax laws may differ substantially from the corresponding U.S. federal income tax laws, and this discussion does not purport to describe any aspect of the tax laws of any state, local or non-U.S. jurisdiction, or any U.S. federal tax other than income tax. You should consult your tax advisors regarding the effect of state, local and non-U.S. tax laws with respect to our tax treatment as a REIT and on an investment in our capital stock or our Operating Partnership's debt securities.