SECURITIES AND EXCHANGE COMMISSION

FORM 10-K

Annual report pursuant to section 13 and 15(d)

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Orion Office REIT Inc.

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SIC: **6798** Real estate investment trusts

Mailing Address
2325 CAMELBACK ROAD, SUITE 850
PHOENIX AZ 85016

Business Address
2325 CAMELBACK ROAD, SUITE 850
PHOENIX AZ 85016
(602) 698-1002

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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, 2021

OR

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

For the transition period from _________ to __________

Commission file number: 001-40873

Orion Office REIT Inc.

(Exact name of registrant as specified in its charter)

Maryland	**87-1656425**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2325 E. Camelback Road, Suite 850 Phoenix AZ	**85016**
(Address of principal executive offices)	(Zip Code)

(602) 698-1002

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class:		*Trading Symbol(s):*	*Name of each exchange on which registered:*
Common Stock	$0.001 par value per share	ONL	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Securities Act of 1934: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act of 1933. 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 Securities Exchange Act of 1934 (the "Exchange Act"). 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 Exchange Act 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. Yes ☒ No ☐

* The registrant became subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, on October 22, 2021.

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 during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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.

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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 pursuant to Section 13(a) of the Exchange Act. ☐

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. ☐

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

The Registrant's shares of common stock, $0.001 par value per share, are listed and trade on the New York Stock Exchange ("NYSE") and began trading publicly in regular way on November 15, 2021.

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There were 56,625,650 shares of common stock of Orion Office REIT Inc. outstanding as of March 18, 2022.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be delivered to stockholders in connection with the registrant's 2022 Annual Meeting of Stockholders (the "Proxy Statement") are incorporated by reference into Part III of this Annual Report on Form 10-K. The registrant intends to file the Proxy Statement within 120 days after its fiscal year end. Only those portions of the Proxy Statement which are specifically incorporated by reference herein shall constitute a part of this Annual Report on Form 10-K.

Explanatory Note

This annual report of Orion Office REIT Inc. (the "Company", "Orion", "we" or "us") includes the financial statements of the Company, as of and for the year ended December 31, 2021 and 2020 and for each of the years in the three year period ended December 31, 2021. The financial statements also include VEREIT Office Assets (as defined below), a predecessor of the Company, as of October 31, 2021 and December 31, 2020 and for the period from January 1, 2021 to October 31, 2021 and for each of the years in the two year period ended December 31, 2020, in each case, as further described below.

On November 1, 2021, pursuant to the Agreement and Plan of Merger, dated as of April 29, 2021 (as amended, the "Merger Agreement"), by and among Realty Income Corporation ("Realty Income"), VEREIT, Inc. ("VEREIT"), Rams Acquisition Sub II, LLC, ("Merger Sub 2") and Rams MD Subsidiary I, Inc. ("Merger Sub 1"), Merger Sub 2 merged with and into VEREIT Operating Partnership, L.P. ("VEREIT OP"), with VEREIT OP continuing as the surviving partnership, and immediately thereafter, VEREIT merged with and into Merger Sub 1, with Merger Sub 1 continuing as the surviving corporation (together, the "Mergers", and such effective time of the Mergers, the "Merger Effective Time"). Upon the Merger Effective Time, as part of the Mergers, Realty Income acquired certain office real properties and related assets previously owned by subsidiaries of VEREIT (collectively, "VEREIT Office Assets"). Following the Merger Effective Time, in accordance with the Merger Agreement, Realty Income contributed the portion of the combined business comprising certain office real properties and related assets previously owned by subsidiaries of Realty Income (collectively, "Realty Income Office Assets") and VEREIT Office Assets (the "Separation") to the Company and its operating partnership, Orion Office REIT LP ("Orion OP"). On November 12, 2021, following the Separation, in accordance with the Merger Agreement and that certain Separation and Distribution Agreement, Realty Income effected a special distribution to its stockholders (including the former holders of VEREIT common stock and certain former VEREIT OP common unitholders prior to the Mergers) of all of the outstanding shares of common stock of the Company (the "Distribution").

The Distribution is more fully described in the preliminary information statement included as Exhibit 99.1 to the Company's Registration Statement on Form 10 (File No. 001-40873) (the "Form 10") filed with the U.S. Securities and Exchange Commission (the "SEC") on October 4, 2021, the final version of which was included as Exhibit 99.1 to the Current Report on Form 8-K filed with the SEC on October 25, 2021 (the "Information Statement"). The Distribution became effective at 4:01 p.m., Eastern Time, on November 12, 2021.

Following the Distribution, the Company became an independent publicly traded company and intends to qualify and elect to be taxed as a Real Estate Investment Trust ("REIT") under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended (the "Code"), commencing with the Company's initial taxable year ending December 31, 2021. The Company's common stock trades on the New York Stock Exchange under the symbol "ONL".

The consolidated and combined financial statements of the Company included in this report include the accounts of Realty Income Office Assets for the period from January 1, 2021 to October 31, 2021 and all prior periods presented as the ownership interests were under common control of Realty Income during the respective periods. From and after the Merger Effective Time, the consolidated and

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combined financial statements of the Company include the accounts of the Company and its consolidated subsidiaries and a consolidated joint venture. Therefore, the Company's consolidated and combined financial statements set forth in this report are not necessarily indicative of the future results of operations or cash flows of the Company as an independent, publicly traded company. Moreover, the combined and consolidated financial statements for the VEREIT Office Assets are not necessarily indicative of the results of operations, cash flows or financial position that would have been obtained if VEREIT Office Assets had been an independent, stand-alone company. For more information regarding the risks related to our business, refer to Part I - Item 1A. Risk Factors contained in this Annual Report on Form 10-K.

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ORION OFFICE REIT INC.

For the fiscal year ended December 31, 2021

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ORION OFFICE REIT INC.

For the fiscal year ended December 31, 2021

Forward-Looking Statements

This Annual Report on Form 10-K includes "forward-looking statements" which reflect our expectations and projections regarding future events and plans, future financial condition, results of operations, liquidity and business, including leasing and occupancy, acquisitions, dispositions, rent receipts, the payment of future dividends, the Company's growth and the impact of the coronavirus (COVID-19) on our business. Generally, the words "anticipates," "assumes," "believes," "continues," "could," "estimates," "expects," "goals," "intends," "may," "plans," "projects," "seeks," "should," "targets," "will," "guidance," variations of such words and similar expressions identify forward-looking statements. These forward-looking statements are based on information currently available to us and involve a number of known and unknown assumptions and risks, uncertainties and other factors, which may be difficult to predict and beyond the Company's control, that could cause actual events and plans or could cause our business, financial condition, liquidity and results of operations to differ materially from those expressed or implied in the forward-looking statements. These factors include, among other things, those discussed below. Information regarding historical rent collections should not serve as an indication of future rent collection. We disclaim any obligation to publicly update or revise any forward-looking statements, whether as a result of changes in underlying assumptions or factors, new information, future events or otherwise, except as may be required by law.

The following are some, but not all, of the assumptions, risks, uncertainties and other factors that could cause our actual results to differ materially from those presented in our forward-looking statements:

- the risk of rising interest rates, including that our borrowing costs may increase and we may be unable to refinance our debt obligations on favorable terms or at all;
- the risk of inflation, including that our operating costs, such as insurance premiums, utilities, real estate taxes and capital expenditures and repair and maintenance costs, may rise;
- conditions associated with the global market, including an oversupply of office space, tenant credit risk and general economic conditions;
- the extent to which the ongoing COVID-19 pandemic or any future pandemic or outbreak of a highly infectious or contagious disease or fear of such pandemics or outbreaks impacts our business, operating results, financial condition and prospects, which is highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the COVID-19 pandemic and its impact on the U.S. economy and potential changes in tenant behavior that could adversely affect the use of and demand for office space;
- our ability to acquire new properties and sell non-core assets on favorable terms and in a timely manner, or at all;
- our ability to comply with the terms of our credit agreements or to meet the debt obligations on certain of our properties;
- our ability to access the capital markets to raise additional equity or refinance maturing debt on favorable terms or at all;
- changes in the real estate industry and in performance of the financial markets and interest rates and our ability to effectively hedge against interest rate changes;
- the risk of tenant defaults on their lease obligations, which are heightened due to our focus on single tenant properties;
- our ability to renew leases with existing tenants or re-let space to new tenants on favorable terms or at all;
- the cost of rent concessions, tenant improvement allowances and leasing commissions;
- the potential for termination of existing leases pursuant to tenant termination rights;
- the amount, growth and relative inelasticity of our expenses;
- risks associated with the ownership and development of real property;
- risks accompanying the management of the Arch Street Joint Venture, our unconsolidated joint venture, as defined in the MD&A Overview, in which we hold a non-controlling ownership interest;

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- the ability to satisfy conditions necessary to close pending transactions and the ability to successfully integrate pending transactions;
- risks associated with acquisitions, including the integration of the office portfolios of Realty Income Corporation ("Realty Income") and VEREIT, Inc. into Orion;
- Realty Income's inability or failure to perform under the various transaction agreements effecting the Separation and the Distribution;
- risks associated with the fact that we have a limited operating history and our future performance is difficult to predict;
- our properties may be subject to impairment charges;

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- risks resulting from losses in excess of insured limits or uninsured losses;
- risks associated with the potential volatility of our common stock; and
- other risks and uncertainties detailed from time to time in our SEC filings.

All forward-looking statements should be read in light of the risks identified in Part I, Item 1A. Risk Factors within this Annual Report on Form 10-K for the year ended December 31, 2021.

We use certain defined terms throughout this Annual Report on Form 10-K that have the following meanings:

When we refer to "annualized base rent," we mean the monthly aggregate cash amount charged to tenants under our leases (including monthly base rent receivables and certain contractually obligated reimbursements by our tenants), as of December 31, 2021, multiplied by 12, including the Company's pro rata share of such amounts from its unconsolidated joint venture with an affiliate of Arch Street Capital Partners. Annualized base rent is not indicative of future performance.

Under a "net lease," the tenant occupying the leased property (usually as a single tenant) does so in much the same manner as if the tenant were the owner of the property. There are various forms of net leases, most typically classified as triple net or double net. Triple net leases typically require that the tenant pay all expenses associated with the property (*e.g.*, real estate taxes, insurance, maintenance and repairs). Double net leases typically require that the tenant pay all operating expenses associated with the property (*e.g.*, real estate taxes, insurance and maintenance), but excludes some or all major repairs (*e.g.*, roof, structure and parking lot). Accordingly, the owner receives the rent "net" of these expenses, rendering the cash flow associated with the lease predictable for the term of the lease. Under a net lease, the tenant generally agrees to lease the property for a significant term and agrees that it will either have no ability or only limited ability to terminate the lease or abate rent prior to the expiration of the term of the lease as a result of real estate driven events such as casualty, condemnation or failure by the landlord to fulfill its obligations under the lease.

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PART I

Item 1. Business

Overview

Orion Office REIT Inc. ("Orion") is an internally managed REIT engaged in the ownership, acquisition, and management of a diversified portfolio of mission-critical regional and corporate headquarters office buildings located in high quality suburban markets across the U.S. and leased primarily on a single-tenant net lease basis to creditworthy tenants. Orion Office REIT Inc. was incorporated in the State of Maryland on July 1, 2021 and intends to qualify and elect to be taxed as a REIT for U.S. federal income tax purposes, commencing with our initial taxable year ending December 31, 2021.

At December 31, 2021, the Company owned and operated 92 office properties with an aggregate of 10.5 million square feet, with an occupancy rate of 91.8% and a weighted-average remaining lease term of 4.0 years. Including the Company's pro rata share of square feet and annualized base rent from the Company's unconsolidated joint venture with an affiliate of Arch Street Capital Partners, we owned an aggregate of 10.6 million square feet, with an occupancy rate of 91.9% and a weighted-average remaining lease term of 4.1 years as of December 31, 2021. Our properties are located throughout the U.S. (including Puerto Rico).

As of December 31, 2021, one tenant exceeded 10% of our annualized base rent: General Services Administration at 11.6%. As of December 31, 2021, properties located in Texas and New Jersey represented 13.1% and 11.3%, respectively, of our annualized base rent. As of December 31, 2021, tenants in the following industries accounted for over 10% of our annualized base rent:

Tenant Industry Concentration	Annualized Base Rent as a % of Total Portfolio
Health Care Equipment & Services	15.9%
Government & Public Services	11.9%

Investment Strategy

We employ a proven, cycle-tested investment evaluation framework which will serve as the lens through which we make capital allocation decisions for both our current portfolio and future acquisitions. This framework prescribes that investments are evaluated along the following parameters:

Suburban Market Features. We will focus on suburban markets with strong fundamentals and demographic tailwinds accelerated in the post-COVID environment. We will look for markets with population growth, limited new supply, and highly educated workforces that are well positioned to capitalize on de-urbanization trends amplified by the migration of millennials to the suburbs. The suburbs within Sun Belt states in particular are markets which are now benefiting from an increasing number of corporate relocations from urban coastal markets to inland secondary markets, as companies and employees alike seek a lower cost of living, business-friendly tax and regulatory environments, less density, and better weather. Additionally, we believe there are a variety of markets outside the Sun Belt which possess similar attractive characteristics and are benefiting from similar trends. We will look to opportunistically emphasize both Sun Belt and other similar high quality markets as we grow our portfolio.

Net Lease Investment Characteristics. We seek stable cash flow from primarily long term leases with high credit quality tenants and inflation protection from embedded rent growth. Net leases can enhance stability of cash flows by shifting some or all operating expense burden to the tenant.

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Tenant Credit Underwriting. We will pursue both investment grade rated tenants and creditworthy non-investment grade rated tenants. We will utilize our credit underwriting and real estate expertise to underwrite creditworthy non-investment grade tenants that we believe will offer enhanced yield and attractive risk-adjusted returns.

Real Estate Attributes. We intend to invest primarily in mission-critical regional and corporate headquarters office locations that are well-located with easy access to commuting routes and on-site amenities that enhance the tenant's propensity to renew. When possible, we will look to acquire properties with modern floor plans configured to optimize collaboration and enhance employee productivity. We will also seek to acquire properties that further the environmental, social and governance initiatives that are core to our strategy.

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We will seek to utilize our investment evaluation framework to drive external growth through acquisitions, generate internal growth via asset management, and optimize our portfolio through capital recycling. To accomplish this objective, we intend to execute along three fundamental drivers of our business: External Growth, Asset Management, and Capital Recycling.

External Growth. We intend to grow our portfolio by acquiring properties, both directly and through our Arch Street Joint Venture, that fit the characteristics defined in our investment evaluation framework through multiple sourcing channels, leveraging our management team's extensive relationship network with an average of over 25 years of experience transacting in the single-tenant net lease suburban office market. We expect to pursue both individual assets as well as portfolio opportunities sourced from a wide range of marketed and off-market transactions.

Asset Management. We will employ active asset management strategies and leverage our tenant relationships to attract and retain high-quality creditworthy tenants, drive re-leasing and renewal activity and maximize our tenant retention rates. Our active asset management strategy will utilize a disciplined and adaptive investment evaluation framework to assess each property in our portfolio, including with respect to its existing leases, future leasing opportunities, geographic market, and marketability for sale, as well as how each property contributes to the portfolio as a whole, to determine the appropriate strategy for managing that property within the context of our portfolio, including potential disposition opportunities. We also intend to apply this evaluation framework to the 92 properties in our portfolio, in order to identify opportunities to sell, re-lease, or reposition existing assets.

Additionally, we may seek to address any lease roll or vacancy in our portfolio by converting the space to multi-tenant office use in the event that our management team considers conversion to be the value-maximizing alternative for the subject property.

Capital Recycling. We expect to selectively dispose of properties in our current portfolio if we determine that they do not fit our investment strategies. Proceeds from dispositions are expected to be redeployed to fund new acquisitions as well as capital investment into our existing portfolio to further enhance the quality of our portfolio and stability of our cash flows.

Financing

We intend, when appropriate, to employ prudent amounts of leverage and to use debt as a means of providing additional funds for the acquisition of assets, and to refinance existing debt or for general corporate purposes. We expect to use leverage conservatively, assessing the appropriateness of new equity or debt capital based on market conditions, including prudent assumptions regarding future cash flow, the creditworthiness of tenants and future rental rates. If our board of directors determines to seek additional capital, we may raise such capital by offering equity or debt securities, creating joint ventures with existing ownership interests in properties, entering into joint venture arrangements for new development projects, retaining cash flows or a combination of any of these methods. Borrowings may be in the form of bank borrowings, publicly and privately placed debt instruments or purchase money obligations to the sellers of properties. Any such indebtedness may be secured or unsecured. Any such indebtedness may also have full or limited recourse to the borrower or be cross-collateralized with other debt, or may be fully or partially guaranteed by us.

We believe we are positioned to enable access to multiple forms of capital. If the board of directors determines to raise equity capital, it may, without stockholder approval, issue additional shares of common stock or other capital stock. Our board of directors may issue a number of shares up to the amount of our authorized capital in any manner and on such terms and for such consideration as it deems appropriate. Such securities may be senior to the outstanding class of common stock.

As of December 31, 2021, the portfolio had $620.0 million of total consolidated debt outstanding, consisting of a $355.0 million senior bridge term loan ("Bridge Facility"), a $175.0 million senior term loan facility (the "Term Loan Facility") and a $425.0 million senior revolving credit facility (the "Revolving Facility"), $90.0 million of which was outstanding, together with the Term Loan Facility, the "Revolver/Term Loan Facilities". In addition, the Company's pro rata share of mortgage notes of the unconsolidated joint venture was $27.3 million as of December 31, 2021. Subsequent to December 31, 2021, we refinanced our outstanding Bridge Facility with a $355.0

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million, 4.971% fixed rate mortgage loan (the “CMBS Loan”), which was collateralized by 19 properties. The CMBS Loan matures on February 11, 2027.

We believe our conservative leverage and strong liquidity will enable us to opportunistically take advantage of high-quality acquisition opportunities.

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Competitive Strengths

Orion will be one of the few publicly traded REITs, and the only REIT in the net lease sector, with a dedicated single-tenant suburban office strategy with primarily mission-critical regional and corporate headquarters locations. Our portfolio consists of high-quality, diversified properties with favorable exposure to investment grade credit and has exhibited resilient performance through economic cycles, averaging approximately 99% rent collections on a monthly basis during the year ended December 31, 2021. Our acquisition strategy will be focused on suburban office assets and primarily net leases with long term leases of approximately 10 years on average, with the ability to opportunistically acquire multi-tenant office properties.

Our ability to efficiently deploy capital is a direct result of our management team's wide-ranging network of industry relationships, which we will utilize to source a robust pipeline of attractive marketed, off-market, sale-leased back and build-to-suit investment opportunities. We believe our relationship-based sourcing strategy will generate a sustainable pipeline of opportunities to drive growth and enhance scale over time.

We also believe that our senior management team's experience, as well as deep and long-standing relationships within the single-tenant suburban office sector, will competitively position us, provide us with unique market insights, allow us to discern market trends, help us to access off-market acquisition opportunities and facilitate our ability to execute our growth plan.

Our platform is vertically integrated across functions, including investment, finance, property management and leasing. Our integrated structure enables us to identify value creation opportunities and realize significant operating efficiencies. Our organization includes property managers and leasing professionals who maintain direct relationships and dialogue with our tenants and broker communities. We believe proactive, in-house property management and leasing allows us to exercise greater control of operating and capital expenditures while improving propensity to renew and maximizing re-leasing spreads.

Regulations

Compliance with various governmental regulations has an impact on our business, including our capital expenditures, earnings and competitive position, which can be material. We incur costs to monitor and take actions to comply with governmental regulations that are applicable to our business, which include, among others, federal securities laws and regulations, applicable stock exchange requirements, REIT and other tax laws and regulations, environmental and health and safety laws and regulations, local zoning, usage and other regulations relating to real property, and the Americans with Disabilities Act of 1990 ("ADA").

Human Capital

As of December 31, 2021, we had 26 employees. We value our employees and their individual and collective contributions to the Company in the furtherance of our corporate, operational, social, environmental and governance initiatives. Our company culture is based on treating others the way we would like to be treated and we strive to foster a work environment that is inclusive, fair and engaged.

Available Information

We electronically file 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 proxy statements, with the SEC. You may access any materials we file with the SEC through the EDGAR database at the SEC's website at http://www.sec.gov. In addition, copies of our filings with the SEC may be obtained from our website at www.onlreit.com. We are providing our website address solely for the information of investors. We do not intend for the information contained on our website to be incorporated into this Annual Report on Form 10-K or other filings with the SEC.

Summary of Risk Factors

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The following section sets forth a summary of principal risk factors that we believe are material to our investors, and could adversely affect our business, financial condition, results of operations, our ability to pay distributions and the value of an investment in our common stock. For a more extensive discussion of these factors, as well as other risks related to the Company, see “1A. Risk Factors” contained in this Annual Report on Form 10-K.

- If global market and economic conditions deteriorate, our business, financial condition and results of operations could be materially adversely affected.

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- The COVID-19 pandemic has had, and may continue to have, significant impacts on workplace practices, or other office space utilization trends, which could materially adversely impact our business, operating results, financial condition and prospects.
- We could experience difficulties or delays renewing leases or re-leasing space, which will increase our costs to maintain such properties without receiving income.
- Most of our properties depend upon a single tenant for all or a majority of their rental income; therefore, our financial condition, including our ability to make distributions to shareholders, may be adversely affected by the bankruptcy or insolvency, a downturn in the business, or a lease termination of such a single tenant.
- Government budgetary pressures and priorities and trends in government employment and office leasing may adversely impact our business.
- We are invested in the Arch Street Joint Venture and may in the future co-invest in joint ventures with third parties. The Arch Street Joint Venture, including the limitations it places on our ability to acquire new properties, may adversely affect our ability to acquire wholly-owned properties and any joint venture investments could be adversely affected by the capital markets, lack of sole decision-making authority, reliance on joint venture partners' financial condition and any disputes that may arise between us and our joint venture partners.
- We may suffer adverse effects from acquisitions of commercial real estate properties.
- We face considerable competition in the leasing market and may be unable to renew existing leases or re-let space on terms similar to our existing leases, or we may expend significant capital in our efforts to re-lease space, which may adversely affect our business, financial condition and results of operations.
- Tenant defaults may have a material adverse effect on our business, financial condition and results of operations.
- We have a significant amount of indebtedness and may need to incur more in the future.
- We have existing debt and refinancing risks that could affect our cost of operations.
- Financial covenants could materially adversely affect our ability to conduct our business.
- Some of our leases provide tenants with the right to terminate their leases early, which may have a material adverse effect on our business, financial condition and results of operations.
- Our expenses may remain constant or increase, even if our revenues decrease, which may have a material adverse effect on our business, financial condition and results of operations.
- Real estate property investments are illiquid. We may not be able to dispose of properties when desired or on favorable terms.
- Competition for acquisitions may reduce the number of acquisition opportunities available to us and increase the costs of those acquisitions.
- Our assets may be subject to impairment charges.
- Uninsured and underinsured losses may adversely affect our operations.
- We depend on external sources of capital that are outside of our control, which may affect our ability to pursue strategic opportunities, refinance or repay our indebtedness and make distributions to our stockholders.
- Prior to the Distribution, we had no operating history as an independent company, and this lack of operating history makes our future performance difficult to predict.
- Our failure to continue to qualify as a real estate investment trust for U.S. federal income tax purposes could have a material adverse effect on us.

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Item 1A. Risk Factors.

You should carefully consider the following risks and other information in this Annual Report on Form 10-K in evaluating our company and our common stock. Any of the following risks could materially and adversely affect our business, results of operations and financial condition.

Risks Related to Our Properties and Business

If global market and economic conditions deteriorate, our business, financial condition and results of operations could be materially adversely affected.

Weak economic conditions generally, sustained uncertainty about global economic conditions, a tightening of credit markets, business layoffs, downsizing, industry slowdowns and other similar factors that affect our tenants could negatively impact commercial real estate fundamentals and result in lower occupancy, lower rental rates and declining values in our real estate portfolio. Additionally, these factors and conditions could have an impact on our lenders or tenants, causing them to fail to meet their obligations to us. We are subject to the risk of rising interest rates, including that our borrowing costs may increase and we may be unable to refinance our debt obligations on favorable terms or at all. We are also subject to the risk of inflation, including that our operating costs, such as insurance premiums, utilities, real estate taxes and capital expenditures and repair and maintenance costs, may rise. We also may be unable to offset any increases in our borrowing costs or operating costs by increases in our rental revenues which are generally fixed. No assurances can be given regarding such macroeconomic factors or conditions, and our ability to lease our properties and increase or maintain rental rates or the profitability of our properties may be negatively impacted, which may have a material adverse effect on our business, financial condition and results of operations.

The COVID-19 pandemic has had, and may continue to have, significant impacts on workplace practices, or other office space utilization trends, which could materially adversely impact our business, operating results, financial condition and prospects.

Temporary closures of businesses and the resulting remote working arrangements for personnel in response to the COVID-19 pandemic or any future pandemic or outbreak of a highly infectious or contagious disease or fear of such pandemics or outbreaks may result in long-term changed work practices that could negatively impact us and our business. For example, the increased adoption of and familiarity with remote work practices could result in decreased demand for office space. If this trend was to continue or accelerate, our tenants may elect to not renew their leases, or to renew them for less space than they currently occupy, which could increase vacancy rates at our properties and decrease rental income. The increase in remote work practices may continue in a post-pandemic environment, even in the suburban markets and markets with lower demand in which we primarily operate. The need to reconfigure leased office space, either in response to the pandemic, or to tenant' needs may impact space requirements and also may require us to spend increased amounts for tenant improvements. If substantial office space reconfiguration is required, a tenant may explore other office space and find it more advantageous to relocate than to renew its lease and renovate the existing space. If so, our business, operating results, financial condition and prospects may be materially adversely impacted.

We could experience difficulties or delays renewing leases or re-leasing space, which will increase our costs to maintain such properties without receiving income.

We derive nearly all of our net income from rent received from our tenants, and our profitability is significantly dependent upon our ability to minimize vacancies in our properties and ensure our tenants timely pay rent at an attractive rate. If a tenant experiences a downturn in its business or other types of financial distress, it may be unable to make timely rental payments. If lease defaults occur, we may experience delays in enforcing our rights as landlord. As of December 31, 2021, our portfolio, including our pro rata share of properties owned by our unconsolidated joint venture, had a weighted average lease term of 4.1 years, and eight operating properties, with an aggregate 0.6 million square feet, were vacant, including four properties, with an aggregate of 0.3 million square feet, that have

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remained vacant for over one year. Another two of our properties, comprising 0.4 million square feet, became vacant on January 1, 2022. If our tenants decide not to renew their leases, terminate early or default on their lease, or if we fail to find suitable tenants to lease our vacant properties, we may not be able to release the space or may experience delays in finding suitable replacement tenants. Even if tenants decide to renew or lease new space, the terms of renewals or new leases, including the cost of required renovations or concessions to tenants, particularly commercial tenants, may be less favorable to us than current lease terms. As a result, our net income and ability to pay dividends to shareholders could be materially adversely affected. Further, if any of our properties cannot be leased on terms and conditions favorable to us, such property may not be marketable at a suitable price without substantial capital improvements, alterations, or at all, which could inhibit our ability to effectively dispose of those properties.

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Most of our properties depend upon a single tenant for all or a majority of their rental income; therefore, our financial condition, including our ability to make distributions to stockholders, may be adversely affected by the bankruptcy or insolvency, a downturn in the business, or a lease termination of such a single tenant.

During the period ended December 31, 2021, a significant portion of our rental revenue was from our properties leased to single tenants. The value of our single tenant properties is materially dependent on the performance of those tenants under their respective leases. These tenants face competition within their industries and other factors that could reduce their ability to pay us rent. Lease payment defaults by such tenants could cause us to reduce the amount of distributions that we pay to our shareholders. A default by a single or major tenant, the failure of a guarantor to fulfill its obligations or other premature termination of a lease to such a tenant or such tenant's election not to extend a lease upon its expiration could have an adverse effect on our financial condition, results of operations, liquidity and ability to pay distributions to our shareholders.

Government budgetary pressures and priorities and trends in government employment and office leasing may adversely impact our business.

We believe that recent government budgetary and spending priorities and enhancements in technology have resulted in a decrease in government office use for employees. Furthermore, over the past several years, government tenants have reduced their space utilization per employee and consolidated government tenants into existing government owned properties. This activity has reduced the demand for government leased space. Our historical experience with respect to properties of the type we own that are majority leased to government tenants has been that government tenants frequently renew leases to avoid the costs and disruptions that may result from relocating their operations. However, efforts to manage space utilization rates may result in the government tenant exercising early termination rights under our leases, vacating our properties upon expiration of our leases in order to relocate, or renewing their leases for less space than they currently occupy. Also, our government tenants' desire to reconfigure leased office space to manage utilization per employee may require us to spend significant amounts for tenant improvements, and tenant relocations are often more prevalent in those circumstances. Compared to our historical experience with government tenants, the government tenants' leasing decisions and strategies may be less predictable. It is also possible that as a result of the COVID-19 pandemic, government tenants may seek to manage space utilization rates in order to provide greater physical distancing for employees, which may require us to spend significant amounts for tenant improvements, mostly with lease renewals. However, the COVID-19 pandemic and its aftermath have had negative impacts on government budgets and resources and it is unclear what the effect of these impacts will be on government demand for leasing office space. Given the significant uncertainties, including as to the COVID-19 pandemic and its economic impact and its aftermath and the new presidential administration, we are unable to reasonably project what the financial impact of market conditions or changing government circumstances will be on our financial results for future periods.

We are invested in the Arch Street Joint Venture and may in the future co-invest in joint ventures with third parties. The Arch Street Joint Venture, including the limitations it places on our ability to acquire new properties, may adversely affect our ability to acquire wholly-owned properties and any joint venture investments could be adversely affected by the capital markets, lack of sole decision-making authority, reliance on joint venture partners' financial condition and any disputes that may arise between us and our joint venture partners.

We are invested in the Arch Street Joint Venture and may in the future co-invest with third parties through partnerships, joint ventures or other structures in which we acquire non-controlling interests in, or share responsibility for, managing the affairs of a property, partnership, co-tenancy or other entity.

In connection with Arch Street Capital Partner's consent to the transfer of the equity interests in the Arch Street Joint Venture to us in the Separation, we entered into the ROFO Agreement with the Arch Street Joint Venture, whereby we will agree to not acquire any property within certain investing parameters without first offering the property for purchase to the Arch Street Joint Venture.

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As our investment in the Arch Street Joint Venture is a minority, non-controlling interest, the investment decision by the Arch Street Joint Venture with respect to any property offered pursuant to the ROFO Agreement is controlled by Arch Street Capital Partners. If the Arch Street Joint Venture decides to acquire a property, our participation in the profitability and growth related to that property may be adversely impacted by our limited participation rights, and our ability to determine the strategy with respect to those properties will be materially limited compared to acquisitions we make directly, including with respect to leasing, disposition and joint venture opportunities (including if such actions are necessary to maintain compliance with our debt commitments). If the Arch Street Joint Venture elects not to purchase a property offered pursuant to the ROFO Agreement, their rights to first review the opportunity may delay or otherwise interfere in our ability to competitively bid or acquire such property, which, in turn, adversely affect our ability to act on our investment strategies in accordance with our business plan.

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We also may enter into future joint ventures pursuant to which we will not be able to exercise sole decision-making authority regarding the properties owned through such joint ventures or similar ownership structure. In addition, investments in joint ventures may, under certain circumstances, involve risks not present when a third party is not involved, including potential deadlocks in making major decisions, restrictions on our ability to exit the joint venture, reliance on joint venture partners and the possibility that a joint venture partner might become bankrupt or fail to fund its share of required capital contributions, thus exposing us to liabilities in excess of our share of the joint venture or jeopardizing our REIT status. The funding of our capital contributions to such joint ventures may be dependent on proceeds from asset sales, credit facility advances or sales of equity securities. Joint venture partners, including Arch Street Capital Partners, may have business interests or goals that are inconsistent with our business interests or goals, and may be in a position to take actions contrary to its policies or objectives. We may, in specific circumstances, be liable for the actions of our joint venture partners. In addition, any disputes that may arise between us and joint venture partners, including Arch Street Capital Partners, may result in litigation or arbitration that would increase our expenses. Any of the foregoing may have a material adverse effect on our business, financial condition and results of operations.

The U.S. government's "green lease" policies may adversely affect us.

In recent years, the U.S. government has instituted "green lease" policies which allow a government tenant to require Leadership in Energy and Environmental Design for commercial interiors, or LEED®-CI, designation in selecting new premises or renewing leases at existing premises. In addition, the Energy Independence and Security Act of 2007 allows the GSA to give preference to buildings for lease that have received an "Energy Star" label. Obtaining and maintaining such designation and labels may be costly and time consuming, but our failure to do so may result in our competitive disadvantage in acquiring new or retaining existing government tenants.

We may suffer adverse effects from acquisitions of commercial real estate properties.

We may pursue acquisitions of existing commercial real estate properties as part of our property development and acquisition strategy. Acquisitions of commercial properties entail risks, such as the risk that we may not be in a position, or have the opportunity in the future, to make suitable property acquisitions on advantageous terms and/or that such acquisitions fail to perform as expected.

We may pursue selective acquisitions of properties in regions where we have not previously owned properties. These acquisitions may entail risks in addition to those we face with acquisitions in more familiar regions, such as our not sufficiently anticipating conditions or trends in a new market and therefore not being able to operate the acquired property profitably.

In addition, we may acquire properties that are subject to liabilities in situations where we have no recourse, or only limited recourse, against the prior owners or other third parties with respect to unknown liabilities. As a result, if a liability were asserted against us based upon ownership of those properties, we might have to pay substantial sums to settle or contest it. Examples of unknown liabilities with respect to acquired properties include, but are not limited to:

- liabilities for remediation of disclosed or undisclosed environmental contamination;
- claims by tenants, vendors or other persons dealing with the former owners of the properties;
- liabilities incurred in the ordinary course of business; and
- claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the properties.

Our performance is subject to risks inherent in owning real estate investments.

We are generally subject to risks incidental to the ownership of real estate. These risks include:

- changes in supply of or demand for office properties in our market or sub-markets;

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- competition for tenants in our market or sub-markets;
- the ongoing need for capital improvements;
- increased operating costs, which may not necessarily be offset by increased rents, including insurance premiums, utilities, real estate taxes and capital expenditures and repair and maintenance costs, due to inflation and other factors;
- changes in tax, real estate and zoning laws;
- changes in governmental rules and fiscal policies;

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- inability of tenants to pay rent;
- competition from the development of new office space in our market or sub-markets and the quality of competition, such as the attractiveness of our properties as compared to our competitors' properties based on considerations such as convenience of location, rental rates, amenities and safety record; and
- civil unrest, acts of war, terrorism, adverse political conditions, acts of God, including earthquakes, hurricanes and other natural disasters (which may result in uninsured losses) and other factors beyond our control.

Should any of the foregoing occur, it may have a material adverse effect on our business, financial condition and results of operations.

We face considerable competition in the leasing market and may be unable to renew existing leases or re-let space on terms similar to our existing leases, or we may expend significant capital in our efforts to re-let space, which may adversely affect our business, financial condition and results of operations.

We compete with a number of other owners and operators of office properties to renew leases with our existing tenants and to attract new tenants. To the extent that we are able to renew leases that are scheduled to expire in the short-term or re-let such space to new tenants, heightened competition may require us to give rent concessions or provide tenant improvements to a greater extent than we otherwise would have.

If our competitors offer space at rental rates below current market rates or below the rental rates we currently charge our tenants, we may lose potential tenants, and we may be pressured to reduce our rental rates below those we currently charge, or may not be able to increase rates to market rates, in order to retain tenants upon expiration of their existing leases. Even if our tenants renew their leases or we are able to re-let the space, the terms and other costs of renewal or re-letting, including the cost of required renovations, increased tenant improvement allowances, leasing commissions, declining rental rates, and rent or other potential concessions, may be less favorable than the terms of our current leases and could require significant capital expenditures. Our inability to renew leases or re-let space in a reasonable time, a decline in rental rates or an increase in tenant improvement allowances, leasing commissions, rent concessions or other costs may have a material adverse effect on our business, financial condition and results of operations.

Tenant defaults may have a material adverse effect on our business, financial condition and results of operations.

The majority of our revenues and income comes from rental income from real property. As such, our business, financial condition and results of operations could be adversely affected if our tenants default on their lease obligations. Our ability to manage our assets is also subject to federal bankruptcy laws and state laws that limit creditors' rights and remedies available to real property owners to collect delinquent rents. If a tenant becomes insolvent or bankrupt, we cannot be sure that we could recover the premises from the tenant promptly or from a trustee or debtor-in-possession in any bankruptcy proceeding relating to that tenant. We also cannot be sure that we would receive any rent in the proceeding sufficient to cover our expenses with respect to the premises. If a tenant becomes bankrupt, the federal bankruptcy code will apply and, in some instances, may restrict the amount and recoverability of our claims against the tenant. A tenant's default on its obligations may have a material adverse effect on our business, financial condition and results of operations.

Some of our leases provide tenants with the right to terminate their leases early, which may have a material adverse effect on our business, financial condition and results of operations.

Certain of our leases permit our tenants to terminate their leases as to all or a portion of their leased premises prior to their stated lease expiration dates under certain circumstances, such as providing notice by a certain date and, in most cases, paying a termination fee. To the extent that our tenants exercise early termination rights, our cash flow and earnings will be adversely affected, and we can provide no assurances that we will be able to generate an equivalent amount of net effective rent by leasing the vacated space to new third-party

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tenants. If our tenants elect to terminate their leases early, it may have a material adverse effect on our business, financial condition and results of operations.

We have a significant amount of indebtedness and may need to incur more in the future.

As of December 31, 2021, we have approximately $620.0 million of total outstanding indebtedness. In addition, in connection with executing our business strategies going forward, we expect to need to invest in our current portfolio and to continue to evaluate the possibility of acquiring additional properties and making strategic investments, and we may elect to

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finance these endeavors by incurring additional indebtedness. The amount of such indebtedness could have material adverse consequences for us, including:

- hindering our ability to adjust to changing market, industry or economic conditions;
- limiting our ability to access the capital markets to raise additional equity or refinance maturing debt on favorable terms or to fund acquisitions or emerging businesses;
- limiting the amount of free cash flow available for future operations, acquisitions, dividends, stock repurchases or other uses;
- making us more vulnerable to economic or industry downturns, including interest rate increases; and
- placing us at a competitive disadvantage compared to less leveraged competitors.

Moreover, to respond to competitive challenges, we may be required to raise substantial additional capital to execute our business strategy. Our ability to arrange additional financing will depend on, among other factors, our financial position and performance, as well as prevailing market conditions and other factors beyond our control. If we are able to obtain additional financing, such financing could further raise our borrowing costs and further limit our future access to capital and our ability to satisfy our obligations under our indebtedness, which may have a material adverse effect on our business, financial condition and results of operations.

In addition, the Orion Charter and Orion Bylaws (as hereinafter defined) do not limit the amount of indebtedness we may incur. Accordingly, our board of directors may permit us to incur additional debt and would do so, for example, if it were necessary to maintain our status as a REIT. We might become more highly leveraged as a result, and our financial condition, results of operations and funds available for distribution to stockholders might be negatively affected, and the risk of default on our indebtedness could increase, which may have a material adverse effect on our business, financial condition and results of operations.

We have existing debt and refinancing risks that could affect our cost of operations.

We have both fixed and variable rate indebtedness and may incur additional indebtedness in the future, including borrowings under our Orion Credit Facilities, to finance possible acquisitions and for general corporate purposes. As a result, we are, and expect to be, subject to the risks normally associated with debt financing including:

- that interest rates may rise;
- that our cash flow will be insufficient to make required payments of principal and interest;
- that we will be unable to refinance some or all of our debt or increase the availability of overall debt on terms as favorable as those of our existing debt, or at all;
- that any refinancing will not be on terms as favorable as those of our existing debt;
- that required payments on mortgages and on our other debt are not reduced if the economic performance of any property declines;
- that debt service obligations will reduce funds available for distribution to our stockholders;
- that any default on our debt, due to noncompliance with financial covenants or otherwise, could result in acceleration of those obligations;
- that we may be unable to refinance or repay the debt as it becomes due; and
- that if our degree of leverage is viewed unfavorably by lenders or potential joint venture partners, it could affect our ability to obtain additional financing.

If we are unable to repay or refinance our indebtedness as it becomes due, we may need to sell assets or to seek protection from our creditors under applicable law, which may have a material adverse effect on our business, financial condition and results of operations.

Financial covenants could materially adversely affect our ability to conduct our business.

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We are currently party to a $175.0 million term loan facility and a $425.0 million revolving credit facility (the "Orion Credit Facilities"), and our subsidiaries have entered into a $355.0 million fixed rate mortgage loan that is secured by the subsidiaries' fee simple or ground lease interests in 19 properties owned indirectly by us (the "Orion CMBS Loan") The credit agreement governing the Orion Credit Facilities and the Orion CMBS Loan each contain various financial and other covenants, including, with respect to the Orion Credit Facilities, covenants restricting, subject to certain exceptions, liens, investments, mergers, asset sales, and the payment of certain dividends, and with respect to the Orion CMBS Loan, certain cash management

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requirements. These restrictions, as well as any additional restrictions to which we may become subject in connection with additional financings or refinancings, could restrict our ability to pursue business initiatives, effect certain transactions or make other changes to our business that may otherwise be beneficial to us, which could adversely affect our results of operations. In addition, violations of these covenants could cause declarations of default under, and acceleration of, any related indebtedness, which would result in adverse consequences to our financial condition. The Orion Credit Facilities contain cross-default provisions that give the lenders the right to declare a default if we are in default resulting in (or permitting the) acceleration of other debt under other loans in excess of certain amounts. In the event of a default, we may be required to repay such debt with capital from other sources, which may not be available to us on attractive terms, or at all, which may have a material adverse effect on our business, financial condition and results of operations.

We depend on external sources of capital that are outside of our control, which may affect our ability to pursue strategic opportunities, refinance or repay our indebtedness and make distributions to our stockholders.

In order to qualify to be taxed as a REIT, we generally must distribute annually at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gain, to our stockholders. Because of this distribution requirement, it is not likely that we will be able to fund all future capital needs from income from operations. As a result, when we engage in the development or acquisition of new properties or expansion or redevelopment of existing properties, we will continue to rely on third-party sources of capital, including lines of credit, collateralized or unsecured debt (both construction financing and permanent debt) and equity issuances. Our access to third-party sources of capital depends on a number of factors, including general market conditions, the market's view of the quality of our assets, the market's perception of our growth potential, our current debt levels and our current and expected future earnings. There can be no assurance that we will be able to obtain the financing necessary to fund our current or new developments or project expansions or our acquisition activities on terms favorable to us or at all. If we are unable to obtain a sufficient level of third-party financing to fund our capital needs, our ability to make distributions to our stockholders may be adversely affected which may have a material adverse effect on our business, financial condition and results of operations.

Our expenses may remain constant or increase, even if our revenues decrease, which may have a material adverse effect on our business, financial condition and results of operations.

Costs associated with our business, such as debt repayments, real estate taxes, insurance premiums and maintenance costs, are relatively inelastic and generally do not decrease, and may increase, when a property is not fully occupied, rental rates decrease, a tenant fails to pay rent or other circumstances cause a reduction in property revenues. As a result, if revenues drop, we may not be able to reduce our expenses accordingly, which may have a material adverse effect on our business, financial condition and results of operations.

Property taxes may increase without notice.

The real property taxes on our properties and any other properties that we develop or acquire in the future may increase as property tax rates change and as those properties are assessed or reassessed by tax authorities. While the majority of our leases are under a net lease structure, some or all of such property taxes may not be collectible from our tenants. In such event, our financial condition, results of operations, cash flows, trading price of our common stock and our ability to satisfy our principal and interest obligations and to pay dividends to our stockholders could be adversely affected, which may have a material adverse effect on our business, financial condition and results of operations.

Real estate property investments are illiquid. We may not be able to dispose of properties when desired or on favorable terms.

Real estate investments are relatively illiquid. Our ability to quickly sell or exchange any of our properties in response to changes in economic and other conditions will be limited. No assurances can be given that we will recognize full value, at a price and at terms

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that are acceptable to us, for any property that we determine to sell. Our inability to respond rapidly to changes in the performance of our investments could adversely affect our financial condition and results of operations.

Competition for acquisitions may reduce the number of acquisition opportunities available to us and increase the costs of those acquisitions.

We may acquire properties if we are presented with an attractive opportunity to do so. We may face competition for such acquisition opportunities from other investors, and such competition may adversely affect us by subjecting us to the following risks:

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- an inability to acquire a desired property because of competition from other well-capitalized real estate investors, including publicly traded and privately held REITs, private real estate funds, domestic and foreign financial institutions, life insurance companies, sovereign wealth funds, pension trusts, partnerships and individual investors; and
- an increase in the purchase price for such acquisition property in the event we are able to acquire such desired property.

Accordingly, competition for acquisitions may limit our opportunities to grow our business, which may have a material adverse effect on our business, financial condition and results of operations.

We may acquire properties or portfolios of properties through tax deferred contribution transactions, which could result in stockholder dilution and limit our ability to sell such assets.

We may acquire properties or portfolios of properties through tax deferred contribution transactions in exchange for partnership interests in our operating partnership. These transactions can result in stockholder dilution. This acquisition structure can have the effect of, among other things, reducing the amount of tax depreciation we could deduct over the tax life of the acquired properties, and may require (and in the case of our properties, requires) that we agree to protect the contributors' ability to defer recognition of taxable gain through restrictions on our ability to dispose of the acquired properties or the allocation of partnership debt to the contributors to maintain their tax bases. These restrictions could limit our ability to sell an asset at a time, or on terms, that would be favorable absent such restrictions, which may have a material adverse effect on our business, financial condition and results of operations.

We may be unable to develop new properties successfully, which could materially adversely affect our results of operations due to unexpected costs, delays and other contingencies.

From time to time, we may acquire unimproved real property for development purposes as market conditions warrant. In addition to the risks associated with the ownership of real estate investments in general, and investments in joint ventures specifically, there are significant risks associated with our development activities, including the following:

- delays in obtaining, or an inability to obtain, necessary zoning, land-use, building, occupancy and other required governmental permits and authorizations, which could result in completion delays and increased development costs;
- incurrence of development costs for a property that exceed original estimates due to increased materials, labor or other costs, changes in development plans or unforeseen environmental conditions, which could make completion of the property more costly or uneconomical;
- abandonment of contemplated development projects or projects in which we have started development, and the failure to recover expenses and costs incurred through the time of abandonment which could result in significant expenses;
- risk of loss of periodic progress payments or advances to builders prior to completion;
- termination of leases by tenants due to completion delays;
- failure to achieve expected occupancy levels, as the lease-up of space at our development projects may be slower than estimated; and
- other risks related to the lease-up of newly constructed properties.

In addition, we also rely on rental income and expense projections and estimates of the fair market value of a property upon completion of construction when agreeing to a purchase price at the time we acquire unimproved real property. If our projections are inaccurate, including due to any of the risks described above, we may overestimate the purchase price for a property and be unable to charge rents that compensate us for our increased costs, which may have a material adverse effect on our business, financial condition and results of operations.

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We, our tenants and our properties are subject to various federal, state and local regulatory requirements, such as environmental laws, state and local fire and safety requirements, building codes and land use regulations.

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Failure to comply with these requirements could subject us, or our tenants, to governmental fines or private litigant damage awards. In addition, compliance with these requirements, including new requirements or stricter interpretation of existing requirements, may require us, or our tenants, to incur significant expenditures. We do not know whether existing requirements will change or whether future requirements, including any requirements that may emerge from pending or future climate change legislation, will develop. Environmental noncompliance liability also could impact a tenant's ability to make rental payments to us. Furthermore, our reputation could be negatively affected if we violate environmental laws or regulations, which may have a material adverse effect on our business, financial condition and results of operations.

In addition, as a current or former owner or operator of real property, we may be subject to liabilities resulting from the presence of hazardous substances, waste or petroleum products at, on, under or emanating from such property, including investigation and cleanup costs, natural resource damages, third-party liability for cleanup costs, personal injury or property damage and costs or losses arising from property use restrictions. In particular, some of our properties are adjacent to or near other properties that have contained or currently contain underground storage tanks used to store petroleum products or other hazardous or toxic substances. In addition, certain of our properties are on, adjacent to or near sites upon which others, including former owners or tenants of our properties, have engaged, or may in the future engage, in activities that have released or may have released petroleum products or other hazardous or toxic substances. Cleanup liabilities are often imposed without regard to whether the owner or operator knew of, or was responsible for, the presence of such contamination, and the liability may be joint and several. The presence of hazardous substances also may result in use restrictions on impacted properties or result in liens on contaminated sites in favor of the government for damages it incurs to address contamination. We also may be liable for the costs of removal or remediation of hazardous substances or waste disposal or treatment facilities if we arranged for disposal or treatment of hazardous substances at such facilities, whether or not we own such facilities. Moreover, buildings and other improvements on our properties may contain asbestos-containing material or other hazardous building materials or could have indoor air quality concerns (*e.g.*, from airborne contaminants such as mold), which may subject us to costs, damages and other liabilities including abatement cleanup, personal injury, and property damage liabilities. The foregoing could adversely affect occupancy and our ability to develop, sell or borrow against any affected property and could require us to make significant unanticipated expenditures that may have a material adverse effect on our business, financial condition and results of operations.

We may be materially adversely affected by laws, regulations or other issues related to climate change.

If we become subject to laws or regulations related to climate change, our business, financial condition and results of operations could be materially adversely affected. The federal government has enacted certain climate change laws and regulations which may, among other things, regulate "carbon footprints" and greenhouse gas emissions. Such laws and regulations could result in substantial compliance costs, retrofit costs and construction costs, including monitoring and reporting costs and capital expenditures for environmental control facilities and other new equipment. Furthermore, our reputation could be negatively affected if we violate climate change laws or regulations. We cannot predict how future laws and regulations, or future interpretations of current laws and regulations related to climate change will affect our business, financial condition and results of operations. Additionally, the potential physical impacts of climate change on our operations are highly uncertain. These may include changes in rainfall and storm patterns and intensity, water shortages, changing sea levels and changing temperatures. These impacts may have a material adverse effect on our business, financial condition and results of operations.

Compliance or failure to comply with the Americans with Disabilities Act could result in substantial costs.

Our properties must comply with the Americans with Disabilities Act (the "ADA") and any equivalent state or local laws, to the extent that our properties are public accommodations as defined under such laws. Under the ADA, all public accommodations must meet federal requirements related to access and use by disabled persons. If one or more of our properties is not in compliance with the ADA or

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any equivalent state or local laws, we may be required to incur additional costs to bring such property into compliance with the ADA or similar state or local laws. Noncompliance with the ADA or similar state and local laws could also result in the imposition of fines or an award of damages to private litigants. We cannot predict the ultimate amount of the cost of compliance with the ADA or any equivalent state or local laws. If we incur substantial costs to comply with the ADA or any equivalent state or local laws, it may have a material adverse effect on our business, financial condition and results of operations.

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Our assets may be subject to impairment charges.

We will regularly review our real estate assets for impairment, and based on these reviews, we may record impairment losses that have a material adverse effect on our business, financial condition and results of operations. Negative or uncertain market and economic conditions, as well as market volatility, increase the likelihood of incurring impairment losses. Other factors that could increase the likelihood of incurring impairment include actual or expected tenant vacancies, identification of a property for potential sale and a tenant bankruptcy or default. Such impairment losses may have a material adverse effect on our business, financial condition and results of operations.

Uninsured and underinsured losses may adversely affect our operations.

We, or in certain instances, tenants at our properties, carry comprehensive commercial general liability, fire, extended coverage, business interruption, rental loss coverage, environmental and umbrella liability coverage on all of our properties. We also carry wind and flood coverage on properties in areas where we believe such coverage is warranted, in each case with limits of liability that we deem adequate. Similarly, we are insured against the risk of direct physical damage in amounts we believe to be adequate to reimburse us, on a replacement cost basis, for costs incurred to repair or rebuild each property, including loss of rental income during the reconstruction period. However, we may be subject to certain types of losses that are generally uninsured losses, including, but not limited to losses caused by riots, war or acts of God. In the event of substantial property loss, the insurance coverage may not be sufficient to pay the full current market value or current replacement cost of the property. In the event of an uninsured loss, we could lose some or all of our capital investment, cash flow and anticipated profits related to one or more properties. Inflation, changes in building codes and ordinances, environmental considerations and other factors also might make it not feasible to use insurance proceeds to replace a property after it has been damaged or destroyed. Under such circumstances, the insurance proceeds we receive might not be adequate to restore our economic position with respect to such property, which may have a material adverse effect on our business, financial condition and results of operations.

We may be subject to litigation, which could have a material adverse effect on our financial condition.

We may be subject to litigation, including claims related to our assets and operations that are otherwise in the ordinary course of business. Some of these claims may result in significant defense costs and potentially significant judgments against us, some of which we may not be insured against. While we generally intend to vigorously defend ourselves against such claims, we cannot be certain of the ultimate outcomes of claims that may be asserted against us. Unfavorable resolution of such litigation may result in our having to pay significant fines, judgments, or settlements, which, if uninsured — or if the fines, judgments and settlements exceed insured levels — would adversely impact our earnings and cash flows, thereby negatively impacting our ability to service debt and pay dividends to our stockholders, which may have a material adverse effect on our business, financial condition and results of operations. Certain litigation, or the resolution of certain litigation, may affect the availability or cost of some of our insurance coverage, expose us to increased risks that would be uninsured, or adversely impact our ability to attract officers and directors, each of which may have a material adverse effect on our business, financial condition and results of operations.

Our business could be materially adversely affected by security breaches through cyber-attacks, cyber intrusions or otherwise.

We face risks associated with security breaches, whether through cyber-attacks or cyber intrusions, malware, computer viruses, attachments to e-mails, persons inside our organization or persons with access to systems inside our organization and other significant disruptions of our information technology networks and related systems. These risks include operational interruptions, private data exposure and damage to our relationships with our tenants, among other things. There can be no assurance that our efforts to maintain

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the security and integrity of our information technology networks and related systems will be effective. A security breach involving our networks and related systems could disrupt our operations in numerous ways that may have a material adverse effect on our business, financial condition and results of operations.

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If we are unable to satisfy the regulatory requirements of the Sarbanes-Oxley Act, or if our disclosure controls or internal control over financial reporting is not effective, investors could lose confidence in our reported financial information, which could adversely affect the perception of our business and the trading price of our common stock.

As a public company, we are subject to the reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Sarbanes-Oxley Act and the Dodd-Frank Act and are required to prepare our financial statements in accordance with the rules and regulations promulgated by the SEC. The design and effectiveness of our disclosure controls and procedures and internal control over financial reporting may not prevent all errors, misstatements or misrepresentations.

In addition, Section 404 of the Sarbanes-Oxley Act of 2002 will require us to evaluate and report on our internal control over financial reporting beginning with our Annual Report on Form 10-K for the year ended December 31, 2022, and have our independent registered public accounting firm attest to our evaluation for the year in which we cease to be an "emerging growth company." We are in the process of preparing and implementing an internal plan of action for compliance with Section 404 and strengthening and testing our system of internal controls to provide the basis for our report thereon. The process of implementing our internal controls and complying with Section 404 will be expensive and time consuming and will require significant attention of management. We cannot be certain that these measures will ensure that we implement and maintain adequate controls over our financial processes and reporting in the future. Even if we conclude, and our independent registered public accounting firm concurs, that our internal control over financial reporting provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, because of its inherent limitations, internal control over financial reporting may not prevent or detect fraud or misstatements. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our results of operations or cause us to fail to meet our reporting obligations. If we or our independent registered public accounting firm discover a material weakness in our internal control, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in our financial statements and harm our stock price. In addition, a delay in compliance with Section 404 could subject us to a variety of administrative sanctions, including ineligibility for short form resale registration, action by the SEC, the suspension or delisting of our common stock from and the inability of registered broker-dealers to make a market in our common stock, which would further reduce our stock price and could harm our business.

The success of our business depends on retaining officers and employees.

Our continued success depends to a significant degree upon the contributions of certain key personnel including, but not limited to, Paul H. McDowell, our Chief Executive Officer, who would be difficult to replace. We cannot provide any assurance that Mr. McDowell or any of our other key personnel will remain employed by us. Our ability to retain such individuals, or to attract a suitable replacement should he leave, is dependent on the competitive nature of the employment market. The loss of services of Mr. McDowell or other key personnel may have a material adverse effect on our business, financial condition and results of operations. No assurance can be given that we will be able to retain key employees, which may have a material adverse effect on our business, financial condition and results of operations.

Failure to hedge effectively against interest rate changes may have a material adverse effect on our business, financial condition and results of operations.

The interest rate hedge instruments we may use to manage some of our exposure to interest rate volatility involve risk, such as the risk that counterparties may fail to honor their obligations under these arrangements. Failure to hedge effectively against such interest rate changes may have a material adverse effect on our business, financial condition and results of operations.

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We are subject to risks related to the discontinuance of LIBOR.

Our $425 million revolving credit facility provides for borrowings to be made at variable interest rates that use the London Interbank Offered Rate, or LIBOR (or metrics derived from or related to LIBOR), as a benchmark for establishing the interest rate applicable to outstanding borrowings thereunder, and we may incur additional indebtedness or enter into new financial arrangements that use LIBOR as a benchmark for establishing the interest rate for borrowing thereunder.

LIBOR is in the process of being discontinued. While certain U.S. dollar LIBOR settings are expected to continue to be published on the current basis until June 30, 2023, all other LIBOR settings either are no longer being published or are being published only for a limited time and only on a "synthetic" basis (i.e., not on the basis of submissions made by panel banks). The regulator of the administrator of LIBOR has prohibited any new use of LIBOR by firms subject to its supervision, and certain regulators in the United States have stated that no new contracts using U.S. dollar LIBOR should be entered into after 2021.

While our revolving credit facility includes provisions for establishing alternative reference rates when LIBOR is no longer be available, the consequences of the adoption of any such alternative reference rates cannot be predicted and could have an adverse impact on the amount of interest and commitment fees that we pay under those facilities. Similarly, while we have entered into an interest rate swap transaction which effectively fixes the interest rate on our borrowings under our term loan facility for the term of the loan, if the swap arrangement is terminated for any reason, or ceases to cover all of the borrowings under the term loan facility, our borrowings thereunder (or the relevant portion thereof) would be subject to variable interest rates with LIBOR as a benchmark and therefore similar risks to those of our borrowings under our revolving credit facility. Likewise, the unavailability of LIBOR may have an adverse impact on interest rates and other financing costs under other debt instruments and other financial obligations of ours, as well as the market value of and the payments we receive under any LIBOR-linked securities or investments that we may own from time to time. In addition, financial markets generally may be adversely affected by the discontinuation of LIBOR, the uncertainties regarding its discontinuation, the alternative reference rates that are being or may be used in place of LIBOR and other issues related to LIBOR. Any of the foregoing could adversely affect our results of operations and financial condition.

We may amend our investment strategy and business policies without stockholder approval.

Our board of directors may change our investment strategy or any of our investment guidelines, financing strategy or leverage policies with respect to investments, developments, acquisitions, growth, operations, indebtedness, capitalization and dividends at any time without the consent of our stockholders, which could result in an investment portfolio with a different risk profile. Such a change in our strategy may increase our exposure to interest rate risk, default risk and real estate market fluctuations, among other risks. These changes could adversely affect our ability to pay dividends to our stockholders, and may have a material adverse effect on our business, financial condition and results of operations.

The Transition Services Agreement with Realty Income grants Realty Income certain rights that may restrain our ability to take various actions in the future.

In connection with the Separation, we entered into the Transition Services Agreement, pursuant to which we, Realty Income, and our and their respective subsidiaries will provide to each other various services for a transitional period. The services to be provided include information technology, and other financial and administrative functions, which we intend to rely upon during the applicable terms to facilitate our ability to successfully operate as a stand-alone company, manage our information systems and comply with our various reporting and other legal requirements. Any inability of Realty Income to provide these services in accordance with the terms thereof may have a material adverse effect on our business, financial condition and results of operations.

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Risks Related to the Separation and the Distribution

Our business and operating results could be negatively affected if we are unable to successfully integrate the office businesses of Realty Income and VEREIT, which integration is ongoing.

Our company involves the combination of the office portfolios of two companies which previously operated as independent public companies. We will be required to devote significant management attention and resources to the integration of the two separate office portfolios of Realty Income and VEREIT. Potential difficulties we may encounter in the overall integration process include the following:

- difficulties in the integration of operations and systems of the office real properties of Realty Income and VEREIT;
- the inability to realize potential operating synergies;
- the failure by us to retain key employees;
- the complexities of combining two companies with different histories, cultures, regulatory restrictions, markets and tenant bases;
- accounting, regulatory or compliance issues that could arise, including internal control over financial reporting;
- potential unknown liabilities and unforeseen increased expenses, delays or regulatory conditions; and
- challenges in retaining the tenants of each of Realty Income and VEREIT prior to the Distribution.

For all these reasons, you should be aware that it is possible that the integration process could result in the distraction of our management, the disruption of our ongoing business or inconsistencies in our services, standards, controls, procedures and policies, any of which could adversely affect our ability to maintain relationships with tenants, vendors and employees or to achieve the anticipated benefits of the Separation and the Distribution, which may have a material adverse effect on our business, financial condition and results of operations.

Prior to the Distribution, we had no operating history as an independent company, and this inexperience makes our future performance difficult to predict.

We have a limited operating history and our stockholders should not rely on the past performance of Realty Income or VEREIT to predict our future results. Factors which may adversely impact our ability to operate as an independent company in the future may include, but are not limited to, the following:

- prior to the Separation and the Distribution, portions of our business were operated by VEREIT and Realty Income, as applicable, and as part of their respective corporate organizations. We will need to continue to make investments to replicate or outsource from other providers certain facilities, systems, infrastructure, and personnel to which we no longer have access, which will be costly;
- following the Distribution, we are unable to use VEREIT's and Realty Income's economies of scope and scale in procuring various goods and services and in maintaining vendor and tenant relationships. Although we have entered into certain transition-related agreements, including a Transition Services Agreement, with Realty Income, these agreements may not fully capture the benefits previously enjoyed as a result of our business being integrated within the businesses of VEREIT and Realty Income, and may result in us paying higher charges than paid in the past by VEREIT or Realty Income for necessary services. In addition, services provided to us under the Transition Services Agreement will generally only be provided for an agreed upon transition period, and may be subject to early termination;
- prior to the Separation and the Distribution, the working capital requirements and capital for general corporate purposes, including acquisitions, research and development, and capital expenditures, relative to our assets were satisfied as part of the corporation-wide cash management policies of Realty Income and VEREIT, respectively. Following the Distribution, while we have entered into the Orion Credit Facilities, we may need to obtain additional financing from banks, through public

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offerings or private placements of debt or equity securities, strategic relationships or other arrangements, which may not be on terms as favorable those obtained by Realty Income or VEREIT, and the cost of capital for our business may be higher than Realty Income's or VEREIT's cost of capital

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prior to the Separation and the Distribution, which may have a material adverse effect on our business, financial condition and results of operations; and

- our cost structure, management, financing and business operations will be significantly different from that of Realty Income and VEREIT as a result of our operating as an independent public company. These changes will result in increased costs on a comparable basis focused on assets under management, including, but not limited to, legal, accounting, compliance and other costs associated with being a public company with equity securities traded on the NYSE.

Other significant changes may occur in our cost structure, management, financing and business operations as a result of our status as an independent company.

Realty Income may fail to perform under various transaction agreements that were executed as part of the Separation and the Distribution, or we may fail to have necessary systems and services in place when certain of the transaction agreements expire.

We entered into agreements with Realty Income in connection with the Separation and the Distribution including the Separation and Distribution Agreement, the Transition Services Agreement, the Tax Matters Agreement and the Employee Matters Agreement. Certain of these agreements provide for the performance of services by each company for the benefit of the other for a period of time after the Distribution. We will rely on Realty Income to satisfy its performance and payment obligations under such agreements. If Realty Income is unable to satisfy such obligations, including its indemnification obligations, we could incur operational difficulties or losses, which may have a material adverse effect on our business, financial condition and results of operations.

If we do not have in place similar agreements with other providers of these services when the transaction agreements terminate and we are not able to provide these services internally, we may not be able to operate our business effectively and our profitability may decline, which may have a material adverse effect on our business, financial condition and results of operations.

Potential indemnification obligations owed to Realty Income pursuant to the Separation and Distribution Agreement may have a material adverse effect on our business, financial condition and results of operations.

The Separation and Distribution Agreement provides for, among other things, indemnification obligations designed to make us financially responsible for substantially all liabilities that may exist related to our business activities, whether incurred prior to or after the Distribution, as well as certain obligations of Realty Income that we assumed pursuant to the Separation and Distribution Agreement. If we are required to indemnify Realty Income under the circumstances set forth in the Separation and Distribution Agreement, we may be subject to substantial liabilities, which may have a material adverse effect on our business, financial condition and results of operations.

Certain of our directors may have actual or potential conflicts of interest because of their previous or continuing equity interests in, or positions at, Realty Income.

Certain of our directors are persons who are or have served as directors of Realty Income or who may own Realty Income common stock or other equity awards. Even though our board of directors will consist of a majority of independent directors, certain of our directors will continue to have a financial interest in Realty Income common stock. Continued ownership of Realty Income common stock and equity awards, or service as a director at both companies, could create, or appear to create, potential conflicts of interest, which may have a material adverse effect on our business, financial condition and results of operations.

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We may not achieve some or all of the expected benefits of the Separation and the Distribution, and the Separation and the Distribution may have a material adverse effect on our business, financial condition and results of operations.

We may not be able to achieve the full strategic and financial benefits expected to result from the Separation and the Distribution, or such benefits may be delayed due to a variety of circumstances, not all of which may be under our control. We may not achieve the anticipated benefits of the Separation and the Distribution for a variety of reasons, including, among others: (i) diversion of management's attention from operating and growing our business; (ii) disruption of our ongoing business or inconsistencies in our services, standards, controls, procedures and policies, which could adversely affect our ability to maintain relationships with tenants; (iii) increased susceptibility to market fluctuations and other adverse events following the Separation and the Distribution; and (iv) lack of diversification in our business, compared to VEREIT's or Realty Income's businesses prior to the Separation and the Distribution. Failure to achieve some or all of the benefits expected to result from the Separation and the Distribution, or a delay in realizing such benefits, may have a material adverse effect on our business, financial condition and results of operations.

Our agreements with Realty Income in connection with the Separation and the Distribution involve conflicts of interest, and we may have received better terms from unaffiliated third parties than the terms we will receive in these agreements.

We entered into certain agreements with Realty Income to provide a framework for our relationship with Realty Income following the Separation and the Distribution, including the Separation and Distribution Agreement, the Transition Services Agreement, the Tax Matters Agreement and the Employee Matters Agreement. The terms of these agreements were determined while portions of our business were still owned by Realty Income and VEREIT and were negotiated by persons who were at the time employees, officers or directors of VEREIT, Realty Income or their subsidiaries, or who became employees, officers or directors of Realty Income following the Merger Effective Time, and, accordingly, may have conflicts of interest. For example, during the period in which the terms of those agreements were negotiated, we did not have a board of directors that was independent of VEREIT or Realty Income. As a result, the terms of those agreements may not reflect terms that would have resulted from arm's-length negotiations between unaffiliated third parties, which may have a material adverse effect on our business, financial condition and results of operations.

Pursuant to the Separation and Distribution Agreement, Realty Income will indemnify us for certain pre-Distribution liabilities and liabilities related to the legacy Realty Income and VEREIT assets. However, there can be no assurance that these indemnities will be sufficient to insure us against the full amount of such liabilities, or that Realty Income's ability to satisfy its indemnification obligation will not be impaired in the future.

Pursuant to the Separation and Distribution Agreement, Realty Income will indemnify us for certain liabilities. However, third parties could seek to hold us responsible for any of the liabilities that Realty Income retains, and there can be no assurance that Realty Income will be able to fully satisfy its indemnification obligations to us. Moreover, even if we ultimately succeed in recovering from Realty Income any amounts for which we were held liable by such third parties, any indemnification received may be insufficient to fully offset the financial impact of such liabilities or we may be temporarily required to bear these losses while seeking recovery from Realty Income, which may have a material adverse effect on our business, financial condition and results of operations.

The Orion Credit Facilities may limit our ability to pay dividends on our common stock, including repurchasing shares of our common stock.

Under the credit agreement governing the Orion Credit Facilities, our dividends may not exceed the greater of (1) 95% of our funds from operations, and (2) the amount required for us to qualify and maintain our status as a REIT. Any inability to pay dividends may

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negatively impact our REIT status or could cause stockholders to sell shares of our common stock, which may have a material adverse effect on our business, financial condition and results of operations.

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The market price of our common stock may vary substantially.

The market price of our common stock may fluctuate widely as a result of a number of factors, many of which are outside of our control. In addition, the stock market is subject to fluctuations in share prices and trading volumes that affect the market prices of the shares of many companies. These fluctuations in the stock market may adversely affect the market price of our common stock. Among the factors that could affect the market price of our common stock are:

- actual or anticipated quarterly fluctuations in our business, financial condition and operating results;
- changes in revenues or earnings estimates or publication of research reports and recommendations by financial analysts or actions taken by rating agencies with respect to our securities or those of other REITs;
- the ability of our tenants to pay rent to us and meet their other obligations to us under current lease terms;
- our ability to re-lease spaces as leases expire;
- our ability to refinance our indebtedness as it matures;
- any changes in our dividend policy;
- any future issuances of equity securities;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- general economic, political and financial market conditions and, in particular, developments related to market conditions for the real estate industry; and
- domestic and international economic factors unrelated to our performance.

Risks Related to Our Status as a REIT

Failure to qualify as a REIT would materially and adversely affect us and the value of our common shares.

We will elect to be taxed as a REIT and believe we have been organized and have operated in a manner that has allowed us to qualify and to remain qualified as a REIT for U.S. federal income tax purposes commencing with our initial taxable year ended December 31, 2021. We have not requested and do not plan to request a ruling from the IRS that we qualify as a REIT and the statements in this Annual Report on Form 10-K are not binding on the IRS or any court. Therefore, we cannot guarantee that we have qualified as a REIT or that we will remain qualified as such in the future. If we fail to qualify as a REIT or lose our REIT status, we will face significant tax consequences that would substantially reduce our cash available for distribution to our stockholders for each of the years involved because:

- we would not be allowed a deduction for dividends paid to stockholders in computing our taxable income and would be subject to regular U.S. federal corporate income tax;
- we could be subject to increased state and local taxes; and
- unless we are entitled to relief under applicable statutory provisions, we could not elect to be taxed as a REIT for four taxable years following the year during which we were disqualified.

Any such corporate tax liability could be substantial and would reduce our cash available for, among other things, our operations and distributions to stockholders. In addition, if we fail to qualify as a REIT, we will not be required to make distributions to our stockholders. As a result of all these factors, our failure to qualify as a REIT also could impair our ability to expand our business and raise capital, and could materially and adversely affect the trading price of our common shares.

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Qualification as a REIT involves the application of highly technical and complex Code provisions for which there are only limited judicial and administrative interpretations. The determination of various factual matters and circumstances not entirely within our control may affect our ability to qualify as a REIT. In order to qualify as a REIT, we must satisfy a number of requirements, including requirements regarding the ownership of our common shares, requirements regarding the composition of our assets and a requirement that at least 95% of our gross income in any year must be derived from qualifying sources, such as “rents from real property.” Also, we must make distributions to stockholders aggregating annually at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gains. In addition,

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legislation, new regulations, administrative interpretations or court decisions may materially and adversely affect our investors, our ability to qualify as a REIT for federal income tax purposes or the desirability of an investment in a REIT relative to other investments.

Even if we remain qualified as a REIT for federal income tax purposes, we may be subject to some federal, state and local income, property and excise taxes on our income or property and, in certain cases, a 100% penalty tax, in the event we sell property as a dealer. In addition, our taxable REIT subsidiaries will be subject to income tax as regular corporations in the jurisdictions in which they operate.

If either Realty Income or VEREIT failed to qualify as a REIT during certain periods prior to the Distribution, we would be prevented from electing to qualify as a REIT.

Under applicable Treasury Regulations, if Realty Income or VEREIT failed to qualify as a REIT during certain periods prior to the Distribution, unless Realty Income's or VEREIT's failure were subject to relief under U.S. federal income tax laws, we would be prevented from electing to qualify as a REIT prior to the fifth calendar year following the year in which Realty Income or VEREIT failed to qualify.

If certain of our subsidiaries, including our operating partnership, fail to qualify as partnerships or disregarded entities for federal income tax purposes, we would cease to qualify as a REIT and would suffer other adverse consequences.

One or more of our subsidiaries may be treated as a partnership or disregarded entity for federal income tax purposes and, therefore, will not be subject to federal income tax on its income. Instead, each of its partners or its members, as applicable, which may include us, will be allocated, and may be required to pay tax with respect to, such partner's or member's share of its income. We cannot assure you that the IRS will not challenge the status of any subsidiary partnership or limited liability company in which we own an interest as a disregarded entity or partnership for federal income tax purposes, or that a court would not sustain such a challenge. If the IRS were successful in treating any subsidiary partnership or limited liability company as an entity taxable as a corporation for federal income tax purposes, we could fail to meet the gross income tests and certain of the asset tests applicable to REITs and, accordingly, we would likely cease to qualify as a REIT. Also, the failure of any subsidiary partnerships or limited liability company to qualify as a disregarded entity or partnership for applicable income tax purposes could cause it to become subject to federal and state corporate income tax, which would reduce significantly the amount of cash available for debt service and for distribution to its partners or members, including us.

Distribution requirements imposed by law limit our flexibility.

To maintain our status as a REIT for federal income tax purposes, we generally are required to distribute to our stockholders at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gains, each year. We also are subject to tax at regular corporate rates to the extent that we distribute less than 100% of our taxable income (including net capital gains) each year.

In addition, we are subject to a 4% non-deductible excise tax to the extent that we fail to distribute during any calendar year at least the sum of 85% of our ordinary income for that calendar year, 95% of our capital gain net income for the calendar year, and any amount of that income that was not distributed in prior years.

We intend to continue to make distributions to our stockholders to comply with the distribution requirements of the Code as well as to reduce our exposure to federal income taxes and the non-deductible excise tax. Differences in timing between the receipt of income and the payment of expenses to arrive at taxable income, along with the effect of required debt amortization payments, could require us to borrow funds to meet the distribution requirements that are necessary to achieve the tax benefits associated with qualifying as a REIT.

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We may make distributions on our common stock in common stock and/or cash. Our stockholders may sell shares of our common stock to pay tax on such dividends, placing downward pressure on the market price of our common stock.

In order to satisfy our REIT distribution requirements, we are permitted, subject to certain conditions and limitations, to make distributions that are in part payable in shares of our common stock. Distributions of cash and common stock will be treated as dividends to the extent of our current and accumulated earnings and profits, as determined for U.S. federal income tax purposes. As a result, stockholders may be required to pay income tax with respect to such dividends in excess of the cash received in the distribution. If a stockholder sells shares of our stock to pay this tax, the sales proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of the stock at the time of the sale. Moreover, if a significant number of our stockholders sell shares of our stock to pay such taxes, it may cause the stock distribution to be viewed as economically equivalent to a dividend reduction and put downward pressure on the market price of our stock. Furthermore, we may be required to withhold federal income tax with respect to dividends paid to certain non-U.S. stockholders, including dividends payable in our stock.

Legislative or other actions affecting REITs could have a negative effect on us or our investors.

The rules dealing with federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Department of the Treasury. Changes to the tax laws, with or without retroactive application, could adversely affect us or our investors, including holders of our common stock or debt securities. We cannot predict how changes in the tax laws might affect us or our investors. New legislation, Treasury Regulations, administrative interpretations or court decisions could significantly and negatively affect our ability to qualify as a REIT, the federal income tax consequences of such qualification, or the federal income tax consequences of an investment in us. 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.

Risks Related to an Investment in Our Common Stock

Limitations on the ownership of our common stock and other provisions of the Orion Charter may preclude the acquisition or change of control of our Company.

Certain provisions contained in the Orion Charter and certain provisions of Maryland law may have the effect of discouraging a third party from making an acquisition proposal for us and may thereby inhibit a change of control. Provisions of the Orion Charter are designed to assist us in maintaining our qualification as a REIT under the Code by preventing concentrated ownership of our capital stock that might jeopardize REIT qualification. Among other things, unless exempted by our board of directors, no person may actually or constructively own more than 9.8% of the aggregate of the outstanding shares of our common stock by value or by number of shares, whichever is more restrictive, or 9.8% of the aggregate of the outstanding shares of all classes and series of our outstanding stock by value. Our board of directors may, in its sole discretion, grant exemptions to the stock ownership limits, subject to such conditions and the receipt by our board of directors of certain representations and undertakings.

In addition to these ownership limits, the Orion Charter also prohibits any person from (a) beneficially or constructively owning, as determined by applying certain attribution rules of the Code, shares of our capital stock that would result in us being “closely held” under Section 856(h) of the Code, (b) transferring our capital stock if such transfer would result in our stock being owned by fewer than 100 persons (determined under the principles of Section 856(a)(5) of the Code), (c) beneficially or constructively owning shares of our capital stock to the extent such ownership would result in us owning (directly or indirectly) an interest in a tenant if the income derived by us from that tenant for our taxable year during which such determination is being made would reasonably be expected to equal or exceed the lesser of one percent of our gross income or an amount that would cause us to fail to satisfy any of the REIT gross income requirements

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and (d) beneficially or constructively owning shares of our capital stock that would cause us otherwise to fail to qualify as a REIT. If any transfer of our shares of stock occurs which, if effective, would result in any person beneficially or constructively owning shares of stock in excess, or in violation, of the

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above transfer or ownership limitations, (such person, a prohibited owner), then that number of shares of stock, the beneficial or constructive ownership of which otherwise would cause such person to violate the transfer or ownership limitations (rounded up to the nearest whole share), will be automatically transferred to a charitable trust for the exclusive benefit of a charitable beneficiary, and the prohibited owner will not acquire any rights in such shares. If the transfer to the charitable trust would not be effective for any reason to prevent the violation of the above transfer or ownership limitations, then the transfer of that number of shares of our capital stock that otherwise would cause any person to violate the above limitations will be void. The prohibited owner will not benefit economically from ownership of any shares of our capital stock held in the charitable trust, will have no rights to dividends or other distributions and will not possess any rights to vote or other rights attributable to the shares of our capital stock held in the charitable trust.

Generally, the ownership limits imposed under the Code are based upon direct or indirect ownership by "individuals," but only during the last half of a taxable year. The ownership limits contained in the Orion Charter are based upon direct or indirect ownership at any time by any "person," which term includes entities. These ownership limitations in the Orion Charter are common in REIT governing documents and are intended to provide added assurance of compliance with the tax law requirements, and to minimize administrative burdens. However, the ownership limits on our common stock also might delay, defer or prevent a transaction or a change in control of our company that might involve a premium price for shares of our common stock or otherwise be in the best interest of our stockholders.

Furthermore, under the Orion Charter, our board of directors has the authority to classify and reclassify any of our unissued shares of capital stock into shares of capital stock with such preferences, rights, powers and restrictions as our board of directors may determine. The authorization and issuance of a new class of capital stock could have the effect of delaying or preventing someone from taking control of us, even if a change in control were in our stockholders' best interests, which could have a material adverse effect on our business, financial condition and results of operations.

Maryland law may limit the ability of a third party to acquire control of us.

The Maryland General Corporation Law (the "MGCL") provides protection for Maryland corporations against unsolicited takeovers by limiting, among other things, the duties of the directors in unsolicited takeover situations. The duties of directors of Maryland corporations do not require them to (a) accept, recommend or respond to any proposal by a person seeking to acquire control of the corporation, (b) authorize the corporation to redeem any rights under, or modify or render inapplicable, any stockholder rights plan, (c) make a determination under the Maryland Business Combination Act, or (d) act or fail to act solely because of the effect the act or failure to act may have on an acquisition or potential acquisition of control of the corporation or the amount or type of consideration that may be offered or paid to the stockholders in an acquisition. Moreover, under the MGCL, the act of a director of a Maryland corporation relating to or affecting an acquisition or potential acquisition of control is not subject to any higher duty or greater scrutiny than is applied to any other act of a director. The MGCL also contains a statutory presumption that an act of a director of a Maryland corporation satisfies the applicable standards of conduct for directors under the MGCL.

The MGCL also provides that unless exempted, certain Maryland corporations may not engage in business combinations, including mergers, dispositions of 10% or more of its assets, certain issuances of shares of stock and other specified transactions, with an "interested stockholder" or an affiliate of an interested stockholder for five years after the most recent date on which the interested stockholder became an interested stockholder, and thereafter unless specified criteria are met. An interested stockholder is generally a person owning or controlling, directly or indirectly, 10% or more of the voting power of the outstanding stock of the Maryland corporation, unless the stock had been obtained in a transaction approved by its board of directors. These and other provisions of the MGCL could have the effect of delaying, deferring or preventing a proxy contest, tender offer, merger or other change in control, which may have a material adverse effect on our business, financial condition and results of operations.

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Market interest rates may have an effect on the value of our common stock.

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One of the factors that will influence the price of our common stock will be its dividend yield, or the dividend per share as a percentage of the price of our common stock, relative to market interest rates. An increase in market interest rates, which are currently at historically low levels, may lead prospective purchasers of our common stock to expect a higher dividend yield, and higher interest rates would likely increase our borrowing costs and potentially decrease funds available for distribution. If market interest rates increase and we are unable to increase our dividend in response, including due to an increase in borrowing costs, insufficient funds available for distribution or otherwise, investors may seek alternative investments with a higher dividend yield, which would result in selling pressure on, and a decrease in the market price of, our common stock. As a result, the price of our common stock may decrease as market interest rates increase, which may have a material adverse effect on our business, financial condition and results of operations.

The number of shares of our common stock available for future issuance or sale could adversely affect the per share trading price of our common stock and may be dilutive to current stockholders.

The Orion Charter authorizes our board of directors to, among other things, issue additional shares of our common stock without stockholder approval. In addition, our board of directors has the power under the Orion Charter to amend the Orion Charter to increase (or decrease) the number of authorized shares of our stock of any class from time to time, without approval of our stockholders. We cannot predict whether future issuances or sales of shares of our common stock, or the availability of shares for resale in the open market, will decrease the per share trading price of our common stock. The issuance of a substantial number of shares of our common stock in the open market or the issuance of a substantial number of shares of our common stock upon the exchange of OP units, or the perception that such issuances might occur, could adversely affect the per share trading price of our common stock. In addition, any such issuance could dilute our existing stockholders' interests in our company. In addition, we have adopted an equity compensation plan, and we have and expect to continue to issue shares of our common stock or grant equity incentive awards exercisable for or convertible or exchangeable into shares of our common stock under the plan. Future issuances of shares of our common stock may be dilutive to existing stockholders, which may have a material adverse effect on our business, financial condition and results of operations.

Future offerings of debt securities, which would be senior to our common stock upon liquidation, or preferred equity securities which may be senior to our common stock for purposes of dividends or upon liquidation, may materially adversely affect the per share trading price of our common stock.

In the future, we may attempt to increase our capital resources by making additional offerings of debt or equity securities (or causing Orion OP to issue such debt securities), including medium-term notes, senior or subordinated notes and additional classes or series of preferred stock. Upon liquidation, holders of our debt securities and shares of preferred stock or preferred units and lenders with respect to other borrowings will be entitled to receive our available assets prior to distribution of such assets to holders of our common stock. Additionally, any convertible or exchangeable securities that we may issue in the future may have rights, preferences and privileges more favorable than those of our common stock, and may result in dilution to owners of our common stock. Holders of our common stock are not entitled to preemptive rights or other protections against dilution. Any shares of preferred stock or preferred units that we issue in the future could have a preference on liquidating distributions or a preference on dividends that could limit our ability to pay dividends to the holders of our common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Any such future offerings may reduce the per share trading price of our common stock, which may have a material adverse effect on our business, financial condition and results of operations.

Our ability to pay dividends is limited by the requirements of Maryland law.

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Our ability to pay dividends on our common stock is limited by Maryland law. Under the MGCL, a Maryland corporation, including Orion, generally may not pay a dividend if, after giving effect to the dividend, the corporation would not be able to pay its debts as such debts become due in the ordinary course of business or the corporation's total assets would be less than the sum of its total liabilities *plus*, unless the corporation's charter permits otherwise, the amount that would be needed, if the corporation were dissolved at the time of the dividend, to satisfy the preferential rights upon dissolution of stockholders whose

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preferential rights are superior to those receiving the dividend. If we are unable to pay dividends, or our ability to pay dividends is limited, investors may seek alternative investments, which would result in selling pressure on, and a decrease in the market price of, our common stock. As a result, the price of our common stock may decrease, which may have a material adverse effect on our business, financial condition and results of operations.

We may change our dividend policy.

Future dividends will be declared and paid at the discretion of our board of directors, and the amount and timing of dividends will depend upon cash generated by operating activities, our business, financial condition, results of operations, capital requirements, annual distribution requirements under the REIT provisions of the Code, and such other factors as our board of directors deems relevant. Our board of directors may change our dividend policy at any time, and there can be no assurance as to the manner in which future dividends will be paid or that the current dividend level will be maintained in future periods. Any reduction in our dividends may cause investors to seek alternative investments, which would result in selling pressure on, and a decrease in the market price of, our common stock. As a result, the price of our common stock may decrease, which may have a material adverse effect on our business, financial condition and results of operations.

We will incur increased costs as a result of operating as a public company. If we fail to maintain proper and effective internal controls, our ability to produce accurate and timely financial statements could be impaired, which could result in sanctions or other penalties that would harm our business.

We are subject to the reporting requirements of the Securities Exchange Act of 1934, or the Exchange Act, the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, and the rules and regulations of The New York Stock Exchange. As of the date of filing of this Annual Report on Form 10-K, we qualify as an "emerging growth company". For so long as we remain an emerging growth company, we will be exempt from Section 404(b) of the Sarbanes-Oxley Act, which requires auditor attestation to the effectiveness of internal control over financial reporting. We will cease to be an emerging growth company on the date that is the earliest of (i) the last day of the fiscal year in which we have total gross annual revenues of $1.07 billion or more; (ii) the last day of our fiscal year following the fifth anniversary of the date of the distribution; (iii) the date on which we have issued more than $1 billion in nonconvertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC. We cannot predict if investors will find our common stock less attractive because we will rely on the exemptions available to us as an emerging growth company. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

We estimate that we will cease to qualify as an "emerging growth company" beginning with our Annual Report on Form 10-K for the year ended December 31, 2022. As of the expiration of our emerging growth company status, we will be immediately subject to Section 404(a) of the Sarbanes-Oxley Act and we will be broadly subject to enhanced reporting and other requirements under the Exchange Act and Sarbanes-Oxley Act. This will require, among other things, annual management assessments of the effectiveness of our internal control over financial reporting and a report by our independent registered public accounting firm addressing these assessments. These and other obligations will place significant demands on our management, administrative and operational resources, including accounting and information technology resources. To comply with these requirements, we anticipate that we will need to further upgrade our systems, including duplicating computer hardware infrastructure, implement additional financial and management controls, reporting systems and procedures and hire additional accounting, finance and information technology staff. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costlier. If we are unable to do this in a timely and

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effective fashion, our ability to comply with our financial reporting requirements and other rules that apply to reporting companies could be impaired and our business, prospects, financial condition and results of operations could be harmed.

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Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

The Company leases our corporate office space, including our corporate headquarters, which is located in Phoenix, Arizona. As of December 31, 2021, the Company owned 92 office properties with an aggregate of 10.5 million square feet located in 29 states and Puerto Rico, with an occupancy rate of 91.8% and a weighted-average remaining lease term of 4.0 years as of December 31, 2021. Including the Company's pro rata share of square feet and annualized base rent from the Company's unconsolidated joint venture with an affiliate of Arch Street Capital Partners, we owned an aggregate of 10.6 million square feet, with an occupancy rate of 91.9% and a weighted-average remaining lease term of 4.1 years as of December 31, 2021. See Schedule III – Real Estate and Accumulated Depreciation for property information.

Item 3. Legal Proceedings.

As of the end of the period covered by this Annual Report on Form 10-K, we are not a party to, and none of our properties are subject to, any material pending legal proceedings.

Item 4. Mine Safety Disclosures.

Not applicable.

Part II

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

Market Information

The Company's Common Stock trades on the NYSE under the trading symbol "ONL". The Company's Common Stock began trading on the NYSE on November 15, 2021.

Stock Price Performance Graph

Set forth below is a line graph comparing the cumulative total stockholder return on the Company's Common Stock, based on the market price of the Common Stock and assuming reinvestment of dividends, with the FTSE National Association of Real Estate Investment Trusts All Equity REITs Index ("FTSE NAREIT All Equity REITs") and the Standard & Poor's 500 Index ("S&P 500") for the period commencing November 15, 2021 and ending December 31, 2021. The graph assumes an investment of $100 on November 15, 2021.

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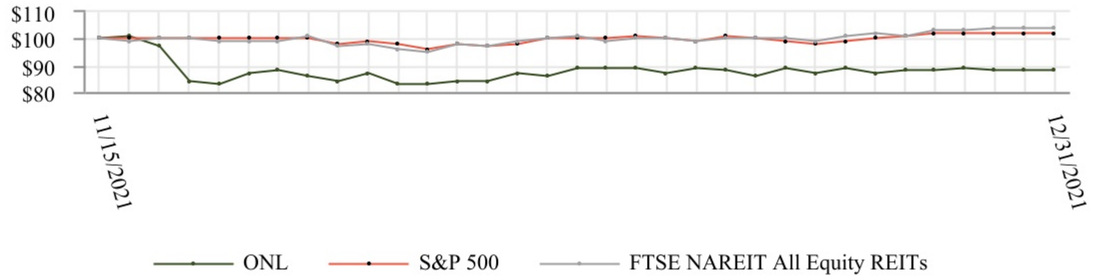
Comparison to Cumulative Total Return



The graph above and the accompanying text are not “soliciting material,” are not deemed filed with the SEC and are not to be incorporated by reference in any filing by us under the Securities Act or the Exchange Act of 1933, as amended (the “Securities Act”), whether made before or after the date hereof and irrespective of any general incorporation language in any such filing. In addition, the stock price performance in the graph above is not indicative of future stock price performance.

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Distributions

Our future distributions may vary and will be determined by the Company's Board of Directors based upon the circumstances prevailing at the time, including our financial condition, operating results, estimated taxable income and REIT distribution requirements, and may be adjusted at the discretion of the Board of Directors. On March 22, 2022, the Company's Board of Directors declared a quarterly dividend of $0.10 per share for the first quarter of 2022, payable on April 15, 2022, to stockholders of record as of March 31, 2022.

As of March 18, 2022, the Company had approximately 10,916 stockholders of record of its Common Stock.

Recent Sales of Unregistered Securities

The Company was initially capitalized on July 15, 2021 with the issuance of 100,000 shares of the Company's common stock to Realty Income for a total of $1,000. In connection with the Separation and the Distribution, on November 10, 2021, the Company issued 56,525,650 additional shares of the Company's common stock to Realty Income, such that Realty Income owned 56,625,650 shares of the Company's common stock. The issuances of this common stock were exempt from registration pursuant to Section 4(a)(2) of the Securities Act, as a transaction not involving a public offering.

On November 12, 2021, in connection with the entry into the LLCA, as defined in the MD&A Overview, the Company granted certain affiliates of the Arch Street Partner warrants to purchase up to 1,120,000 shares of the Company's common stock. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources - Equity" for further information regarding the terms of the Arch Street Warrants. The issuance of such warrants was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended, as a transaction not involving a public offering.

Item 6. Reserved

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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 appearing elsewhere in this Annual Report on Form 10-K. Orion Office REIT Inc. (the "Company", "Orion", "we", or "us") makes statements in this section that are forward-looking statements within the meaning of the federal securities laws. For a complete discussion of forward-looking statements, see the section in this report entitled "Forward-Looking Statements". Certain risks may cause our actual results, performance or achievements to differ materially from those expressed or implied by the following discussion. For a complete discussion of such risk factors, see the section in this report entitled "Risk Factors".

Overview

Orion is an internally managed REIT engaged in the ownership, acquisition, and management of a diversified portfolio of mission-critical regional and corporate headquarters office buildings located in high quality suburban markets across the U.S. and leased primarily on a single-tenant net lease basis to creditworthy tenants. Orion Office REIT Inc. was incorporated in the State of Maryland on July 1, 2021 and intends to qualify and elect to be taxed as a REIT for U.S. federal income tax purposes, commencing with our initial taxable year ending December 31, 2021.

The Company has 92 office properties with an aggregate of 10.5 million square feet located in 29 states and Puerto Rico, with an occupancy rate of 91.8% and a weighted-average remaining lease term of 4.0 years as of December 31, 2021. Including the Company's pro rata share of square feet and annualized base rent from the Company's unconsolidated joint venture with an affiliate of Arch Street Capital Partners, we owned an aggregate of 10.6 million square feet with an occupancy rate of 91.9% and a weighted-average remaining lease term of 4.1 years as of December 31, 2021.

Merger with Realty Income

On April 29, 2021, Realty Income entered into an Agreement and Plan of Merger (as amended, the "Merger Agreement") with VEREIT, Inc. ("VEREIT"), its operating partnership, VEREIT Operating Partnership, L.P. ("VEREIT OP"), Rams MD Subsidiary I, Inc., a wholly owned subsidiary of Realty Income ("Merger Sub 1"), and Rams Acquisition Sub II, LLC, a wholly owned subsidiary of Realty Income ("Merger Sub 2"). On November 1, 2021, pursuant to the Merger Agreement, Merger Sub 2 merged with and into VEREIT OP, with VEREIT OP continuing as the surviving partnership, and immediately thereafter, VEREIT merged with and into Merger Sub 1, with Merger Sub 1 continuing as the surviving corporation (together, the "Mergers", and such effective time of the Mergers, the "Merger Effective Time"). Upon the Merger Effective Time, as part of the Mergers, Realty Income acquired certain office real properties and related assets previously owned by subsidiaries of VEREIT (collectively, "VEREIT Office Assets"). Following the Merger Effective Time, in accordance with the Merger Agreement, Realty Income contributed the portion of the combined business comprising certain office real properties and related assets previously owned by subsidiaries of Realty Income (collectively, "Realty Income Office Assets") and the VEREIT Office Assets (the "Separation") to the Company and its operating partnership, Orion Office REIT LP ("Orion OP"). On November 12, 2021, following the Separation, in accordance with the Merger Agreement and that certain Separation and Distribution Agreement, Realty Income effected a special distribution to its stockholders (including the former holders of VEREIT common stock and certain former VEREIT OP common unitholders prior to the Mergers) of all of the outstanding shares of common stock of the Company (the "Distribution"). Following the Distribution, we became an independent publicly traded company and intend to qualify and elect to be taxed as a REIT, commencing with our initial taxable year ending December 31, 2021.

On November 12, 2021, in connection with the Distribution, Orion OP also entered into an Amended and Restated Limited Liability Company Agreement (the "LLCA") of OAP/VER Venture, LLC (the "Arch Street Joint Venture"), by and between Orion OP and OAP Holdings LLC (the "Arch Street Partner"), an affiliate of Arch Street Capital Partners, pursuant to which the Arch Street Partner consented to the transfer of the equity interests of the Arch Street Joint Venture previously held by VEREIT Real Estate, L.P. to Orion OP.

Our common stock, par value $0.001 per share, trades on the NYSE under the symbol "ONL".

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Through November 12, 2021, we had not conducted any business as a separate company other than start-up related activities.

Emerging Growth Company Status

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act (the "JOBS Act"). As such, we are eligible to take advantage of certain exemptions from various reporting requirements that apply to other public companies that are not emerging growth companies, including, but not limited to, compliance with the auditor attestation

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requirements of Section 404 of the Sarbanes-Oxley Act and the requirements to hold a non-binding advisory vote on executive compensation and any golden parachute payments not previously approved. We cannot predict if investors will find our common stock less attractive because we will rely on the exemptions available to us as an emerging growth company. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

In addition, Section 107 of the JOBS Act provides that an emerging growth company may take advantage of the extended transition period provided in Section 13(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") for complying with new or revised accounting standards. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of the benefits of this extended transition period and, therefore, will not be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies until we can no longer avail ourselves of the exemptions applicable to emerging growth companies or until we affirmatively and irrevocably opt out of the extended transition period.

We will remain an emerging growth company until the earliest of (i) the last day of the first fiscal year in which our annual gross revenues exceed $1 billion, (ii) the last day of the fiscal year following the fifth anniversary of the date of the first sale of our common equity securities pursuant to an effective registration statement under the Securities Act, (iii) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, which would occur on the last day of the fiscal year in which the market value of our common stock that is held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter, or (iv) the date on which we have issued more than $1 billion in non-convertible debt during the preceding three-year period.

Basis of Presentation

The Company's consolidated and combined financial statements include the accounts of the Realty Income Office Assets presented on a combined basis for the period from January 1, 2021 to October 31, 2021 and all prior periods presented as the ownership interests were under common control and ownership of Realty Income during the respective periods. From and after the Merger Effective Time, the consolidated and combined financial statements of the Company include the accounts of the Company and its consolidated subsidiaries and a consolidated joint venture.

The historical combined and consolidated financial results for the VEREIT Office Assets include the accounts of the VEREIT Office Assets on a combined basis as the ownership interests were under common control and ownership of VEREIT. These combined financial results were derived from the books and records of and carved out from VEREIT.

The combined and consolidated financial statements of the VEREIT Office Assets reflect charges for certain corporate costs and, we believe such charges are reasonable. Costs of the services that were charged to the VEREIT Office Assets were based on either actual costs incurred by each business or a proportion of costs estimated to be applicable to each business, based on VEREIT Office Assets' pro-rata share of annualized base rent. The historical combined financial information presented does not necessarily include all of the expenses that would have been incurred had VEREIT Office Assets been operating as a separate, standalone company. Such historical combined and consolidated financial information may not be indicative of the results of operations, financial position or cash flows that would have been obtained if the VEREIT Office Assets had been an independent, standalone public company during the periods presented or of the future performance of the Company as an independent, standalone company.

Election as a REIT

We intend to qualify and elect to be taxed as a REIT for U.S. federal income tax purposes under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended, commencing with the taxable year ended December 31, 2021. To qualify as a REIT, we must meet certain organizational and operational requirements, including a requirement to distribute annually at least 90% of our REIT taxable income, subject to certain adjustments and excluding any net capital gain, to stockholders. As a REIT, except as discussed below,

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we generally will not be subject to federal income tax on taxable income that we distribute to our stockholders so long as we distribute at least 90% of our annual taxable income (computed without regard to the deduction for dividends paid and excluding net capital gains). REITs are subject to a number of other organizational and operational requirements. Even if we maintain our qualification for taxation as a REIT, we may become subject to certain state and local taxes on our income and property, federal income taxes on certain income and excise taxes on our undistributed income. We believe we are organized and operating in such a manner as to qualify to be taxed as a REIT for the taxable year ending December 31, 2021.

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Critical Accounting Policies and Significant Accounting Estimates

Our accounting policies have been established to conform with U.S. GAAP. The preparation of financial statements in conformity with U.S. GAAP requires us to use judgment in the application of accounting policies, including making estimates and assumptions. These judgments affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Management believes that we have made these estimates and assumptions in an appropriate manner and in a way that accurately reflects our financial condition. We continually test and evaluate these estimates and assumptions using our historical knowledge of the business, as well as other factors, to ensure that they are reasonable for reporting purposes. However, actual results may differ from these estimates and assumptions. If our judgment or interpretation of the facts and circumstances relating to the various transactions had been different, it is possible that different accounting estimates would have been applied, thus resulting in a different presentation of the financial statements. Additionally, other companies may utilize different assumptions or estimates that may impact comparability of our results of operations to those of companies in similar businesses. We believe the following critical accounting policy involves significant judgments and estimates used in the preparation of our financial statements, which should be read in conjunction with the more complete discussion of our accounting policies and procedures included in Note 2 - Summary of Significant Accounting Policies to our consolidated financial statements.

Real Estate Impairment

We invest in real estate assets and subsequently monitor those investments quarterly for impairment. The risks and uncertainties involved in applying the principles related to real estate impairment include, but are not limited to, the following:

- The review of impairment indicators and subsequent determination of the undiscounted future cash flows could require us to reduce the value of assets and recognize an impairment loss.
- The evaluation of real estate assets for potential impairment requires our management to exercise significant judgment and make certain key assumptions. There are inherent uncertainties in making these estimates such as market conditions and performance and sustainability of our tenants.
- Changes related to management's intent to sell or lease the real estate assets used to develop the forecasted cash flows may have a material impact on our financial results.

Recently Issued Accounting Pronouncements

Recently issued accounting pronouncements are described in Note 2 - Summary of Significant Accounting Policies to our consolidated financial statements.

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Operating Highlights and Key Performance Indicators

2021 Activity

Operations

- Consummated the Mergers on November 1, 2021, and completed the Separation and the Distribution on November 12, 2021.
- Acquired interest in one property through our unconsolidated joint venture for a purchase price of $30.5 million, for which the Company's investment and ownership percentage is 20%.

Debt

- On November 12, 2021, entered into a credit agreement providing for a three-year, $425.0 million senior revolving credit facility (the "Revolving Facility") and a two-year, $175.0 million senior term loan facility (the "Term Loan Facility"). Also, on November 12, 2021, the Company entered into a 6-month, $355.0 million senior bridge term loan facility (the "Bridge Facility" and collectively with the Revolving Facility and Term Loan Facility, the "Facilities"). The Bridge Facility was subsequently refinanced with a $355.0 million mortgage loan during February 2022.
- On November 12, 2021, borrowed $90.0 million under the Revolving Facility, and each of the Term Loan Facility and the Bridge Facility were fully drawn. Approximately $595.0 million of the net proceeds of the Facilities was distributed to Realty Income in accordance with the Separation and Distribution Agreement.
- As of December 31, 2021, the Company had $335.0 million of borrowing capacity under the Revolving Facility.
- Entered into interest rate swap agreements with an aggregate notional amount of $175.0 million in order to hedge interest rate volatility with respect to the Company's borrowings under the Term Loan Facility.

Equity

- Issued 56,525,650 shares of common stock to Realty Income, such that Realty Income owned 56,625,650 shares of the Company's common stock and effected the Distribution of such shares to its stockholders on November 12, 2021.
- Granted certain affiliates of the Arch Street Partner warrants to purchase up to 1,120,000 shares of the Company's common stock (the "Arch Street Warrants").

Real Estate Portfolio Metrics

Our financial performance is impacted by the timing of acquisitions and dispositions and the operating performance of our operating properties. The following table shows the property statistics of our operating properties, including our pro rata share of the applicable statistics of the properties owned by our unconsolidated joint venture as of December 31, 2021:

	2021
Portfolio Metrics	
Operating properties	92
Unconsolidated joint venture properties	6
Rentable square feet (in thousands) [(1)]	10,646
Occupancy rate [(2)]	91.9%
Investment-grade tenants [(3)]	67.7%
Weighted-average lease term (in years)	4.1

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(1) Leasable square feet of operating properties and the Company's pro rata share of leasable square feet of properties owned by the unconsolidated joint venture.

(2) Occupancy rate equals the sum of leased square feet divided by rentable square feet.

(3) Based on annualized base rental income of our real estate portfolio, including the Company's pro rata share of annualized base rent for properties owned by the unconsolidated joint venture, as of December 31, 2021. Investment-grade tenants are those with a credit rating of BBB- or higher by Standard & Poor's Financial Services LLC or a credit rating of Baa3 or higher by Moody's Investor Service, Inc. The ratings may reflect those assigned by Standard & Poor's Financial Services LLC or Moody's Investor Service, Inc. to the lease guarantor or the parent company, as applicable.

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Operating Performance

In addition, management uses the following financial metrics to assess our operating performance (dollar amounts in thousands, except per share amounts).

	Year Ended December 31,
	2021
Financial Metrics	
Total revenues	$ 79,731
Net (loss) income	$ (47,464)
Basic and diluted net (loss) income per share attributable to common stockholders	$ (0.84)
FFO attributable to common stockholders [1]	$ 46,689
FFO attributable to common stockholders per diluted share [1]	$ 0.82
Core FFO attributable to common stockholders [1]	$ 58,380
Core FFO attributable to common stockholders per diluted share [1]	$ 1.03

(1) See the Non-GAAP Measures section below for descriptions of our non-GAAP measures and reconciliations to the most comparable U.S. GAAP measure.

Future Lease Expirations

The following is a summary of lease expirations for the next 10 years and beyond at the operating properties we owned as of December 31, 2021, including our pro rata share of properties owned by our unconsolidated joint venture (dollar amounts and square feet in thousands):

Year of Expiration	Number of Leases Expiring [1]	Square Feet	Square Feet as a % of Total Portfolio	Annualized Base Rent Expiring	Annualized Base Rent Expiring as a % of Total Portfolio
2022	14	1,168	11.0 %	21,923	12.2 %
2023	22	2,156	20.3 %	32,564	18.1 %
2024	18	2,029	19.1 %	40,024	22.3 %
2025	11	1,046	9.8 %	18,344	10.2 %
2026	12	741	7.0 %	16,222	9.0 %
2027	11	884	8.3 %	14,883	8.3 %
2028	8	348	3.3 %	6,961	3.9 %
2029	3	392	3.7 %	5,659	3.1 %
2030	2	98	0.9 %	4,468	2.5 %
2031	1	11	0.1 %	399	0.2 %
Thereafter	8	847	7.8 %	17,825	9.9 %
Total	110	9,720	91.3 %	$ 179,272	99.7 %

(1) The Company has certain properties that are subject to multiple leases.

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Results of Operations

The results of operations discussed in this section include the accounts of Realty Income Office Assets from January 1, 2021 to October 31, 2021 and all prior periods presented and the accounts of the Company and its consolidated subsidiaries from and after the Merger Effective Time.

For the periods presented prior to the date of the Distribution, our historical consolidated and combined financial results reflect charges for certain legal, accounting and other costs related to the Distribution, which were incurred and paid by Realty Income on our behalf, and are reflected as capital contributions.

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Comparison of the year ended December 31, 2021 to the year ended December 31, 2020 (dollars in thousands)

The Company's portfolio size significantly increased in the last two months of 2021 as a result of the Mergers, which contributed to an increase in revenues and expenses when comparing the year ended December 31, 2021 to the same period in 2020. At December 31, 2021, we had 92 office properties with an aggregate of 10.5 million square feet as compared to 40 properties with approximately 3.0 million leasable square feet at December 31, 2020.

Revenues

The table below sets forth, for the periods presented, revenue information and the dollar amount change year over year (in thousands):

	Year Ended December 31,		
	2021	2020	2021 vs 2020 Increase/(Decrease)
Rental	$ 79,460	$ 53,474	$ 25,986
Fee income from unconsolidated joint venture	271	—	271
Total revenues	$ 79,731	$ 53,474	$ 26,257

Rental

The increase in rental revenue of $26.0 million during the year ended December 31, 2021 as compared to the same period in 2020 was primarily due to the increase in our overall portfolio size resulting from the closing of the Merger.

Fee income from unconsolidated joint venture

Fee income from unconsolidated joint venture consists of fees earned for providing various services to the Company's unconsolidated joint venture. The increase of $0.3 million during the year ended December 31, 2021 as compared to the same period in 2020 was primarily due to fees earned from the Arch Street Joint Venture, including $0.2 million of acquisition fees for the purchase of one property in the partnership in December 2021.

Operating Expenses

The table below sets forth, for the periods presented, certain operating expense information and the dollar amount change year over year (in thousands):

	Year Ended December 31,		
	2021	2020	2021 vs 2020 Increase/(Decrease)
Transaction costs	7,909	—	7,909
Property operating	13,411	5,770	7,641
General and administrative	3,832	2,051	1,781
Depreciation and amortization	43,922	25,950	17,972
Impairments	49,859	18,671	31,188
Total operating expenses	$ 118,933	$ 52,442	$ 66,491

Transaction Costs

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During the year ended December 31, 2021, the Company incurred $7.9 million of transaction costs, which primarily consist of integration costs, and attorney fees and accountant fees related to the Mergers and the Distribution. The integration costs consist of expenses related to the fair value of the warrants issued to affiliates of the Arch Street Partner as well as appraisal fees. No such costs were incurred during the same period in 2020.

Property Operating Expenses

Property operating expenses such as taxes, insurance, ground rent and maintenance include both reimbursable and non-reimbursable property expenses. The increase in property operating expenses of $7.6 million during the year ended December 31, 2021 as compared to the same period in 2020 was primarily attributable to the increase in our portfolio size.

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General and Administrative Expenses

General and administrative expenses increased $1.8 million during the year ended December 31, 2021 as compared to the same period in 2020, which was primarily due to actual costs recorded during the last two months of 2021 following the Distribution and the Company's commencement of operations as a standalone business, as compared with an allocation of amounts for 2020 and the first ten months of 2021. General and administrative expenses for Realty Income Office Assets for the ten months of 2021 and the full year 2020 are primarily an allocation from Realty Income general and administrative expenses, and therefore, do not reflect the full general and administrative expenses of an independent, separate public company.

Depreciation and Amortization Expenses

The increase in depreciation and amortization expenses of $18.0 million during the year ended December 31, 2021 as compared to the same period in 2020 was primarily due to the increase in our portfolio size.

Impairments

Impairments of $49.9 million and $18.7 million were recorded during the years ended December 31, 2021 and 2020, respectively. As part of the consummation of the Distribution, the Company's portfolio became subject to new management which identified certain non-core assets for potential sale. Based on management's estimates, the carrying value of certain assets was determined to be unrecoverable, resulting in the recognition of impairment losses during the period following the Distribution.

Other (Expense) Income and Provision for Income Taxes

The table below sets forth, for the periods presented, certain financial information and the dollar amount change year over year (in thousands):

	Year Ended December 31,		
	2021	2020	2021 vs 2020 Increase/(Decrease)
Interest expense	$ (4,267)	$ (2,931)	$ 1,336
Loss on extinguishment of debt, net	$ (3,782)	$ —	$ 3,782
Equity in income of unconsolidated joint venture	$ (56)	$ —	$ 56
Provision for income taxes	$ (157)	$ —	$ 157

Interest Expense

The increase in interest expense of $1.3 million during the year ended December 31, 2021 as compared to the same period in 2020 was primarily due to an increase in debt outstanding from $37.1 million as December 31, 2020 to $616.8 million as of December 31, 2021 in connection with the capitalization of the Company in connection with the Separation and the Distribution, as discussed in Note 6 – Debt, Net.

Loss on extinguishment of debt, net

Loss on extinguishment of debt, net increased $3.8 million during the year ended December 31, 2021 as compared to no loss on extinguishment of debt in the same period in 2020. The loss is the result of early extinguishment of Realty Income's mortgage debt prior to the consummation of the Mergers on the properties contributed to the Company.

Equity in income of unconsolidated joint venture

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Equity in income of the unconsolidated joint venture of $0.1 million during the year ended December 31, 2021 as compared to no equity in income of the unconsolidated joint venture for the same period in 2020 relates to the Company's investment in one unconsolidated joint venture, which interest was transferred to the Company in connection with the Separation and Distribution.

Provision for Income Taxes

The provision for income taxes consists of certain state and local income and franchise taxes. The increase to $0.2 million during the year ended December 31, 2021, as compared to no provision for income taxes prior to the time the Company became an independent, separate public company.

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Comparison of the year ended December 31, 2020 to the year ended December 31, 2019 (dollars in thousands)

Revenues

The table below sets forth, for the periods presented, revenue information and the dollar amount change year over year (in thousands):

	Year Ended December 31,		
	2020	2019	2020 vs 2019 Increase/(Decrease)
Revenues:			
Rental	$ 53,474	$ 53,465	$ 9

Rental

Rental revenue (including reimbursable) remained constant at $53.5 million during both of the years ended December 31, 2020 and December 31, 2019. There were no acquisitions or dispositions in the years ended December 31, 2020 and December 31, 2019, which led to stable rental revenues during these periods.

Operating Expenses

The table below sets forth, for the periods presented, certain operating expense information and the dollar amount change year over year (in thousands):

	Year Ended December 31,		
	2020	2019	2020 vs 2019 Increase/(Decrease)
Property operating	5,770	5,898	(128)
General and administrative	2,051	2,044	7
Depreciation and amortization	25,950	26,923	(973)
Impairments	18,671	—	18,671
Total operating expenses	$ 52,442	$ 34,865	$ 17,577

Property Operating Expenses

Property (including reimbursable) expenses decreased $0.1 million during the year ended December 31, 2020, compared to the year ended December 31, 2019.

General and Administrative Expenses

General and administrative expenses remained constant at $2.0 million during both of the years ended December 31, 2020 and December 31, 2019. General and administrative expenses for Realty Income Office Assets are primarily an allocation from Realty Income general and administrative expenses.

Depreciation and Amortization Expenses

Depreciation and amortization expense decreased $1.0 million for the year ended December 31, 2020 compared to the year ended December 31, 2019, primarily due to a $0.8 million decrease in amortization expense of in-place leases as a result of certain assets

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reaching the end of their lease term during 2020, and a $0.2 million decrease in depreciation expense associated with an office property impairment (discussed below), resulting in a lower cost basis for depreciation.

Impairments

During the year ended December 31, 2020, Realty Income Office Assets recorded a $18.7 million pre-tax non-cash impairment loss related to one office property that was triggered by a near term lease expiration, combined with a mortgage loan maturity. Realty Income Office Assets did not record any impairment losses on properties during the year ended December 31, 2019.

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Other (Expense) Income

The table below sets forth, for the periods presented, certain financial information and the dollar amount change year over year (in thousands):

	Year Ended December 31,		
	2020	2019	2020 vs 2019 Increase/(Decrease)
Interest expense	(2,931)	(3,316)	(385)

Interest Expense

Interest expense decreased $0.4 million for the year ended December 31, 2020 compared to the year ended December 31, 2019. This decrease is primarily attributable to Realty Income repaying three mortgages in full for $31.8 million during the second half of the year ended December 31, 2020, on behalf of Realty Income Office Assets, reducing the mortgage payable balance at December 31, 2020 by $33.1 million as compared to December 31, 2019.

Non-GAAP Measures

Our results are presented in accordance with U.S. GAAP. We also disclose certain non-GAAP measures, as discussed further below. Management uses these non-GAAP financial measures in our internal analysis of results and believes these measures are useful to investors for the reasons explained below. These non-GAAP financial measures should not be considered as substitutes for any measures derived in accordance with U.S. GAAP.

Funds From Operations ("FFO") and Core Funds from Operations ("Core FFO") Attributable to Orion

Due to certain unique operating characteristics of real estate companies, as discussed below, the National Association of Real Estate Investment Trusts, Inc. ("Nareit"), an industry trade group, has promulgated a supplemental performance measure known as funds from operations ("FFO"), which we believe to be an appropriate supplemental performance measure to reflect the operating performance of a REIT. FFO is not equivalent to our net income or loss as determined under U.S. GAAP.

Nareit defines FFO as net income or loss computed in accordance with U.S. GAAP adjusted for gains or losses from disposition of real estate assets, depreciation and amortization of real estate assets, impairment write-downs on real estate, and our pro rata share of FFO adjustments related to the Unconsolidated Joint Venture. We calculate FFO in accordance with Nareit's definition described above.

In addition to FFO, we use Core FFO as a non-GAAP supplemental financial performance measure to evaluate the operating performance of the Company. Core FFO, as defined by the Company, excludes from FFO non-recurring or infrequent items such as acquisition-related expenses, transaction costs and gains or losses on extinguishment of swaps and/or debt. We believe that FFO and Core FFO allow for a comparison of the performance of our operations with other publicly-traded REITs, as FFO and Core FFO, or equivalent measures, are routinely reported by publicly-traded REITs, each adjust for items that we believe do not reflect the ongoing operating performance of our business and we believe are often used by analysts and investors for comparison purposes.

For all of these reasons, we believe FFO and Core FFO, in addition to net income (loss), as defined by U.S. GAAP, are helpful supplemental performance measures and useful in understanding the various ways in which our management evaluates the performance of the Company over time. However, not all REITs calculate FFO and Core FFO the same way, so comparisons with other REITs may not be meaningful. FFO and Core FFO should not be considered as alternatives to net income (loss) and are not intended to be used as a liquidity measure indicative of cash flow available to fund our cash needs. Neither the SEC, Nareit, nor any other regulatory body has evaluated the acceptability of the exclusions used to adjust FFO in order to calculate Core FFO and its use as a non-GAAP financial performance measure.

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The table below presents a reconciliation of FFO and Core FFO to net (loss) income attributable to common stockholders, the closest GAAP financial measure, for the years ended December 31, 2021 and 2020 (dollars in thousands):

	Year Ended December 31,	
	2021	2020
Net (loss) income attributable to common stockholders	$ (47,481)	$ (1,899)
Depreciation and amortization of real estate assets	43,914	25,950
Impairment of real estate	49,859	18,671
Proportionate share of adjustments for unconsolidated entity	397	—
FFO attributable to common stockholders	$ 46,689	$ 42,722
Transaction costs [(1)]	7,909	—
Loss (gain) on extinguishment and forgiveness of debt, net	3,782	—
Core FFO attributable to common stockholders	$ 58,380	$ 42,722

(1) Transaction costs primarily consist of integration costs and attorney fees and accountant fees related to the Mergers and the Distribution. Integration costs consist of expenses related to the fair value of the warrants issued to affiliates of the Arch Street Partner as well as appraisal fees.

Liquidity and Capital Resources

General

Our principal liquidity needs for the next twelve months are to: (i) fund operating expenses; (ii) meet our debt service requirements; (iii) make distributions to our stockholders, as required for us to qualify as a REIT; (iv) fund capital expenditures at properties we own; and (v) fund new acquisitions, including acquisitions related to the Arch Street Joint Venture. We expect that our principal sources of short-term liquidity, which are our cash and cash equivalents on hand, cash flows from operations, and borrowings under the Revolving Facility, are sufficient to meet our liquidity needs for the next twelve months. As of December 31, 2021, we had $29.3 million of cash and cash equivalents and $335.0 million of borrowing capacity under the Revolving Facility.

Our principal liquidity needs beyond the next twelve months are to: (i) repay or refinance debt at maturity, (ii) fund capital expenditures at properties we own and (iii) fund new acquisitions. We generally believe we will be able to satisfy these liquidity needs by a combination of cash flows from operations, borrowings under the Revolving Facility, proceeds from real estate dispositions, new borrowings such as bank term loans or other secured or unsecured debt, issuances of equity securities, and/or proceeds from the sale of assets. We believe we will be successful in either repaying or refinancing our debt obligations at or prior to maturity, but we cannot provide any assurance we will be able to do so. Our ability to refinance debt, raise capital and/or sell assets will be affected by various factors existing at the relevant time, such as capital and credit market conditions, the state of the national and regional economies, commercial real estate market conditions, available interest rate levels, the lease terms for and equity in and value of any related collateral, our financial condition and the operating history of the collateral, if any.

Credit Agreements

Summary and Obligations

In connection with the Separation and the Distribution, on November 12, 2021, we, as parent, and Orion Office REIT LP ("Orion OP"), as borrower, entered into (i) a credit agreement (the "Revolver/Term Loan Credit Agreement") providing for a three-year, $425.0 million Revolving Facility, including a $25.0 million letter of credit sub-facility, and a two-year, $175.0 million Term Loan Facility

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with Wells Fargo Bank, National Association, as administrative agent, and the lenders and issuing banks party thereto and (ii) a credit agreement (the "Bridge Credit Agreement," and together with the Revolver/Term Loan Credit Agreement, the "Credit Agreements") providing for a 6-month, $355.0 million senior bridge term loan facility (the "Bridge Facility," and together with the Revolver/Term Loan Facilities, the "Facilities") with Wells Fargo Bank, National Association, as administrative agent, and the lenders party thereto.

On November 12, 2021, Orion OP borrowed $90.0 million under the Revolving Facility, and each of the Term Loan Facility and the Bridge Facility was fully drawn. Approximately $595.0 million of the net proceeds of the Facilities was distributed to Realty Income in accordance with the Separation and Distribution Agreement. Orion OP retained the remaining net proceeds of such borrowings as working capital that will be used for our general corporate purposes, Orion OP and Orion OP's subsidiaries.

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As of December 31, 2021, the Company had approximately $620.0 million of total consolidated debt outstanding, consisting of a $355.0 million Bridge Facility, a $175.0 million Term Loan Facility and a $425.0 million Revolving Facility, $90.0 million of which was outstanding. In addition, the Company's pro rata share of the mortgage notes of the unconsolidated joint venture was $27.3 million as of December 31, 2021.

The Bridge Facility is subject to one 6-month extension option at the election of Orion OP. The exercise of such extension option requires the payment of an extension fee and the satisfaction of certain other customary conditions. The Bridge Facility was refinanced with a $355.0 million mortgage loan during February 2022 (see "CMBS Loan" below).

The interest rate applicable to the loans under the Revolver/Term Loan Facilities may, at the election of Orion OP, be determined on the basis of LIBOR or a base rate, in either case, plus an applicable margin. Under the Revolver/Term Loan Facilities, the applicable margin is (1) in the case of the Revolving Facility, 2.50% for LIBOR loans and 1.50% for base rate loans and (2) in the case of the Term Loan Facility, 2.50% for LIBOR loans and 1.50% for base rate loans. Loans under the Revolver/Term Loan Facilities may be prepaid, and unused commitments under the Revolver/Term Loan Facilities may be reduced, at any time, in whole or in part, without premium or penalty (except for LIBOR breakage costs).

To the extent that amounts under the Revolving Facility remain unused, Orion OP is required to pay a quarterly commitment fee on the unused portion of the Revolving Facility in an amount equal to 0.25% per annum of the unused portion of the Revolving Facility.

The Revolver/Term Loan Facilities are guaranteed pursuant to a Guaranty (the "Revolver/Term Loan Guaranty") by us and, subject to certain exceptions, substantially all of Orion OP's existing and future subsidiaries (including substantially all of its subsidiaries that directly or indirectly own unencumbered real properties), other than certain joint ventures and subsidiaries that own real properties subject to certain other indebtedness (such subsidiaries of Orion OP, the "Subsidiary Guarantors").

The Revolver/Term Loan Facilities are secured by, among other things, first priority pledges of the equity interests in the Subsidiary Guarantors.

Revolver/Term Loan Facility Covenants

The Revolver/Term Loan Facilities require that Orion OP comply with various covenants, including, without limitation, covenants restricting, subject to certain exceptions, liens, investments, mergers, asset sales and the payment of certain dividends. In addition, the Revolver/Term Loan Facilities require that Orion OP satisfy certain financial covenants. The following is a summary of key financial covenants for the Company's Revolver/Term Loan Facilities and the Company's compliance therewith, as calculated per the terms of the Revolver/Term Loan Credit Agreement:

Credit Facility Key Covenants	Required	December 31, 2021
Ratio of total indebtedness to total asset value	≤ 60%	30.8%
Ratio of adjusted EBITDA to fixed charges	≥ 1.5x	10.07x
Ratio of secured indebtedness to total asset value	≤ 45%	1.3%
Ratio of unsecured indebtedness to unencumbered asset value	≤ 60%	30.5%
Ratio of unencumbered adjusted NOI to unsecured interest expense	≥ 2.00x	16.55x

As of December 31, 2021, Orion OP was in compliance with these financial covenants, and Orion anticipates maintaining compliance for the foreseeable future.

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The Revolver/Term Loan Facilities include customary representations and warranties of us and Orion OP, which must be true and correct in all material respects as a condition to future extensions of credit under the Revolver/Term Loan Facilities. The Revolver/Term Loan Facilities also include customary events of default, the occurrence of which, following any applicable grace period, would permit the lenders to, among other things, declare the principal, accrued interest and other obligations of Orion OP under the Revolver/Term Loan Facilities to be immediately due and payable and foreclose on the collateral securing the Revolver/Term Loan Facilities.

CMBS Loan

On February 10, 2022, certain indirect subsidiaries of the Company (the "Mortgage Borrowers") obtained a $355.0 million fixed rate mortgage loan (the "CMBS Loan") from Wells Fargo Bank, National Association (the "Lender"), which is secured by the Mortgage Borrowers' fee simple or ground lease interests in 19 properties owned indirectly by the Company (collectively,

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the “Mortgaged Properties”). The CMBS Loan bears interest a fixed rate of 4.971% per annum and matures on February 11, 2027.

The CMBS Loan requires monthly payments of interest only and all principal is due at maturity. The proceeds of the CMBS Loan were used to repay the Bridge Facility. Upon closing of the CMBS Loan, the Mortgage Borrowers funded $35.5 million of loan reserves primarily for future rent concessions and tenant improvement allowances under the leases with respect to the 19 Mortgaged Properties. These amounts, as well as the transaction expenses incurred in connection with the CMBS Loan, were funded with cash on hand and borrowings under the Company’s Revolving Facility.

The CMBS Loan is secured by, among other things, first priority mortgages and deeds of trust granted by the Mortgage Borrowers and encumbering the Mortgaged Properties.

The CMBS Loan is generally not freely prepayable by the Mortgage Borrowers without payment of certain prepayment premiums and costs. The CMBS Loan may be prepaid in whole, but not in part, except as provided in the CMBS Loan agreement, at any time following the Prepayment Lockout Release Date (as defined in the CMBS Loan agreement) (generally two years after the Loan has been fully securitized), subject to the payment of a yield maintenance premium and the satisfaction of other terms and conditions set forth in the CMBS Loan agreement. Further, releases of individual properties are permitted in connection with an arms’ length third party sale upon repayment of the Release Price (as defined in the CMBS Loan agreement) for the applicable individual property and subject to payment of the applicable yield maintenance premium and the satisfaction of other terms and conditions set forth in the CMBS Loan agreement.

The CMBS Loan agreement also contains customary cash management provisions, including certain trigger events (such as failure of the Mortgage Borrowers to satisfy a minimum debt yield) which allow the Lender to retain any excess cash flow as additional collateral for the Loan, until such trigger event is cured.

In connection with the CMBS Loan agreement, the Company (as the guarantor) delivered a customary non-recourse carveout guaranty to the Lender (the “Guaranty”), under which the Company guaranteed the obligations and liabilities of the Mortgage Borrowers to the Lender with respect to certain non-recourse carveout events and the circumstances under which the CMBS Loan will be fully recourse to the Mortgage Borrowers, and which includes requirements for the Company to maintain a net worth of no less than $355.0 million and liquid assets of no less than $10.0 million, in each case, exclusive of the values of the collateral for the CMBS Loan. The Mortgage Borrowers and the Company also provided a customary environmental indemnity agreement, pursuant to which the Mortgage Borrowers and the Company agreed to protect, defend, indemnify, release and hold harmless the Lender from and against certain environmental liabilities relating to the Mortgaged Properties.

The loan documents evidencing the CMBS Loan include customary representations, warranties and covenants of the Mortgage Borrowers and the Company. The loan documents also include customary events of default, the occurrence of which, following any applicable grace period, would permit the Lender to, among other things, declare the principal, accrued interest and other obligations of the Mortgage Borrowers under the loan documents to be immediately due and payable and foreclose on the Mortgaged Properties.

Equity

On November 10, 2021, we issued 56,525,650 additional shares of our common stock to Realty Income, such that Realty Income owned 56,625,650 shares of our common stock. Also on November 10, 2021, in connection with the filing of our Articles of Amendment, we changed the par value of our common stock from $0.01 per share to $0.001 per share. On November 12, 2021, Realty Income effected the Distribution.

On November 12, 2021, in connection with the Distribution, Orion OP entered into the Arch Street Joint Venture with the Arch Street Partner, an affiliate of Arch Street Capital Partners, pursuant to which the Arch Street Partner consented to the transfer of the equity interests of the Arch Street Joint Venture previously held by VEREIT Real Estate, L.P. to Orion OP.

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Also on November 12, 2021, in connection with the entry into the LLCA, we granted certain affiliates of the Arch Street Partner warrants to purchase up to 1,120,000 shares of our common stock (the "Arch Street Warrants"). The Arch Street Warrants entitle the respective holders to purchase shares of our common stock at a price per share equal to $22.42, at any time. The Arch Street Warrants may be exercised, in whole or in part, through a cashless exercise, in which case the holder would receive upon such exercise the net number of shares of our common stock determined according to the formula set forth in the Arch Street Warrants. The Arch Street Warrants expire on the earlier of (a) ten years after issuance and (b) if the Arch Street Joint Venture is terminated, the later of the termination of the Arch Street Joint Venture and seven years after issuance.

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We have agreed that, prior to six months following our eligibility to use Form S-3 for the registration of our securities, we will file with the SEC a registration statement on Form S-3 (the “Registration Statement”) for the registration, under the Securities Act, of the shares of our common stock issuable upon exercise of the Arch Street Warrants. We will use our commercially reasonable efforts to cause the Registration Statement to become effective and to maintain the effectiveness of the Registration Statement, and a current prospectus relating thereto, until the earlier of (a) the expiration of the Arch Street Warrants, or (b) the shares issuable upon such exercise become freely tradable under United States federal securities laws by anyone who is not an affiliate (as such term is defined in Rule 144 under the Securities Act (or any successor rule)) of us. The holders of the Arch Street Warrants will also remain subject to the ownership limitations pursuant to our organizational documents.

Also in connection with the entry into the LLCA, the Arch Street Joint Venture’s lender consented to the transfer of the interests of the Arch Street Joint Venture previously held by VEREIT Real Estate, L.P. to Orion OP, and, in connection therewith, Orion OP agreed to become a guarantor of certain limited customary recourse obligations and provide certain customary environmental indemnities under the Arch Street Joint Venture’s existing indebtedness.

Derivatives and Hedging Activities

During the year ended December 31, 2021, the Company entered into interest rate swap agreements with an aggregate notional amount of $175.0 million, effective on December 1, 2021 and maturing on November 12, 2023, which were designated as cash flow hedges, in order to hedge interest rate volatility with respect to the Company’s borrowings under the Term Loan Facility.

Right of First Offer Agreement

In connection with the entry into the LLCA, we and the Arch Street Joint Venture entered into that certain Right of First Offer Agreement (the “ROFO Agreement”), dated November 12, 2021, pursuant to which, subject to certain limitations, we, on behalf of ourselves and our affiliates, agreed not to acquire or purchase a fee simple or ground leasehold interest in any office real property, including by way of an acquisition of equity interests, within certain investing parameters without first offering the property for purchase to the Arch Street Joint Venture, which will expire upon the earlier of (1) the third anniversary of the execution of the ROFO Agreement, (2) the date on which the Arch Street Joint Venture is terminated or (3) the date on which the Arch Street Joint Venture’s gross book value of assets is below $50.0 million. If the Arch Street Joint Venture decides not to acquire any such property, we may seek to acquire the property independently, subject to certain restrictions. We do not anticipate that the ROFO Agreement will have a material impact on our ability to acquire additional office real properties, although it could result in us acquiring future properties through the Arch Street Joint Venture rather than as sole 100% owner.

Dividend

We are a newly formed company that has recently commenced operations, and as a result, we have not paid any dividends as of December 31, 2021. We intend to qualify and elect to be taxed as a REIT for U.S. federal income tax purposes beginning with our taxable year commencing on the day prior to the Distribution and ending on December 31, 2021. We intend to make regular distributions to our stockholders to satisfy the requirements to qualify as a REIT. On March 22, 2022, the Company’s Board of Directors declared a quarterly dividend of $0.10 per share for the first quarter of 2022 payable on April 15, 2022, to stockholders of record as of March 31, 2022.

Our dividends may be funded from a variety of sources. In particular, we expect that, initially, our dividends will exceed our net income under GAAP because of non-cash expenses, mainly depreciation and amortization expense, which are included in net income. To the extent that our funds available for distribution are less than the amount we must distribute to our stockholders to satisfy the requirements to qualify as a REIT, we may consider various means to cover any such shortfall, including borrowing under our Revolving Facility or other loans, selling certain of our assets or using a portion of the net proceeds we receive from future offerings of equity, equity-related securities or debt securities or declaring taxable share dividends. In addition, our Articles of Amendment and Restatement

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allow us to issue shares of preferred equity that could have a preference on dividends, and if we do, the dividend preference on the preferred equity could limit our ability to pay dividends to the holders of our common stock.

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Contractual Obligations

The following is a summary of our contractual obligations as of December 31, 2021 (in thousands):

		Payments due by period			
	Total	Less than 1 year	1-3 years	4-5 years	More than 5 years
Principal payments - Bridge Facility [1]	$ 355,000	$ 355,000	$ —	$ —	$ —
Interest payments - Bridge Facility [2]	3,538	3,538	—	—	—
Principal payments - Credit facility term loan	175,000	—	175,000	—	—
Interest payments - Credit facility term loan [3]	10,554	5,668	4,886	—	—
Principal payments - credit facility revolver	90,000	—	90,000	—	—
Interest payments - credit facility revolver [2]	10,061	2,938	7,123	—	—
Operating and ground lease commitments	16,505	1,008	1,672	442	13,383
Total	$ 660,658	$ 368,152	$ 278,681	$ 442	$ 13,383

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(1) The Bridge Facility was refinanced with a $355.0 million mortgage loan during February 2022.

(2) Interest payments due in future periods on variable rate debt were calculated using a forward LIBOR curve.

(3) As of December 31, 2021, we had $175.0 million of variable rate debt on the Credit Facility Term Loan effectively fixed through the use of interest rate swap agreements. We used the interest rates effectively fixed under our swap agreements to calculate the debt payment obligations in future periods.

As part of its ordinary re-leasing activities, the Company has agreed and anticipates that it will continue to agree to provide rent concessions to tenants and incur leasing costs with respect to its properties, including tenant improvement allowances, landlord agreements to pay for certain improvements, as well as leasing commissions. These rent concession and leasing cost commitments could be significant. For example, during November 2021, in connection with the 11-year extension of Merrill Lynch, Pierce, Fenner & Smith Incorporated at the Company's largest property measured by annualized base rent, the Company agreed to $11.1 million of future rent concessions and to fund up to $22.9 million of tenant improvement allowances, the full amount of which was funded as loan reserves as part of the closing of the CMBS Loan in February 2022.

Cash Flow Analysis for the year ended December 31, 2021

The following table summarizes the changes in cash flows for the year ended December 31, 2021 and 2020 (dollars in millions):

	Year Ended December 31,		
	2021	2020	2021 versus 2020
Net cash provided by operating activities	$ 56,108	$ 42,327	$ 13,781
Net cash used in investing activities	$ (12,261)	$ (464)	$ (11,797)
Net cash used in financing activities	$ (18,444)	$ (41,667)	$ 23,223

Net cash provided by operating activities increased $13.8 million during the year ended December 31, 2021, compared to the year ended December 31, 2020 primarily due to the increase in our portfolio size. At December 31, 2021, we had 92 office properties with an

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aggregate of 10.5 million square feet as compared to 40 properties with approximately 3.0 million leasable square feet at December 31, 2020.

Net cash used in investing activities increased $11.8 million during the year ended December 31, 2021, compared to the year ended December 31, 2020. The change was primarily due to an increase in capital expenditures and leasing costs associated with lease renewals, as well as an additional investment of $2.5 million in the Company's unconsolidated joint venture during the year ended December 31, 2021. Amounts for the 2021 period include $9.0 million of leasing commissions paid in connection with the early extension of the Company's lease with Merrill Lynch, Pierce, Fenner & Smith Incorporated at a property in Hopewell, New Jersey.

Net cash used in financing activities decreased $23.2 million during the year ended December 31, 2021, compared to the year ended December 31, 2020, primarily due to the aggregate proceeds of $620.0 million from the Facilities, offset by an increase of $578.2 million in net distributions to parent, including approximately $595.0 million distributed to Realty Income related to the Separation and Distribution.

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VEREIT OFFICE ASSETS

Critical Accounting Policies

Real Estate Investments

VEREIT management performed quarterly impairment review procedures, primarily through continuous monitoring of events and changes in circumstances that could indicate the carrying value of its real estate assets may not be recoverable. Impairment indicators that VEREIT management considered included, but were not limited to, decrease in operating income, bankruptcy or other credit concerns of a property's major tenant or tenants or a significant decrease in a property's revenues due to lease terminations, vacancies or reduced lease rates.

When impairment indicators are identified or if a property is considered to have a more likely than not probability of being disposed of within the next 12 to 24 months, VEREIT management assessed the recoverability of the assets by determining whether the carrying value of the assets will be recovered through the undiscounted future cash flows expected from the use of the assets and their eventual disposition. GAAP required VEREIT Office Assets to utilize the expected holding period of its properties when assessing recoverability. In the event that such expected undiscounted future cash flows did not exceed the carrying value, the real estate assets have been adjusted to their respective fair values and an impairment loss has been recognized. There are inherent uncertainties in making estimates of expected future cash flows such as market conditions and performance and sustainability of the tenants.

Goodwill Impairment

VEREIT evaluated goodwill for impairment annually or more frequently when an event occurred or circumstances changed that indicated the carrying value may not be recoverable. To determine whether it was necessary to perform a quantitative goodwill impairment test, VEREIT first assessed qualitative factors, including, but not limited to macro-economic conditions such as deterioration in the entity's operating environment or industry or market considerations; entity-specific events such as increasing costs, declining financial performance, or loss of key personnel; or other events such as an expectation that a reporting unit will be sold or sustained decrease in VEREIT's stock price on either an absolute basis or relative to peers. If an entity believes, as a result of its qualitative assessment, that it is more-likely-than-not (i.e. greater than 50% chance) that the fair value of a reporting unit is less than its carrying amount, the quantitative impairment test is required. Otherwise, no quantitative testing is required. If it is determined, as a result of the qualitative assessment, that it is more-likely-than-not that the fair value is less than the carrying amount, the provisions of guidance require that the fair value be compared to the carrying value. Goodwill is considered impaired if the carrying value exceeds the fair value. No impairments of VEREIT's goodwill were recorded during the ten months ended October 31, 2021 and year ended December 31, 2020 and 2019. The results of the VEREIT impairment tests carry over to VEREIT Office Assets, therefore no impairments were recorded in the accompanying statements of operations.

Recent Accounting Pronouncements

Accounting guidance that VEREIT Office Assets has recently adopted, as well as accounting guidance that has been recently issued but not yet adopted, is included in Note 1 — Organization and Summary of Significant Accounting Policies of the annual combined and consolidated financial statements of VEREIT Office Assets, included elsewhere in this Annual Report on Form 10-K.

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Results of Operations

Comparison of the period from January 1, 2021 to October 31, 2021 (the date immediately prior to the closing date of the Mergers (the "2021 period") to the year ended December 31, 2020 (the "2020 period")) (dollars in thousands)

Operations for certain office real properties and related assets previously owned by subsidiaries of VEREIT (collectively, "VEREIT Office Assets") ended on October 31, 2021 (the date immediately prior to the closing date of the Mergers). The VEREIT Office Assets were owned for all of 2020 resulting in a decrease in revenues and expenses between the periods due to the 2021 period having only 304 days of activity.

	Ten Months Ended October 31, 2021	Year Ended December 31, 2020	Increase / (Decrease)
REVENUE			
Rental revenue	$ 134,740	$ 170,304	$ (35,564)
Fee income from unconsolidated joint venture	654	596	58
Total revenues	135,394	170,900	(35,506)
EXPENSES			
Property operating	36,173	46,597	(10,424)
General and administrative	5,602	7,029	(1,427)
Depreciation and amortization	48,938	62,662	(13,724)
Impairments	28,064	9,306	18,758
Total operating expenses	118,777	125,594	(6,817)
Other (expenses) income:			
Other income, net	152	158	(6)
Interest expense	(5,961)	(9,905)	(3,944)
Gain on disposition of real estate sales, net	—	9,765	(9,765)
Loss on extinguishment of debt, net	(5,294)	(1,686)	3,608
Equity in income of unconsolidated joint venture	697	535	162
Total other expenses, net	(10,406)	(1,133)	9,273
Income before taxes	6,211	44,173	(37,962)
Provision for income taxes	(520)	(640)	(120)
Net income	$ 5,691	$ 43,533	$ (37,842)

Rental Revenue. Rental revenue decreased $35.6 million primarily due to having only 304 days of activity in the 2021 period as compared to a full year in the 2020 period. Additionally, rental revenue decreased approximately $4.2 million due to the disposition of three properties that were sold to the unconsolidated joint venture during 2020 and a decrease of approximately $3.5 million due to vacancies.

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Fee Income from Unconsolidated Joint Venture. Fee income from the unconsolidated joint venture increased $0.1 million primarily due to additional acquisition and property management fees earned during the 2021 period offset by a decrease due to having only 304 days of activity in the 2021 period as compared to a full year in the 2020 period.

Property Operating Expenses. Property operating expenses decreased $10.4 million primarily due to having only 304 days of activity in the 2021 period as compared to a full year in the 2020 period. Additionally, property operating expenses decreased approximately $1.2 million due to the disposition of three properties that were sold to the unconsolidated joint venture during 2020.

General and Administrative Expenses. General and administrative expenses decreased $1.4 million primarily due to having only 304 days of activity in the 2021 period as compared to a full year in the 2020 period. General and administrative expenses for VEREIT Office Assets are an allocation from overall VEREIT general and administrative expenses.

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Depreciation and Amortization Expense. Depreciation and amortization expense decreased $13.7 million primarily due to having only 304 days of activity in the 2021 period as compared to a full year in the 2020 period. Additionally, depreciation and amortization expense decreased $1.2 million due to the write-off of an intangible asset related to an early lease termination and $0.7 million due to the disposition of three properties that were sold to the unconsolidated joint venture during 2020.

Impairments. Impairments increased $18.8 million between the 2020 period and the 2021 period. As part of VEREIT Office Assets' impairment review procedures, net real estate assets representing four properties were deemed to be impaired, resulting in impairment charges of $28.1 million during the 2021 period. Net real estate assets related to two properties were deemed to be impaired, resulting in impairment charges of $9.3 million during the 2020 period. The 2021 and 2020 impairments related to properties that management identified for potential sale or determined, based on discussions at the time with the existing tenants, would not be released by the tenant and management believed that the property would not be leased to another tenant at a rental rate that supports the current book value.

Interest Expense. Interest expense decreased $3.9 million primarily due to the early repayment of mortgage notes payable on properties in connection with the consummation of the Mergers and due to having only 304 days of activity in the 2021 period as compared to a full year in the 2020 period.

Gain on Disposition of Real Estate Assets, Net. Gain on disposition of real estate assets, net was $9.8 million for the 2020 period, which was related to the three properties sold to the unconsolidated joint venture during the year ended December 31, 2020 for an aggregate gross sales price of $135.5 million. No such gain was recorded during the 2021 period.

Loss on Extinguishment of Debt, Net. Loss on extinguishment of debt, net was $5.3 million and $1.7 million in the 2021 and 2020 periods, respectively, due to the early extinguishment of mortgage notes payable.

Equity in Income of Unconsolidated Joint Venture. Equity in income of unconsolidated joint venture increased $0.2 million primarily due to three properties acquired by the unconsolidated joint venture in 2020.

Other Income, Net. Other income, net remained constant between the 2020 period and 2021 period.

Provision for Income Taxes. Provision for income taxes decreased $0.1 million primarily due to having only 304 days of activity in the 2021 period as compared to a full year in the 2020 period.

Net Income. Net income was $5.7 million and $43.5 million for the 2021 period and 2020 period, respectively, for a decrease of $37.8 million.

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Comparison of the year ended December 31, 2020 to the year ended December 31, 2019 (dollars in thousands)

	Year Ended December 31,		
	2020	2019	Increase / (Decrease)
REVENUE			
Rental revenue	$ 170,304	$ 182,069	$ (11,765)
Fee income from unconsolidated joint venture	596	—	596
Total revenues	170,900	182,069	(11,169)
EXPENSES			
Property operating	46,597	47,248	(651)
General and administrative	7,029	7,800	(771)
Depreciation and amortization	62,662	70,859	(8,197)
Impairments	9,306	3,511	5,795
Total operating expenses	125,594	129,418	(3,824)
Other (expenses) income:			
Other income, net	158	549	(391)
Interest expense	(9,905)	(12,056)	(2,151)
Gain on disposition of real estate assets, net	9,765	—	9,765
Loss on extinguishment of debt, net	(1,686)	(40)	1,646
Equity in income of unconsolidated joint venture	535	—	535
Total other expenses, net	(1,133)	(11,547)	(10,414)
Income before taxes	44,173	41,104	3,069
Provision for income taxes	(640)	(517)	123
Net income	$ 43,533	$ 40,587	$ 2,946

Rental Revenue. Rental revenue decreased $11.8 million for the year ended December 31, 2020 compared to the year ended December 31, 2019, primarily due to the disposition of three properties that were sold to the unconsolidated joint venture during the year ended December 31, 2020.

Fee Income from Unconsolidated Joint Venture. Fee income from the unconsolidated joint venture was $0.6 million for the year ended December 31, 2020. No such income was recorded during the year ended December 31, 2019. VEREIT Office Assets provides various services to the unconsolidated joint venture, which were performed during the year ended December 31, 2020, in exchange for fees.

Property Operating Expenses. Property operating expenses decreased $0.7 million for the year ended December 31, 2020 compared to the year ended December 31, 2019, primarily due to the disposition of three properties that were sold to the unconsolidated joint venture during the year ended December 31, 2020.

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General and Administrative Expenses. General and administrative expenses decreased $0.8 million for the year ended December 31, 2020 compared to the year ended December 31, 2019. General and administrative expenses for VEREIT Office Assets are an allocation from overall VEREIT general and administrative expenses. The decrease is primarily due to the disposition of three properties that were sold to the unconsolidated joint venture during the year ended December 31, 2020.

Depreciation and Amortization Expense. Depreciation and amortization expense decreased $8.2 million for the year ended December 31, 2020 compared to the year ended December 31, 2019, primarily due to the disposition of three properties that were sold to the unconsolidated joint venture during the year ended December 31, 2020.

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Impairments. Impairments increased $5.8 million for the year ended December 31, 2020 compared to the year ended December 31, 2019. As part of VEREIT Office Assets' impairment review procedures, net real estate assets representing two properties were deemed to be impaired, resulting in impairment charges of $9.3 million during the year ended December 31, 2020. During the year ended December 31, 2019, net real estate assets related to two properties were deemed to be impaired, resulting in impairment charges of $3.5 million. The 2020 and 2019 impairments related to properties that management identified for potential sale or determined, based on discussions at the time with the existing tenants, would not be released by the tenant and management believed that the property would not be leased to another tenant at a rental rate that supported the book value.

Interest Expense. Interest expense decreased $2.2 million for the year ended December 31, 2020 compared to the year ended December 31, 2019, primarily due to the early payoff of $75.7 million of mortgage notes payable and principal payments of $3.8 million subsequent to January 1, 2019.

Gain on Disposition of Real Estate Assets, Net. Gain on disposition of real estate assets, net was $9.8 million for the year ended December 31, 2020, which was related to the three properties sold to the unconsolidated joint venture during the year ended December 31, 2020 for an aggregate gross sales price of $135.5 million. No such gain was recorded during the year ended December 31, 2019.

Loss on Extinguishment of Debt, Net. Loss on extinguishment of debt, net was $1.7 million for the year ended December 31, 2020 which was related to losses on the early extinguishment of a mortgage note payable. No significant losses were recorded during the year ended December 31, 2019.

Equity in Income of Unconsolidated Joint Venture. Equity in income of unconsolidated joint venture was $0.5 million for the year ended December 31, 2020. No such income was recorded during the year ended December 31, 2019, as the unconsolidated joint venture was formed during the year ended December 31, 2020.

Other Income, Net. Other income, net decreased $0.4 million for the year ended December 31, 2020 compared to the year ended December 31, 2019, primarily due to property insurance settlement proceeds received during the year ended December 31, 2019, with no comparable proceeds received during the same period in 2020.

Provision for Income Taxes. Provision for income taxes increased by $0.1 million during the year ended December 31, 2020 compared to the year ended December 31, 2019.

Net Income. Net income was $43.5 million and $40.6 million for the years ended December 31, 2020 and 2019, respectively, an increase of $2.9 million during the year ended December 31, 2020 as compared to the year ended December 31, 2019.

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Liquidity and Capital Resources

Cash Flows

The following table summarizes the changes in cash flows for the ten months ended October 31, 2021, the year ended December 31, 2020 and the year ended December 31, 2019 (dollars in millions):

	Ten Months Ended October 31,	Year Ended December 31,		10 months 2021 to 2020	2020 to 2019
	2021	2020	2019	Change	Change
Net cash provided by operating activities	$ 83.7	$ 108.5	$ 112.6	$ (24.8)	$ (4.1)
Net cash (used in) provided by investing activities	$ (9.2)	$ 111.4	$ (17.1)	$ (120.6)	$ 128.5
Net cash used in financing activities	$ (77.9)	$ (219.4)	$ (94.5)	$ 141.5	$ (124.9)

Net cash provided by operating activities decreased $24.8 million during the ten months ended October 31, 2021 compared to the year ended December 31, 2020 primarily due to having only 304 days of activity in the 2021 period as compared to a full year in the 2020 period, as well as a decrease in rental income due to the disposition of three properties that were sold to the unconsolidated joint venture during the year ended December 31, 2020. Net cash provided by operating activities decreased $4.1 million during the year ended December 31, 2020 compared to the year ended December 31, 2019 primarily due to the disposition of three properties that were sold to the unconsolidated joint venture during the year ended December 31, 2020.

Net cash used in investing activities was $9.2 million during the ten months ended October 31, 2021, as compared to net cash provided by investing activities of $111.4 million during the year ended December 31, 2020. The change was primarily due to the three properties sold to the unconsolidated joint venture during year ended December 31, 2020 for proceeds of $116.4 million after closing costs. Net cash provided by investing activities was $111.4 million during the year ended December 31, 2020, as compared to net cash used in investing activities of $17.1 million during the year ended December 31, 2019. The change was primarily due to the three properties sold to the unconsolidated joint venture during year ended December 31, 2020 for proceeds of $116.4 million after closing costs.

Net cash used in financing activities decreased $141.5 million during the ten months ended October 31, 2021, compared to the year ended December 31, 2020, primarily due to a decrease of $337.4 million in net distributions to parent, offset by an increase of $194.8 million in the repayment of mortgage notes payable. Net cash used in financing activities decreased $124.9 million during the year ended December 31, 2020, compared to the year ended December 31, 2019, primarily due to an increase of $150.1 million in net distributions to parent, offset by a decrease of $24.7 million in the repayment of mortgage notes payable.

Contractual Obligations

VEREIT Office Assets was subject to the following contractual obligations at October 31, 2021 (in thousands).

		Payments Due by Period			
	Total	Less than 1 Year	1 - 3 Years	4 - 5 Years	More Than 5 Years
Operating lease and ground lease commitments	11,762	55	987	658	10,062

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Item 7A. Quantitative and Qualitative Disclosures About Market Risk

See information appearing under the captions "Orion Office REIT, Inc. — Liquidity and Capital Resources," and "VEREIT Office Assets — Liquidity and Capital Resources" appearing in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Annual Report on Form 10-K.

Market Risk

The market risk associated with financial instruments and derivative financial instruments is the risk of loss from adverse changes in market prices or interest rates. Our market risk arises primarily from interest rate risk relating to variable-rate borrowings. To meet our short and long-term liquidity requirements, we borrow funds at a combination of fixed and variable rates. Our interest rate risk management objectives are to limit the impact of interest rate changes on earnings and cash flows and to manage our overall borrowing costs. To achieve these objectives, from time to time, we may enter into interest rate hedge contracts such as swaps, caps, collars, treasury locks, options and forwards in order to mitigate our interest rate risk with respect to various debt instruments. We would not hold or issue these derivative contracts for trading or speculative purposes.

Interest Rate Risk

As of December 31, 2021, our debt included variable-rate debt that was swapped-to-fixed through the use of derivative instruments with a fair value and carrying value of $175.0 million. Changes in market interest rates on our swapped-to-fixed rate debt impact the fair value of the debt, but they have no impact on interest incurred or cash flow. For instance, if interest rates rise 100 basis points, and the fixed rate debt balance remains constant, we expect the fair value of our debt to decrease, the same way the price of a bond declines as interest rates rise. The sensitivity analysis related to our fixed-rate debt assumes an immediate 100 basis point move in interest rates from their December 31, 2021 levels, with all other variables held constant. A 100 basis point increase in market interest rates would result in a decrease in the fair value of our fixed rate debt of $0.2 million. A 100 basis point decrease in market interest rates would result in an increase in the fair value of our fixed-rate debt of $1.2 million.

As of December 31, 2021, our debt included variable-rate debt with a fair value and carrying value of $445.0 million. The sensitivity analysis related to our variable-rate debt assumes an immediate 100 basis point move in interest rates from their December 31, 2021 levels, with all other variables held constant. A 100 basis point increase or decrease in variable interest rates on our variable-rate debt would increase or decrease our interest expense by $4.5 million annually. See Note 6 – Debt, Net to our consolidated financial statements.

As of December 31, 2021, our interest rate swaps had a fair value that resulted in net assets of $0.3 million. See Note 7 – Derivatives and Hedging Activities to our consolidated financial statements for further discussion.

As the information presented above includes only those exposures that existed as of December 31, 2021, it does not consider exposures or positions arising after that date. The information presented herein has limited predictive value. Future actual realized gains or losses with respect to interest rate fluctuations will depend on cumulative exposures, hedging strategies employed and the magnitude of the fluctuations.

These amounts were determined by considering the impact of hypothetical interest rate changes on our borrowing costs and assume no other changes in our capital structure.

Credit Risk

Concentrations of credit risk arise when a number of tenants are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations, including those to the Company, to be similarly affected by changes in economic conditions. The Company is subject to tenant, geographic and industry

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concentrations. See “Item 1. Business” in this Annual Report on Form 10-K. Any downturn of the economic conditions in one or more of these tenants, geographies or industries could result in a material reduction of our cash flows or material losses to us.

The factors we consider in determining the credit risk of our tenants include, but are not limited to: payment history; credit status and change in status (credit ratings for public companies are used as a primary metric); change in tenant space needs (*i.e.*, expansion/downsize); tenant financial performance; economic conditions in a specific geographic region; and industry specific credit considerations. We believe that the credit risk of our portfolio is reduced by the high quality and diversity of our existing tenant base, reviews of prospective tenants’ risk profiles prior to lease execution and consistent monitoring of our portfolio to identify potential problem tenants.

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Item 8. Financial Statements and Supplementary Data.

The information required by Item 8 is hereby incorporated by reference to our consolidated and combined statements beginning on page F-1 of this Annual Report on Form 10-K.

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

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms, and that such information is accumulated and communicated to us, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, we recognize that no controls and procedures, no matter how well designed and operated, can provide absolute assurance of achieving the desired control objectives.

As required by Rules 13a-15(b) and 15d-15(b) of the Exchange Act, an evaluation was conducted under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2021. Based on this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures, as of December 31, 2021, were effective at a reasonable assurance level.

Management's Report on Internal Controls Over Financial Reporting

This Annual Report on Form 10-K does not include a report of management's assessment regarding internal control over financial reporting or an attestation report of our independent registered public accounting firm due to a transition period established by rules of the SEC for newly public companies.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act of 1934) during the three months ended December 31, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

2022 Annual Bonus Program

On March 22, 2022, the Compensation Committee (the "Compensation Committee") of the Board of Directors (the "Board") of the Company, approved a new annual incentive program for the Company's 2022 fiscal year (the "2022 Bonus Program"). Under the 2022 Bonus Program, each of the Company's named executive officers, Paul McDowell, Gavin Brandon, and Chris Day (the "executives"), are eligible to earn an annual incentive bonus based on the applicable executive's individual performance and the Company's achievement of performance goals relating to (1) core funds from operations per share of Company common stock ("Core FFO per share"), (2) funds available for distribution per share of Company common stock ("FAD per share"), and (3) net debt to last quarter annualized EBITDA ("Net Debt to LQA EBITDA"). The weighting of each component of the 2022 Bonus Program is as follows:

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Bonus Component	Weighting
Individual Performance	33%
Core FFO per share	30%
FAD per share	13%
Net Debt to LQA EBITDA	24%

Under the 2022 Bonus Program, 50% of each target bonus component will be earned for performance at the threshold level, 100% of each target bonus component will be earned for performance at the target level and 150% of each target bonus

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component will be earned for performance at the maximum level (or above). Performance between threshold and target and between target and maximum performance levels will be interpolated on a straight-line basis.

Grant of New Equity-Based Awards

On March 22, 2022, the Compensation Committee approved the grant to the executives of performance-based restricted stock units ("RSUs") covering shares of the Company's common stock and awards of time-based RSUs covering shares of the Company's common stock (collectively, the "awards"), under the Company's 2021 Equity Incentive Plan (the "Plan"). The following is a brief description of the material terms and conditions of the awards.

Performance-Based RSUs

General. Pursuant to the performance-based RSUs, each executive is eligible to vest in a number of RSUs ranging from 0% to 100% of the total number of RSUs granted (which is equal to the maximum number of RSUs that may be earned), based on the Company's total shareholder return ("TSR") measured on an absolute basis and certain operational performance metrics, in each case, during a three-year performance period commencing on January 1, 2022 (the "Performance Period"), subject to the executive's continued service with the Company.

Performance Vesting. The performance-based RSUs are eligible to vest based on the Company's (i) absolute TSR performance over the Performance Period ("Company TSR") (50%), (ii) achievement of acquisition related performance metrics (10%), (ii) achievement of average lease term performance metrics (20%), (iii) achievement of disposition related performance metrics (10%) and (iv) achievement of occupancy rate performance metrics (10%).

In the event that the applicable performance metric is achieved at the "threshold," "target" or "maximum" level as specified in the applicable award agreement, the performance-based RSUs eligible to vest based on achievement of such performance metrics will become vested with respect to the percentage of such performance-based RSUs set forth below:

	Performance Vesting Percentage
Below "Threshold Level"	0%
"Threshold Level"	25%
"Target Level"	50%
"Maximum Level"	100%

If the applicable performance vesting percentage falls between the levels specified as "threshold" and "target" or between the levels specified as "target" and "maximum", such performance vesting percentage will be determined using straight-line linear interpolation between such levels.

The Company's TSR vesting percentage will be (i) reduced by 0.5% for each percentile that the Company's TSR relative to a specified group of peer companies is below the 20th percentile, and (ii) increased by 0.5% for each percentile that the Company's TSR performance relative to such peer companies is above the 80th percentile (provided that in no event will the absolute TSR vesting percentage exceed 100%), in each case, during the Performance Period.

Change in Control. In the event that a change in control of the Company occurs prior to the completion of the Performance Period, the executive has not incurred a termination of service prior to such change in control and the awards of performance-based RSUs are not continued, converted, assumed or replaced by the successor or surviving entity in such change in control, then the performance-based RSUs will vest with respect to a number of RSUs equal to the greater of (x) the number of RSUs which would have vested based on

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actual performance levels as of, and assuming the completion of the Performance Period as of the date of such change in control, and (y) the number of RSUs which would vest at target performance levels. Any such RSUs that have not fully vested as of the date on which the change in control occurs will be cancelled and forfeited by the executive.

Certain Terminations of Service. If an executive's service is terminated by the Company other than for "cause," by the executive for "good reason," or due to the executive's death or "disability" (each as defined in the applicable award agreement), in any case, prior to the completion of the Performance Period, the performance-based RSUs will vest with respect to a number of RSUs equal to the greater of (x) the number of RSUs which would have vested based on actual performance levels as of the date of such qualifying termination, and (y) the number of RSUs which would vest at target performance levels. Any such RSUs that do not become fully vested in accordance with the preceding sentence upon the administrator's determination, will be cancelled and forfeited by the executive.

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Payment. Any RSUs that become vested will be paid to the executive in whole shares of Company common stock within 20 days after the applicable vesting date.

Dividend Equivalents. Each performance-based RSU award is granted in tandem with a corresponding dividend equivalent. Each dividend equivalent entitles the executive to receive payments equal to the amount of the dividends paid on the share of common stock underlying the RSU to which the dividend equivalent relates. Any dividend equivalent payments that would have been made prior to the date on which the RSU becomes vested will be paid within 45 days following the date on which the RSU becomes vested (the "Dividend Payment Date"). Upon the executive's termination of service for any reason, the executive will not be entitled to any dividend equivalent payments with respect to any RSUs do not become vested.

The table below sets forth the target and maximum number of RSUs subject to each performance-based RSU award granted to the executives on March 22, 2022.

Name	Performance-Based RSUs (Target)	Performance-Based RSUs (Maximum)
Paul McDowell	54,024	108,047
Gavin Brandon	15,476	30,951
Chris Day	11,255	22,510

Time-Based RSUs

General. Pursuant to the time-based RSU awards, each executive is eligible to vest in a number of RSUs that are subject to vesting based on the executive's continued service with the Company.

Vesting. Each award of time-based RSUs will vest as to one-third of the RSUs on each of the first three anniversaries of the applicable vesting commencement date (March 22, 2022), subject to the executive's continued service through each applicable vesting date.

Dividend Equivalents. Each time-based RSU award is granted in tandem with a corresponding dividend equivalent. Each dividend equivalent entitles the executive to receive payments equal to the amount of the dividends paid on the share of common stock underlying the RSU to which the dividend equivalent relates. Any dividend equivalent payments that would have been made prior to the date on which the RSU becomes vested will be paid within 45 days following the Dividend Payment Date. The executive will not be entitled to any dividend equivalent payments with respect to any RSUs that are forfeited prior to vesting.

Certain Terminations of Service. If an executive's service is terminated by the Company or an affiliate thereof other than for "cause" or by the executive for "good reason" (each as defined in the applicable award agreement), the time-based RSUs will vest in full upon such termination. In addition, if an executive's service is termination due to the executive's death or "disability" (as defined in the applicable award agreement), then a pro-rata portion of the time-based RSUs will vest based on the number of whole months during the vesting period prior to the date of such termination. Upon an executive's termination of service for any other reason, any then-unvested time-based RSUs will automatically be cancelled and forfeited by the executive.

The table below sets forth the number of time-based RSUs awarded to each of the executives on March 22, 2022.

Name	Time-Based Vesting RSUs
Paul McDowell	36,016
Gavin Brandon	15,476
Chris Day	11,255

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The foregoing description of the awards does not purport to be complete and is qualified in its entirety by reference to the Form of Performance-Vesting Restricted Stock Unit Award Agreement (2022) a copy of which is attached to this Annual Report on Form 10-K as Exhibit 10.15 and by reference to the Form of Restricted Stock Unit Award for Employees under the Orion Office REIT Inc. 2021 Equity Incentive Plan (incorporated by reference to Exhibit 10.12 to Form 10-Q filed by the Company on December 2, 2021).

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PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by this Item will be included in our Proxy Statement and is incorporated herein by reference.

Item 11. Executive Compensation.

The information required by this Item will be included in the Proxy Statement and is incorporated herein by reference.

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

The information required by this Item will be included in the Proxy Statement and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this Item will be included in the Proxy Statement and is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services.

The information required by this Item will be included in the Proxy Statement and is incorporated herein by reference.

Part IV

Item 15. Exhibits and Financial Statement Schedules.

The following exhibits are included, or incorporated by reference, in this Annual Report on Form 10-K for the fiscal year ended December 31, 2021 (and are numbered in accordance with Item 601 of Regulation S-K):

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Exhibit No.	Description
2.1	Separation and Distribution Agreement, by and among Realty Income Corporation, Orion Office REIT Inc., and Orion Office REIT LP (filed as Exhibit 2.1 to the Company's Current Report on Form 8-K, filed on November 15, 2021 and incorporated herein by reference).
2.2	Transition Services Agreement by and among Realty Income Corporation and Orion Office REIT Inc. (filed as Exhibit 2.2 to the Company's Current Report on Form 8-K, filed on November 15, 2021 and incorporated herein by reference).
2.3	Tax Matters Agreement by and among Realty Income Corporation and Orion Office REIT Inc. (filed as Exhibit 2.3 to the Company's Current Report on Form 8-K, filed on November 15, 2021 and incorporated herein by reference).
2.4	Employee Matters Agreement by and among Realty Income Corporation, VEREIT, Inc., Orion Office REIT Inc. and Orion Office REIT LP (filed as Exhibit 2.4 to the Company's Current Report on Form 8-K, filed on November 15, 2021 and incorporated herein by reference).
3.1	Articles of Amendment and Restatement of Orion Office REIT Inc. (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K, filed on November 15, 2021 and incorporated herein by reference).
3.2	Amended and Restated Bylaws of Orion Office REIT Inc. (filed as Exhibit 3.2 to the Company's Current Report on Form 8-K, filed on November 15, 2021 and incorporated herein by reference).
4.1	Form of Warrant (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K, filed on November 15, 2021 and incorporated herein by reference).
4.2*	Description of Securities
10.1	Agreement of Limited Partnership of Orion Office REIT LP (filed as Exhibit 2.2 to the Company’s Registration Statement on Form 10, filed on October 4, 2021 and incorporated herein by reference).
10.2	Credit Agreement, dated November 12, 2021, by and among Orion Office REIT Inc., Orion Office REIT LP, the financial institutions party thereto, and Wells Fargo Bank, National Association, as administrative agent, relating to the Revolver/Term Loan Facilities (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on November 15, 2021 and incorporated herein by reference).

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10.3	Credit Agreement, dated November 12, 2021, by and among Orion Office REIT Inc., Orion Office REIT LP, the financial institutions party thereto, and Wells Fargo Bank, National Association, as administrative agent, relating to the Bridge Facility (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K, filed on November 15, 2021 and incorporated herein by reference).
10.4	Guaranty, dated November 12, 2021, by and among Orion Office REIT Inc. and certain subsidiaries of Orion Office REIT LP in favor of Wells Fargo Bank, National Association, as administrative agent under the Revolver/Term Loan Facilities (filed as Exhibit 10.3 to the Company's Current Report on Form 8-K, filed on November 15, 2021 and incorporated herein by reference).
10.5	Guaranty, dated November 12, 2021, by and among Orion Office REIT Inc. and certain subsidiaries of Orion Office REIT LP in favor of Wells Fargo Bank, National Association, as administrative agent under the Bridge Facility (filed as Exhibit 10.4 to the Company's Current Report on Form 8-K, filed on November 15, 2021 and incorporated herein by reference).
10.6	Amended & Restated Limited Liability Company Agreement of OAP/VER Venture, LLC, dated November, 12, 2021 (filed as Exhibit 10.5 to the Company's Current Report on Form 8-K, filed on November 15, 2021 and incorporated herein by reference).
10.7	Right of First Offer Agreement, dated November 12, 2021, by and between Orion Office REIT Inc. and OAP/VER Venture, LLC (filed as Exhibit 10.6 to the Company's Current Report on Form 8-K, filed on November 15, 2021 and incorporated herein by reference).
10.8†	Orion Office REIT Inc. 2021 Equity Incentive Plan (filed as Exhibit 10.7 to the Company's Current Report on Form 8-K, filed on November 15, 2021 and incorporated herein by reference).
10.9†	Form of Employment Agreement, by and among Orion Services, LLC, Orion Office REIT Inc. and each named executive officer of Orion Office REIT Inc. (filed as Exhibit 10.1 to the Company's Registration Statement on Form 10, filed on October 4, 2021 and incorporated herein by reference).
10.10†	Form of Indemnification Agreement entered into between Orion Office REIT Inc. and each of its directors and executive officers (filed as Exhibit 10.3 to the Company's Registration Statement on Form 10, filed on October 4, 2021 and incorporated herein by reference).
10.11†	Form of Restricted Stock Unit Award for Non-Employee Directors under the Orion Office REIT Inc. 2021 Equity Incentive Plan (filed as Exhibit 10.11 to the Company’s Form 10-Q, filed on December 2, 2021 and incorporated herein by reference)
10.12†	Form of Restricted Stock Unit Award for Employees under the Orion Office REIT Inc. 2021 Equity Incentive Plan (filed as Exhibit 10.12 to the Company’s Form 10-Q, filed on December 2, 2021 and incorporated herein by reference)
10.13	Loan Agreement, dated February 10, 2022, by and between the entities identified on Schedule I thereto, as Borrower, and Wells Fargo Bank, National Association, as Lender (filed as Exhibit 10.1 to the Company's Form 8-K, filed on February 14, 2022 and incorporated herein by reference)
10.14	Guaranty of Recourse Obligations, dated February 10, 2022, made by Orion Office REIT Inc. in favor of Wells Fargo Bank, National Association, as Lender (filed as Exhibit 10.2 to the Company’s Form 8-K filed on February 14, 2022 and incorporated herein by reference)
10.15†*	Form of Performance-Based Restricted Stock Unit Agreement pursuant to the Orion Office REIT Inc. 2021 Equity Incentive Plan
21.1*	Subsidiaries of the Company
23.1*	Consent of KPMG LLP
23.2*	Consent of Deloitte & Touche LLP
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-

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101.CAL**	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF**	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB**	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE**	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104**	Cover Page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101.*).

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* Filed 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 federal securities laws, Section 27A of the Securities Act of 1933, as amended (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.

Item 16. Form 10-K Summary.

Not Applicable

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned thereunto duly authorized.

Orion Office REIT Inc.

By: /s/ Gavin B. Brandon

Gavin B. Brandon

Chief Financial Officer, Executive Vice President and Treasurer

Dated: March 24, 2022

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Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Form 10-K has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Capacity	Date
/s/ Paul H. McDowell	Chief Executive Officer, President and Director	March 24, 2022
Paul H. McDowell	(Principal Executive Officer)	
/s/ Gavin B. Brandon	Executive Vice President, Chief Financial Officer and Treasurer	March 24, 2022
Gavin B. Brandon	(Principal Financial Officer)	
/s/ Revea L. Schmidt	Senior Vice President and Chief Accounting Officer	March 24, 2022
Revea L. Schmidt	(Principal Accounting Officer)	
/s/ Reginald H. Gilyard	Director, Non-Executive Chairman	March 24, 2022
Reginald H. Gilyard		
/s/ Kathleen R. Allen	Director	March 24, 2022
Kathleen R. Allen		
/s/ Richard J. Lieb	Director	March 24, 2022
Richard J. Lieb		
/s/ Gregory J. Whyte	Director	March 24, 2022
Gregory J. Whyte		

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Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Orion Office REIT Inc.:

Opinion on the Consolidated and Combined Financial Statements

We have audited the accompanying consolidated and combined balance sheets of Orion Office REIT Inc. (the Company) as of December 31, 2021 and December 31, 2020, the related consolidated and combined statements of operations, comprehensive income (loss), equity, and cash flows for each of the years in the three-year period ended December 31, 2021, and the related notes and financial statement schedule III (collectively, the consolidated and combined financial statements). In our opinion, the consolidated and combined financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These consolidated and combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated and combined 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 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 and combined financial statements are free of material misstatement, whether due to error or fraud. The Company 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 Company'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 and combined 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 and combined 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 and combined financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the Company's auditor since 2021.

San Diego, California
March 24, 2022

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ORION OFFICE REIT INC.
CONSOLIDATED AND COMBINED BALANCE SHEETS
(In thousands, except for share and per share data)

	December 31, 2021	December 31, 2020
ASSETS		
Real estate investments, at cost:		
Land	$ 250,194	$ 71,191
Buildings, fixtures and improvements	1,231,551	562,828
Total real estate investments, at cost	1,481,745	634,019
Less: accumulated depreciation and amortization	128,109	136,143
Total real estate investments, net	1,353,636	497,876
Accounts receivable, net	17,916	8,078
Intangible lease assets, net	298,107	28,680
Cash and cash equivalents	29,318	—
Other assets, net	60,501	11,797
Total assets	$ 1,759,478	$ 546,431
LIABILITIES AND EQUITY		
Bridge facility, net	$ 354,357	$ —
Credit facility term loan, net	172,490	—
Credit facility revolver	90,000	—
Mortgages payable, net	—	37,052
Accounts payable and accrued expenses	17,379	848
Below-market lease liabilities, net	20,609	7,221
Other liabilities, net	16,355	4,192
Total liabilities	671,190	49,313
Net parent investment	—	497,118
Common stock, $0.001 par value, 100,000,000 shares authorized and 56,625,650 shares issued and outstanding as of December 31, 2021	57	—
Additional paid-in capital	1,145,278	—
Accumulated other comprehensive income	299	—
Accumulated deficit	(58,715)	—
Total stockholders’ equity	1,086,919	497,118
Non-controlling interest	1,369	—
Total equity	1,088,288	497,118
Total liabilities and equity	$ 1,759,478	$ 546,431

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ORION OFFICE REIT INC.

CONSOLIDATED AND COMBINED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

	Year Ended December 31,		
	2021	2020	2019
Rental	$ 79,460	$ 53,474	$ 53,465
Fee income from unconsolidated joint venture	271	—	—
Total revenues	79,731	53,474	53,465
Operating expenses:			
Transaction costs	7,909	—	—
Property operating	13,411	5,770	5,898
General and administrative	3,832	2,051	2,044
Depreciation and amortization	43,922	25,950	26,923
Impairments	49,859	18,671	—
Total operating expenses	118,933	52,442	34,865
Other (expenses) income:			
Interest expense	(4,267)	(2,931)	(3,316)
Loss on extinguishment of debt, net	(3,782)	—	—
Equity in income of unconsolidated joint venture	(56)	—	—
Total other (expenses) income, net	(8,105)	(2,931)	(3,316)
(Loss) income before taxes	(47,307)	(1,899)	15,284
Provision for income taxes	(157)	—	—
Net (loss) income	(47,464)	(1,899)	15,284
Net (income) loss attributable to non-controlling interest	(17)	—	—
Net (loss) income attributable to common stockholders	$ (47,481)	$ (1,899)	$ 15,284
Basic and diluted net (loss) income per share attributable to common stockholders	$ (0.84)	$ (0.03)	$ 0.27

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ORION OFFICE REIT INC.

CONSOLIDATED AND COMBINED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(In thousands)

	Year Ended December 31,		
	2021	**2020**	**2019**
Net (loss) income	$ (47,464)	$ (1,899)	$ 15,284
Total other comprehensive income (loss)			
Unrealized gain on interest rate derivatives	209	—	—
Reclassification of previous unrealized loss on interest rate derivatives into net (loss) income	90	—	—
Total other comprehensive income (loss)	299	—	—
Total comprehensive (loss) income	(47,165)	(1,899)	15,284
Comprehensive (income) loss attributable to non-controlling interests [1]	(17)	—	—
Total comprehensive (loss) income	$ (47,182)	$ (1,899)	$ 15,284

(1) Represents comprehensive (income) loss attributable to a consolidated joint venture partner.

The accompanying notes are an integral part of these statements.

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ORION OFFICE REIT INC.

CONSOLIDATED AND COMBINED STATEMENTS OF EQUITY

(In thousands, except share and per share data)

	Common Stock								
	Number of Shares	Par Value	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Net Parent Investment	Total Stockholders' and Parent Company Equity	Non-Controlling Interests	Total Equity
Balance, January 1, 2019	—	$ —	$ —	$ —	$ —	$ 530,457	$ 530,457	$ —	$ 530,457
Net income	—	—	—	—	—	15,284	15,284	—	15,284
Distributions to parent company, net	—	—	—	—	—	(37,735)	(37,735)	—	(37,735)
Balance, December 31, 2019	—	—	—	—	—	508,006	508,006	—	508,006
Net loss	—	—	—	—	—	(1,899)	(1,899)	—	(1,899)
Distributions to parent company, net	—	—	—	—	—	(8,989)	(8,989)	—	(8,989)
Balance, December 31, 2020	—	—	—	—	—	497,118	497,118	—	497,118
Net (loss) income	—	—	—	—	(58,715)	11,234	(47,481)	17	(47,464)
Contributions from parent company, net	—	—	—	—	—	633,650	633,650	1,352	635,002
Issuance of common stock, net	56,625,650	57	1,141,945	—	—	(1,142,002)	—	—	—
Grant of stock warrants	—	—	3,269	—	—	—	3,269	—	3,269
Equity-based compensation, net	—	—	64	—	—	—	64	—	64
Other comprehensive income	—	—	—	299	—	—	299	—	299
Balance, December 31, 2021	56,625,650	$ 57	$1,145,278	$ 299	$ (58,715)	$ —	$ 1,086,919	$ 1,369	$1,088,288

The accompanying notes are an integral part of this statement.

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ORION OFFICE REIT INC.
CONSOLIDATED AND COMBINED STATEMENTS OF CASH FLOWS
(In thousands)

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	Year Ended December 31,		
	2021	2020	2019
Cash flows from operating activities:			
Net (loss) income	$ (47,464)	$ (1,899)	$ 15,284
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depreciation and amortization	43,922	25,950	26,923
Non-cash revenue adjustments	(1,315)	(406)	(792)
Amortization of net premiums on mortgages payable	(60)	(411)	(435)
Impairments	49,859	18,671	—
Loss on extinguishment of debt, net	3,782	—	—
Amortization of deferred financing costs	728	—	—
Equity-based compensation	65	—	—
Equity in income of unconsolidated joint venture	56	—	—
Changes in assets and liabilities:			
Accounts receivable, net and other assets, net	(5,017)	613	(280)
Accounts payable, accrued expenses and other liabilities, net	11,552	(191)	(706)
Net cash provided by operating activities	56,108	42,327	39,994
Cash flows from investing activities:			
Capital expenditures and leasing costs	(9,916)	(464)	(536)
Investments in unconsolidated joint venture	(2,478)	—	—
Return of investment from unconsolidated joint venture	133	—	—
Net cash used in investing activities	(12,261)	(464)	(536)
Cash flows from financing activities:			
Proceeds from Bridge Facility	355,000	—	—
Proceeds from credit facility term loan	175,000	—	—
Proceeds from credit facility revolver	90,000	—	—
Distributions to parent company, net	(587,156)	(8,989)	(37,621)
Payments on mortgage notes payable	(36,476)	(32,678)	(968)
Payments upon extinguishment of mortgage notes payable	(4,298)	—	—
Payments of deferred financing costs	(10,514)	—	—
Net cash used in financing activities	(18,444)	(41,667)	(38,589)
Net change in cash and cash equivalents and restricted cash	25,403	196	869
Cash and cash equivalents and restricted cash, beginning of year	3,915	3,719	2,850
Cash and cash equivalents and restricted cash, end of year	$ 29,318	$ 3,915	$ 3,719
Reconciliation of Cash and Cash Equivalents and Restricted Cash			
Cash and cash equivalents at beginning of year	$ —	$ —	$ —
Restricted cash at beginning of year	3,915	3,719	2,850
Cash and cash equivalents and restricted cash at the beginning of the year	$ 3,915	$ 3,719	$ 2,850
Cash and cash equivalents at end of year	$ 29,318	$ —	$ —
Restricted cash at the end of the year	—	3,915	3,719
Cash and cash equivalents and restricted cash at the end of the year	$ 29,318	$ 3,915	$ 3,719

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The accompanying notes are an integral part of this statement.

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ORION OFFICE REIT INC.
NOTES TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS
December 31, 2021

Note 1 – Organization

Organization

Orion Office REIT Inc. ("the Company", "Orion", "we" or "us") was incorporated in the state of Maryland on July 1, 2021 and was capitalized on July 15, 2021.

On April 29, 2021, Realty Income Corporation ("Realty Income") entered into an Agreement and Plan of Merger (as amended, the "Merger Agreement") with VEREIT, Inc. ("VEREIT"), its operating partnership, VEREIT Operating Partnership, L.P. ("VEREIT OP"), Rams MD Subsidiary I, Inc., a wholly owned subsidiary of Realty Income ("Merger Sub 1"), and Rams Acquisition Sub II, LLC, a wholly owned subsidiary of Realty Income ("Merger Sub 2"). On November 1, 2021, pursuant to the Merger Agreement, Merger Sub 2 merged with and into VEREIT OP, with VEREIT OP continuing as the surviving partnership, and immediately thereafter, VEREIT merged with and into Merger Sub 1, with Merger Sub 1 continuing as the surviving corporation (together, the "Mergers", and such effective time of the Mergers, the "Merger Effective Time"). Upon the Merger Effective Time, as part of the Mergers, Realty Income acquired certain office real properties and related assets previously owned by subsidiaries of VEREIT (collectively, "VEREIT Office Assets"). Following the Merger Effective Time, in accordance with the Merger Agreement, Realty Income contributed the portion of the combined business comprising certain office real properties and related assets previously owned by subsidiaries of Realty Income (collectively, "Realty Income Office Assets") and VEREIT Office Assets (the "Separation") to the Company and its operating partnership, Orion Office REIT LP ("Orion OP"). On November 12, 2021, following the Separation, in accordance with the Merger Agreement and that certain Separation and Distribution Agreement, Realty Income effected a special distribution to its stockholders (including the former holders of VEREIT common stock and certain former VEREIT OP common unitholders prior to the Mergers) of all of the outstanding shares of common stock of the Company (the "Distribution"). Approximately $595.0 million was distributed to Realty Income in accordance with the Separation and Distribution Agreement. In connection with the Separation and the Distribution, the Company entered into certain agreements with Realty Income to govern the ongoing relationships between the Company and Realty Income and to provide mechanisms for an orderly transition to the Company's status as an independent, publicly traded company, including the Separation and Distribution Agreement and a transition services agreement to provide certain administrative and other services between the parties for a limited time. Following the Distribution, the Company became independent and publicly traded and intends to qualify and elect to be taxed as a REIT, commencing with the Company's initial taxable year ending December 31, 2021.

The Company's common stock, par value $0.001 per share, trades on the New York Stock Exchange (the "NYSE") under the symbol "ONL".

At December 31, 2021, the Company owned and operated 92 office properties and related assets previously owned by Realty Income and VEREIT, totaling approximately 10.5 million leasable square feet located within 29 states and Puerto Rico. In addition, the Company owns an equity interest in an unconsolidated joint venture with an affiliate of Arch Street Capital Partners, which, as of December 31, 2021 owned a portfolio consisting of six office properties totaling approximately 1.0 million leasable square feet located within six states.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The consolidated and combined statements of the Company presented herein include the accounts of the Company and its consolidated subsidiaries. All intercompany transactions have been eliminated upon consolidation. The financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States ("U.S. GAAP").

Principles of Consolidation and Combination and Basis of Presentation

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The consolidated and combined statements of the Company include the accounts of Realty Income Office Assets presented on a combined basis for the period from January 1, 2021 to October 31, 2021 and all prior periods presented as the ownership interests were under common control and ownership of Realty Income during the respective periods. From and after the Merger Effective Time, the consolidated and combined financial statements include the accounts of the Company and its consolidated subsidiaries and a consolidated joint venture. The portion of the consolidated joint venture not owned by the Company is presented as non-controlling interest in the Company's consolidated balance sheets, statements of operations, statements of comprehensive income (loss) and statements of changes in equity.

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For periods presented prior to the date of the Distribution, the historical consolidated and combined results for the Company reflect charges for certain legal, accounting and other costs related to the Distribution, which were incurred and paid by Realty Income on the Company's behalf, and are reflected as capital contributions.

For legal entities being evaluated for consolidation, the Company must first determine whether the interests that it holds and fees it receives qualify as variable interests in the entity. A variable interest is an investment or other interest that will absorb portions of an entity's expected losses or receive portions of the entity's expected residual returns. The Company's evaluation includes consideration of fees paid to the Company where the Company acts as a decision maker or service provider to the entity being evaluated. If the Company determines that it holds a variable interest in an entity, it evaluates whether that entity is a variable interest entity ("VIE"). VIEs are entities where investors lack sufficient equity at risk for the entity to finance its activities without additional subordinated financial support or where equity investors, as a group, lack one of the following characteristics: (a) the power to direct the activities that most significantly impact the entity's economic performance, (b) the obligation to absorb the expected losses of the entity, or (c) the right to receive the expected returns of the entity. The Company consolidates entities that are not VIEs if it has a majority voting interest or other rights that result in effectively controlling the entity.

The Company then qualitatively assesses whether it is (or is not) the primary beneficiary of a VIE, which is generally defined as the party who has a controlling financial interest in the VIE. Consideration of various factors include, but are not limited to, the Company's ability to direct the activities that most significantly impact the entity's economic performance and its obligation to absorb losses from or right to receive benefits of the VIE that could potentially be significant to the VIE. The Company continually evaluates the need to consolidate VIEs based on standards set forth in U.S. GAAP.

Per Share Data

Income (loss) per basic share of Common Stock is calculated by dividing net income (loss) by the weighted-average number of shares of Common Stock issued and outstanding during such period. Diluted income (loss) per share of Common Stock considers the effect of potentially dilutive shares of Common Stock outstanding during the period.

Transaction Costs

Transaction costs are expensed as incurred. Such costs are comprised of the legal and professional fees associated with the formation and organization of the Company, the Mergers and the Distribution and are included in transaction costs in the accompanying consolidated statement of operations. Such costs also include expenses related to the fair value of the warrants issued to affiliates of the Arch Street Partner.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management makes significant estimates regarding real estate investment impairments.

Leases

Lessor

At the inception of a new lease arrangement for which the Company is the lessor, including new leases that arise from amendments, the Company assesses the terms and conditions to determine the proper lease classification. When the terms of a lease effectively transfer control of the underlying asset, the lease is classified as a sales-type lease. When a lease does not effectively transfer control of the underlying asset to the lessee, but the Company obtains a guarantee for the value of the asset from a third party, the Company classifies

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the lease as a direct financing lease. All other leases are classified as operating leases. As of December 31, 2021, none of the Company's leases were classified as sales-type leases or direct financing leases.

Lessee

To account for leases for which the Company is the lessee, contracts must be analyzed upon inception to determine if the arrangement is, or contains, a lease. A lease conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease classification tests and measurement procedures are performed at the lease commencement date.

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The lease liability is initially measured as the present value of the lease payments over the lease term, discounted using the interest rate implicit in the lease, if that rate is readily determinable; otherwise, the lessee's incremental borrowing rate is used. The incremental borrowing rate is determined based on the estimated rate of interest that the lessee would pay to borrow on a collateralized basis over a similar term at an amount equal to the lease payments in a similar economic environment. The lease term is the noncancelable period of the lease and includes any renewal and termination options the Company is reasonably certain to exercise. The lease liability balance is amortized using the effective interest method. The lease liability is remeasured when the contract is modified, upon the resolution of a contingency such that variable payments become fixed or if the assessment of exercising an extension, termination or purchase option changes.

The operating lease right-of-use ("ROU") asset balance is initially measured as the lease liability amount, adjusted for any lease payments made prior to the commencement date, initial direct costs, estimated costs to dismantle, remove, or restore the underlying asset and incentives received.

Revenue Recognition

Rental Revenue

The Company continually reviews receivables related to rent, straight-line rent and property operating expense reimbursements and determines collectability by taking into consideration the tenant's payment history, the financial condition of the tenant, business conditions in the industry in which the tenant operates and economic conditions in the area in which the property is located. The review includes a binary assessment of whether or not substantially all of the amounts due under a tenant's lease agreement are probable of collection. For leases that are deemed probable of collection, revenue continues to be recorded on a straight-line basis over the lease term and the Company recognizes a general allowance on a portfolio-wide basis. For leases that are deemed not probable of collection, revenue is recorded as cash is received and the Company reduces rental revenue for any straight-line rent receivables. The Company recognizes all changes in the collectability assessment for an operating lease as an adjustment to rental revenue. During the year ended December 31, 2021, the Company did not record a general allowance or any reductions to rental revenue for amounts not probable of collection.

For operating leases with minimum scheduled rent increases, the Company recognizes rental revenue on a straight-line basis, including the effect of any free rent periods, over the lease term when collectability of lease payments is probable. Variable lease payments are recognized as rental revenue in the period when the changes in facts and circumstances on which the variable lease payments are based occur. Variable lease payments, including contingent rent, which is paid by a tenant when the tenant's sales exceed an agreed upon minimum amount, are recognized once tenant sales exceed contractual tenant lease thresholds and is calculated by multiplying the sales in excess of the minimum amount by a percentage defined in the lease.

The Company's leases also contain provisions for tenants to reimburse the Company for real estate taxes, insurance and maintenance and other property operating expenses. Such reimbursements are included in rental revenue and amounts paid directly by tenants are recorded on a net basis, as applicable.

Rental revenue also includes lease termination income collected from tenants to allow for the tenant to vacate their space prior to their scheduled termination dates, as well as amortization of above and below-market leases. During the year ended December 31, 2021, the Company recognized termination income of $0.3 million. The Company did not recognize any termination income during the years ended December 31, 2020 and 2019.

Accounting for Lease Concessions Related to the Effects of the COVID-19 Pandemic

The FASB issued a question-and-answer document, *Accounting for Lease Concessions Related to the Effects of the COVID-19 Pandemic* for concessions related to the effects of COVID-19 that provide a deferral of payments with no substantive changes to the consideration of the original contract, which allows an entity to elect to not analyze each contract to determine whether enforceable rights

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and obligations for concessions exist in the contract and to elect to apply or not apply the lease modification guidance in Accounting Standards Codification ("ASC") Topic 842, Leases ("ASC 842"), to those contracts (the "COVID-19 Lease Concessions Relief"). During the years ended December 31, 2021 and 2020, the Company has not granted any concessions.

Fee Income from Unconsolidated Joint Venture

The Company provides various services to our unconsolidated joint venture entity in exchange for market-based fees. Total asset and property management and acquisition fees earned in connection with this entity was $0.3 million for the year ended December 31, 2021. No such fee income was earned for the years ended December 31, 2020 and 2019, respectively.

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Real Estate Investments

The Company records acquired real estate at cost when such acquisitions qualify as asset acquisitions and makes assessments as to the useful lives of depreciable assets. The Company considers the period of future benefit of the asset to determine the appropriate useful lives. Depreciation is computed using a straight-line method over the estimated useful life of 35 years for buildings, five to 15 years for building fixtures and improvements and the remaining lease term for intangible lease assets.

Allocation of Purchase Price of Real Estate Acquisitions

For acquisitions that qualify as asset acquisitions, the Company allocates the purchase price of acquired properties to tangible and identifiable intangible assets and liabilities acquired based on their relative fair values. Tangible assets include land, buildings, fixtures and improvements on an as-if vacant basis. The Company utilizes various estimates, processes and information to determine the as-if vacant property value. Identifiable intangible assets and liabilities include amounts allocated to acquired leases for above-market and below-market lease rates and the value of in-place leases. In estimating fair values for purposes of allocating purchase price, the Company utilizes a number of sources, including independent appraisals that may be obtained in connection with the acquisition or financing of the respective property and other market data. The Company also considers information obtained about each property as a result of its pre-acquisition due diligence, as well as subsequent marketing and leasing activities, in estimating the fair value of the tangible and intangible assets acquired and intangible liabilities assumed.

The aggregate value of intangible assets related to in-place leases is primarily the difference between the property valued with existing in-place leases adjusted to market rental rates and the property valued as if vacant. Factors considered by the Company in its analysis of the in-place leases include an estimate of carrying costs during the expected lease-up period for each property, taking into account current market conditions and costs to execute similar leases. In estimating carrying costs, the Company includes real estate taxes, insurance and other operating expenses and estimates of lost rentals at market rates during the expected lease-up period, which typically ranges from six to 18 months. The Company also estimates costs to execute similar leases, including leasing commissions, legal and other related expenses. The value of in-place leases is amortized over the remaining non-cancelable term of the respective leases at acquisition. If a tenant terminates its lease, then the unamortized portion of the in-place lease value is charged to expense.

Above-market and below-market in-place lease values for owned properties are recorded based on the present value (using an interest rate which reflects the risks associated with the leases acquired) of the difference between the contractual amounts to be paid pursuant to the in-place leases and management’s estimate of fair market lease rates for the corresponding in-place leases, measured over a period equal to the remaining non-cancelable term of the lease, including any bargain renewal periods. A bargain renewal period is provision in a lease which allows a lessee, at their option, to renew a lease at a rate that is sufficiently lower than fair market lease rates at the date such option is exercisable such that exercise of the option appears, at the inception of the lease, to be reasonably certain. Above-market leases are amortized as a reduction to rental revenue over the remaining terms of the respective leases. Below-market leases are amortized as an increase to rental revenue over the remaining terms of the respective leases, including any bargain renewal periods.

The determination of the fair values of the real estate assets and liabilities acquired requires the use of significant assumptions with regard to the current market rental rates, rental growth rates, capitalization and discount rates, interest rates and other variables. The use of alternative estimates may result in a different allocation of the Company’s purchase price, which could materially impact the Company’s results of operations.

Following the Mergers, Realty Income performed a purchase price allocation assessing the value of the business. See Note 5 – Fair Value Measures for further discussion on this purchase price allocation. In accordance with ASC Topic 805, Business Combinations, adjustments to the allocated purchase price may be made within one year of the closing date of the Mergers as acquisition date uncertainties are resolved.

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Investment in Unconsolidated Entity

The Company accounts for its investment in the unconsolidated joint venture arrangement using the equity method of accounting as the Company has the ability to exercise significant influence, but not control, over the operating and financing policies of the investment. The equity method of accounting requires the investment to be initially recorded at cost and subsequently adjusted for the Company's share of equity in the joint venture's earnings and distributions. The Company records its proportionate share of net income (loss) from the unconsolidated joint venture in equity in income of unconsolidated entity in the consolidated statements of operations. See Note 3 – Real Estate Investments and Related Intangibles for further discussion on the Company's investment in the unconsolidated joint venture.

The Company is required to determine whether an event or change in circumstances has occurred that may have a significant adverse effect on the fair value of its investment in the unconsolidated joint venture. If an event or change in circumstance has occurred, the Company is required to evaluate its investment in the unconsolidated joint venture for potential impairment and determine if the carrying value of its investment exceeds its fair value. An impairment charge is recorded when an impairment is deemed to be other-than-temporary. To determine whether an impairment is other-than-temporary, the Company considers whether it has the intent and ability to hold the investment until the carrying value is fully recovered. The evaluation of an investment in an unconsolidated joint venture for potential impairment requires the Company's management to exercise significant judgment and to make certain assumptions. The use of different judgments and assumptions could result in different conclusions. No impairments of the unconsolidated joint venture were identified during the year ended December 31, 2021. Prior to the Distribution, the Company did not own any investments in an unconsolidated joint venture.

Property and Equipment

Property and equipment, which typically include computer hardware and software, furniture and fixtures, among other items, are stated at cost less accumulated depreciation. Property and equipment are depreciated on a straight-line method over the estimated useful lives of the assets, which range from three to seven years. The Company reassesses the useful lives of its property and equipment and adjusts the future monthly depreciation expense based on the new useful life, as applicable. If the Company disposes of an asset, the asset and related accumulated depreciation are written off upon disposal.

Impairments

Real Estate Assets

The Company performs impairment review procedures, primarily through continuous monitoring of events and changes in circumstances that could indicate the carrying value of its real estate assets may not be recoverable. Impairment indicators that the Company considers include, but are not limited to, decrease in a property's net operating cash flows, bankruptcy or other credit concerns of a property's major tenant or tenants, such as history of late payments, rental concessions and other factors, as well as significant decreases in a property's revenues due to lease terminations, vacancies or reduced lease rates. When impairment indicators are identified or if a property is considered to have a more likely than not probability of being disposed of within the next 12 to 24 months, the Company assesses the recoverability of the assets by determining whether the carrying value of the assets will be recovered through the undiscounted future cash flows expected from the use of the assets and their eventual disposition. U.S. GAAP requires us to utilize the Company's expected holding period of our properties when assessing recoverability. In the event that such expected undiscounted future cash flows do not exceed the carrying value, the Company will adjust the real estate assets to their respective fair values and recognize any impairment loss. Generally, fair value is determined using a discounted cash flow analysis and recent comparable sales or leasing transactions. The assumptions and uncertainties utilized in the evaluation of the impairment of real estate assets are discussed in Note 5 – Fair Value Measures.

Building, Fixtures and Improvements

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Property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. If this review indicates that the carrying value of the asset is not recoverable, the Company records an impairment loss, measured at fair value based on estimated discounted cash flows or market appraisals. The evaluation of property and equipment for potential impairment requires the Company's management to exercise significant judgment and to make certain assumptions. The use of different judgments and assumptions could result in different conclusions. No impairments of property and equipment were identified during the years ended December 31, 2021, 2020 and 2019.

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Right of Use Assets

The Company's impairment assessment for ROU assets is consistent with the impairment analysis for the Company's other long-lived assets. No impairments of ROU assets were identified during the years ended December 31, 2021, 2020 and 2019. See Note 5 – Fair Value Measures for further discussion.

Cash and Cash Equivalents

Cash and cash equivalents include cash in bank accounts, as well as investments in highly-liquid funds with original maturities of three months or less. The Company deposits cash with high quality financial institutions. These deposits are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to an insurance limit of $250,000. At times, the Company's cash and cash equivalents may exceed federally insured levels. Although the Company bears risk on amounts in excess of those insured by the FDIC, it has not experienced and does not anticipate any losses due to the high quality of the institutions where the deposits are held.

Restricted cash

The Company did not have any restricted cash balances as of December 31, 2021. The Company had $3.9 million and $3.7 million in restricted cash as of December 31, 2020 and 2019, respectively. Restricted cash primarily consists of impounds and security deposits related to mortgages payable. In accordance with certain debt agreements that were outstanding as of December 31, 2020, rent from certain of the Company's tenants is deposited directly into a lockbox account, from which the monthly debt service payments are disbursed to the lender and the excess funds are then disbursed to the Company. Included in restricted cash at December 31, 2020 was $3.4 million in impounds related to mortgages payable and $0.5 million in security deposits related to mortgages payable. Included in restricted cash at December 31, 2019 was $3.2 million in impounds related to mortgages payable and $0.5 million in security deposits related to mortgages payable. Restricted cash is included in Other Assets, net on the Company's consolidated and combined balance sheets.

Deferred Financing Costs

Deferred financing costs represent commitment fees, legal fees and other costs associated with obtaining commitments for financing. Deferred financing costs, other than those associated with the Revolving Facility (as defined in Note 6 – Debt, Net), are presented on the consolidated balance sheets as a direct deduction from the carrying amount of the related debt liability rather than as an asset. Deferred financing costs related to the Revolving Facility are included in other assets in the accompanying consolidated balance sheets. These costs are amortized to interest expense over the terms of the respective financing agreements using the effective interest method. Unamortized deferred financing costs are written off when the associated debt is refinanced or repaid before maturity. Costs incurred in connection with potential financial transactions that are not completed are expensed in the period in which it is determined the financing will not be completed.

Derivative Instruments

The Company may use derivative financial instruments, including interest rate swaps, caps, collars, treasury locks, options and forwards to hedge all or a portion of the interest rate risk associated with its borrowings. The Company's interest rate management objectives are intended to limit the impact of interest rate fluctuations on earnings and cash flows and to manage the Company's overall borrowing costs. To accomplish this objective, the Company intends to use interest rate swaps as part of its cash flow hedging strategy. The Company does not intend to utilize derivatives for trading or speculative purposes or for purposes other than interest rate risk management. The use of derivative financial instruments carries certain risks, including the risk that the counterparties to these contractual arrangements are not able to perform under the agreements. To mitigate this risk, the Company only enters into derivative financial instruments with counterparties with high credit ratings and with major financial institutions with which the Company may also have other financial relationships. The Company does not anticipate that any of the counterparties will fail to meet their obligations.

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The Company records all derivatives on the consolidated balance sheets at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary under U.S. GAAP to apply hedge accounting. Derivatives designated and qualifying as a hedge of 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 designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges.

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The accounting for subsequent changes in the fair value of these derivatives depends on whether each has been designated and qualifies for hedge accounting treatment. If the Company elects not to apply hedge accounting treatment, any changes in the fair value of these derivative instruments is recognized immediately in other income, net in the consolidated statements of operations and consolidated statements of comprehensive income (loss). If the derivative is designated and qualifies for hedge accounting treatment, the change in fair value of the derivative is recorded in other comprehensive income (loss). Unrealized gains and losses in other comprehensive income (loss) are reclassified to interest expense when the related hedged items impact earnings.

Loss Contingencies

The Company records a liability in the consolidated and combined statements for loss contingencies when a loss is known or considered probable and the amount is reasonably estimable. If the reasonable estimate of a known or probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a material loss is reasonably possible but not known or probable, and is reasonably estimable, the estimated loss or range of loss is disclosed.

Income Taxes

The Company intends to qualify and elect to be taxed as a REIT for U.S. federal income tax purposes under Sections 856 through 860 of the Internal Revenue Code, as amended (the "Code"), commencing with the taxable year ended December 31, 2021. To qualify as a REIT, the Company must meet a number of organizational and operational requirements, including a requirement that it distribute annually at least 90% of its REIT taxable income, subject to certain adjustments and excluding any net capital gain to its stockholders. We believe we are organized and operating in such a manner as to qualify and elect to be taxed as a REIT for the taxable year ended December 31, 2021. However, Orion OP is still subject to certain state and local income, franchise and property taxes in the various jurisdictions in which it operates. The Company may also be subject to federal income taxes on certain income and excise taxes on its undistributed income.

During the year ended December 31, 2021, the Company conducted all of its business in the United States and Puerto Rico and will file income tax returns in the U.S. federal jurisdiction, Puerto Rico, and various state and local jurisdictions.

The Company provides for income taxes in accordance with current authoritative accounting and tax guidance. The tax provision or benefit related to significant or unusual items is recognized in the quarter in which those items occur. In addition, the effect of changes in enacted tax laws, rates or tax status is recognized in the quarter in which the change occurs. The accounting estimates used to compute the provision for or benefit from income taxes may change as new events occur, additional information is obtained or the tax environment changes.

During the year ended December 31, 2021, the Company recognized state and local income and franchise tax expense of $0.2 million, which is included in provision for income taxes in the accompanying consolidated statements of operations.

The Company had no unrecognized tax benefits as of or during the year ended December 31, 2021. Any interest and penalties related to unrecognized tax benefits would be recognized in provision for income taxes in the accompanying consolidated statements of operations.

For periods presented prior to the Merger Effective Time, Realty Income Office Assets was owned by Realty Income, a Maryland corporation which had elected to be taxed as a REIT, under the Code, as amended. Under the REIT operating structure, Realty Income was permitted to deduct dividends paid to its stockholders in determining its taxable income. Assuming Realty Income's dividends equaled or exceeded its taxable net income, it was generally not required to pay federal corporate income taxes on such income. Accordingly, no provision was made for federal income taxes in the accompanying consolidated and combined financial statements of the Company for such prior periods.

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The properties in the consolidated and combined financial statements which comprised Realty Income Office Assets were previously owned directly or indirectly by limited partnerships or limited liability companies of Realty Income and, as a result, the allocated share of income for periods presented prior to the Merger Effective Time are included in the consolidated income tax return of Realty Income.

Segment Reporting

The Company operates in one business segment: direct ownership and operation of commercial real estate.

Recent Accounting Pronouncements

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In July 2021, the FASB issued ASU 2021-05 establishing Topic 842, Lessors - Certain Leases with Variable Lease Payments. ASU 2021-05 further clarifies ASC 842 classification guidance as it relates to a lessor's accounting for certain leases with variable lease payments. This guidance requires a lessor to classify a lease with variable payments that do not depend on an index or rate as an operating lease if either a sales-type lease or direct financing lease classification would trigger a day-one loss. This guidance is effective for reporting periods beginning after December 15, 2021, with early adoption permitted. We are currently evaluating the impact of the adoption of ASU 2021-05 on our consolidated and combined statements.

In March 2020, the FASB issued ASU 2020-04 establishing Topic 848, Reference Rate Reform. ASU 2020-04 contains practical expedients for reference rate reform related activities that impact debt, leases, derivatives and other contracts. The guidance is optional and is effective between March 12, 2020 and December 31, 2022. The guidance may be elected over time as reference rate reform activities occur. We are currently evaluating the impact that the expected market transition from the London Interbank Offered Rate, commonly referred to as LIBOR, to alternative references rates will have on our financial statements as well as the applicability of the aforementioned expedients and exceptions provided in ASU 2020-04.

Note 3 – Real Estate Investments and Related Intangibles

Property Acquisitions

During the years ended December 31, 2021, 2020 and 2019, the Company had no acquisitions.

Intangible Lease Assets

Intangible lease assets consisted of the following (amounts in thousands, except weighted-average useful life):

	Weighted-Average Useful Life (Years)	December 31, 2021	December 31, 2020
Intangible lease assets:			
In-place leases, net of accumulated amortization of $65,247 and $71,633, respectively	4.8	$ 272,743	$ 25,800
Leasing commissions, net of accumulated amortization of $456	13.4	10,349	—
Above-market lease assets, net of accumulated amortization of $6,239 and $7,166, respectively	5.0	15,015	2,880
Total intangible lease assets, net		$ 298,107	$ 28,680
Intangible lease liabilities:			
Below-market leases, net of accumulated amortization of $14,459 and $13,482, respectively	7.5	$ 20,609	$ 7,221

The aggregate amount of amortization of above-market and below-market leases included as a net increase to rental revenue was $1.0 million, $0.8 million and $0.9 million for the years ended December 31, 2021, 2020 and 2019, respectively. The aggregate amount of in-place leases, leasing commissions and other lease intangibles amortized and included in depreciation and amortization expense was $23.1 million for the year ended December 31, 2021, and $7.9 million and $8.7 million for the years ended December 31, 2020 and 2019, respectively.

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The following table provides the projected amortization expense and adjustments to rental revenue related to the intangible lease assets and liabilities for the next five years as of December 31, 2021 (amounts in thousands):

	2022	2023	2024	2025	2026
In-place leases:					
Total projected to be included in amortization expense	$ 94,659	$ 73,859	$ 49,213	$ 21,652	$ 15,499
Leasing commissions:					
Total projected to be included in amortization expense	$ 850	$ 850	$ 841	$ 836	$ 836
Above-market lease assets and deferred lease incentives:					
Total projected to be deducted from rental revenue	$ 5,171	$ 4,791	$ 2,998	$ 860	$ 682
Below-market lease liabilities:					
Total projected to be added to rental revenue	$ 6,443	$ 6,091	$ 3,786	$ 1,036	$ 817

Consolidated Joint Venture

The Company had an interest in one consolidated joint venture that owned one property as of December 31, 2021. As of December 31, 2021, the consolidated joint venture had total assets of $27.4 million, of which $26.1 million were real estate investments, net of accumulated depreciation and amortization. The joint venture partner is the managing member of the joint venture. However, in accordance with the joint venture agreement, the Company has the ability to control the operating and financing policies of the consolidated joint venture and the joint venture partner must obtain the Company's approval for any major transactions. The Company and the joint venture partner are subject to the provisions of the joint venture agreement, which includes provisions for when additional contributions may be required to fund certain cash shortfalls.

Investment in Unconsolidated Entity

The following is a summary of the Company's investment in one unconsolidated entity, Arch Street Joint Venture, as of December 31, 2021 and for the year ended December 31, 2021 (dollar amounts in thousands):

	Ownership % [(1)]	Number of Properties	Carrying Amount of Investment	Equity in Income Year Ended [(2)]
Investment	**December 31, 2021**		**December 31, 2021**	**December 31, 2021**
Arch Street Joint Venture [(3)] [(4)]	20%	6	$ 18,631	$ (56)

____

(1) The Company's ownership interest reflects its legal ownership interest. Legal ownership may, at times, not equal the Company's economic interest in the listed properties because of various provisions in certain joint venture agreements regarding capital contributions, distributions of cash flow based on capital account balances and allocations of profits and losses. As a result, the Company's actual economic interest (as distinct from its legal ownership interest) in certain of the properties could fluctuate from time to time and may not wholly align with its legal ownership interests.

(2) The interest in the Arch Street Joint Venture was acquired by Realty Income as part of the Mergers, and was transferred to the Company upon the consummation of the Distribution. Therefore, the Company's equity in income reflects operations following the Merger Effective Time.

(3) During year ended December 31, 2021, the Arch Street Joint Venture acquired one property from a third party for a purchase price of $30.5 million.

(4) The total carrying amount of the Company's investment in the unconsolidated joint venture was greater than the underlying equity in net assets by $2.1 million as of December 31, 2021. This difference related to a step up in the fair value of the investment in the unconsolidated joint venture in connection with the Mergers. The

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step up in fair value was allocated to the Company's investment in the unconsolidated joint venture and is amortized in accordance with the Company's depreciation policy.

Note 4 – Receivables and Other Assets:

Accounts receivable, net consisted of the following as of December 31, 2021 and 2020 (in thousands):

	December 31, 2021	December 31, 2020
Straight-line rent receivable, net	$ 7,722	$ 7,043
Accounts receivable, net	10,194	1,035
Total	$ 17,916	$ 8,078

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Other assets, net consisted of the following as of December 31, 2021 and 2020 (in thousands):

	December 31, 2021	December 31, 2020
Deferred costs, net [(1)]	6,246	—
Prepaid expenses	3,730	252
Right-of-use assets, net [(2)]	30,958	7,630
Investment in unconsolidated entity	18,631	—
Restricted cash	—	3,915
Other assets, net	936	—
Total	$ 60,501	$ 11,797

(1) Amortization expense for deferred costs related to the revolving credit facility totaled $0.3 million for the year ended December 31, 2021 as compared to no deferred costs for the year ended December 31, 2020. Accumulated amortization for deferred costs related to the revolving credit facility was $0.3 million at December 31, 2021.

(2) Amortization expense for below market right-of-use asset was less than $0.1 million. Includes right-of-use finance leases of $13.8 million, right-of-use operating leases of $10.2 million, and a below-market right-of-use asset of $7.1 million, net of less than $0.1 million in accumulated amortization as of the year ended December 31, 2021.

Note 5 – Fair Value Measures

The Company determines fair value based on quoted prices when available or through the use of alternative approaches, such as discounting the expected cash flows using market interest rates commensurate with the credit quality and duration of the investment. U.S. GAAP guidance defines three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets and liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset and liability or can be corroborated with observable market data for substantially the entire contractual term of the asset or liability.

Level 3 – Unobservable inputs reflect the entity's own assumptions about the assumptions that market participants would use in the pricing of the asset or liability and are consequently not based on market activity, but rather through particular valuation techniques.

The determination of where an asset or liability falls in the hierarchy requires significant judgment and considers factors specific to the asset or liability. In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company evaluates its hierarchy disclosures each quarter and depending on various factors, it is possible that an asset or liability may be classified differently from quarter to quarter. Changes in the type of inputs may result in a reclassification for certain assets. The Company does not expect that changes in classifications between levels will be frequent.

Items Measured at Fair Value on a Recurring Basis

The following tables present information about the Company's assets and liabilities measured at fair value on a recurring basis as of December 31, 2021, aggregated by the level in the fair value hierarchy within which those instruments fall (in thousands):

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	Level 1	Level 2	Level 3	Balance as of December 31, 2021
Assets:				
Derivative assets	$ —	$ 299	$ —	$ 299

Derivative Assets – The Company's derivative financial instruments relate to interest rate swaps. The valuation of derivative instruments is determined using a 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, as well as observable market-based inputs, including interest rate curves and implied volatilities. In addition, credit valuation adjustments are incorporated into the fair values to account for the Company's potential nonperformance risk and the performance risk of the counterparties.

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Although the Company determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with those derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by the Company and its counterparties. However, as of December 31, 2021, the Company assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and determined that the credit valuation adjustments are not significant to the overall valuation of the Company's derivatives. As a result, the Company determined that its derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

Items Measured at Fair Value on a Non-Recurring Basis

Certain financial and nonfinancial assets and liabilities are measured at fair value on a non-recurring basis and are subject to fair value adjustments in certain circumstances, such as when there is evidence of impairment.

Real Estate and Other Investments – The Company performs quarterly impairment review procedures for real estate investments, leasehold improvements and property and equipment, right of use assets and its investment in the unconsolidated entity, primarily through continuous monitoring of events and changes in circumstances that could indicate the carrying value of such assets may not be recoverable.

As part of the Company's impairment review procedures, net real estate assets representing ten properties were deemed to be impaired resulting in impairment charges of $49.9 million during the year ended December 31, 2021 that relate to certain non-core assets which were identified by management for potential sale.

During the year ended December 31, 2020, the Company analyzed a unique triggering event related to one property that had a near term lease expiration, combined with a mortgage loan maturity. The estimated future undiscounted cash flows of this property indicated that carrying amounts were not expected to be recovered, and after estimating the fair value, an impairment charge of $18.7 million was recorded for the year ended December 31, 2020. The fair value measurement for this property was determined by applying a sales price based on market comparable sales provided by a third party. This input is categorized as level two on the valuation hierarchy. The Company also identified the impact of the COVID-19 pandemic as an impairment triggering event. However, after performing review procedures, the Company did not identity additional carrying values of properties impacted by the COVID-19 pandemic during the year ended December 31, 2020.

There were no impairment charges recorded during the year ended December 31, 2019.

The following table summarizes our provisions for impairment during the periods indicated below (dollars in thousands):

	Year Ended December 31,	
	2021	**2020**
Number of properties	10	1
Carrying value of impaired properties	$ 109,197	$ 29,129
Provisions for impairment	(49,859)	(18,671)
Estimated fair value	$ 59,338	$ 10,458

The Company estimates fair values using Level 2 and Level 3 inputs and uses a combined income and market approach, specifically using discounted cash flow analysis and/or recent comparable sales transactions. The evaluation of real estate assets for potential impairment requires the Company's management to exercise significant judgment and make certain key assumptions, including, but not limited to, the following: (1) capitalization rate; (2) discount rates; (3) number of years property will be held; (4) property

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operating expenses; and (5) re-leasing assumptions including number of months to re-lease, market rental revenue and required tenant improvements. There are inherent uncertainties in making these estimates such as market conditions and performance and sustainability of the Company's tenants. For the Company's impairment tests for the real estate assets during the year ended December 31, 2021, the fair value measurement for its impaired properties was primarily determined by applying a sales price based on market data and, where applicable, the Company used a weighted-average discount rate of 8.9%.

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Real Estate and Other Investments – Separation Fair Value Assessment – Following the Mergers, Realty Income performed a purchase price allocation assessing the value of the assets acquired and liabilities assumed at the date of acquisition of VEREIT. The assessment of fair value is preliminary and is based on information that was available to Realty Income management at the time the consolidated and combined statements were prepared. Measurement period adjustments, if any, will be recorded in the period in which they are determined, as if they had been completed at the acquisition date. The finalization of Realty Income's purchase accounting assessment could result in changes in the valuation of real estate assets and liabilities up to one year after the date of the Mergers, and these changes could be material.

Fair Value of Financial Instruments

The fair value of short-term financial instruments such as cash and cash equivalents, restricted cash, accounts receivable, and accounts payable approximate their carrying value in the accompanying consolidated balance sheets due to their short-term nature. The fair values of the Company's financial instruments are reported below (dollar amounts in thousands):

	Level	Carrying Amount at December 31, 2021	Fair Value at December 31, 2021	Carrying Amount at December 31, 2020	Fair Value at December 31, 2020
Liabilities [1]:					
Bridge facility, net	2	355,000	355,000	$ —	$ —
Credit facility term loan, net	2	175,000	175,000	—	—
Credit facility revolver	2	90,000	90,000	—	—
Mortgages payable assumed in connection with acquisitions	2	—	—	36,476	37,095
Total		$ 620,000	$ 620,000	$ 36,476	$ 37,095

(1) Current and prior period liabilities' carrying and fair values exclude net deferred financing costs.

Debt – The fair value is estimated by an independent third party using a discounted cash flow analysis, based on management's estimates of credit spreads and observable market interest rates, representing level 2 on the fair value hierarchy.

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Note 6 – Debt, Net

As of December 31, 2021, the Company had $616.8 million of debt outstanding, including net deferred financing costs, with a weighted-average years to maturity of 1.2 years and a weighted-average interest rate of 2.77%. The following table summarizes the carrying value of debt as of December 31, 2021 and December 31, 2020, and the debt activity for the year ended December 31, 2021 (in thousands):

		Year Ended December 31, 2021			
	Balance as of December 31, 2020	Debt Issuances	Repayments, Extinguishment and Assumptions	Accretion and Amortization	Balance as of December 31, 2021
Mortgages payable:					
Outstanding balance	$ 36,476	$ —	$ (36,476)	$ —	$ —
Premium, net	576	—	(516)	(60)	—
Mortgages payable, net	37,052	—	(36,992)	(60)	—
Bridge facility:					
Outstanding balance	—	355,000	—	—	355,000
Deferred costs	—	(888)	—	245	(643)
Bridge facility, net	—	354,112	—	245	354,357
Credit facility term loan:					
Outstanding balance	—	175,000	—	—	175,000
Deferred costs	—	(2,695)	—	185	(2,510)
Credit facility term loan, net	—	172,305	—	185	172,490
Credit facility revolver:					
Outstanding balance	—	90,000	—	—	90,000
Credit facility revolver, net	—	90,000	—	—	90,000
Total debt	$ 37,052	$ 616,417	$ (36,992)	$ 370	$ 616,847

Credit Agreement

In connection with the Separation and the Distribution, on November 12, 2021, the Company, as parent, and Orion Office REIT LP ("Orion OP"), as borrower, entered into (i) a credit agreement (the "Revolver/Term Loan Credit Agreement") providing for a three-year, $425 million senior revolving credit facility (the "Revolving Facility"), including a $25 million letter of credit sub-facility, and a two-year, $175.0 million senior term loan facility (the "Term Loan Facility," and together with the Revolving Facility, the "Revolver/Term Loan Facilities") with Wells Fargo Bank, National Association, as administrative agent, and the lenders and issuing banks party thereto and (ii) a credit agreement (the "Bridge Credit Agreement," and together with the Revolver/Term Loan Credit Agreement, the "Credit Agreements") providing for a 6-month, $355.0 million senior bridge term loan facility (the "Bridge Facility," and together with

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the Revolver/Term Loan Facilities, the "Facilities") with Wells Fargo Bank, National Association, as administrative agent, and the lenders party thereto.

On November 12, 2021, Orion OP borrowed $90.0 million under the Revolving Facility, and each of the Term Loan Facility and the Bridge Facility was fully drawn. Approximately $595.0 million of the net proceeds of the Facilities was distributed to Realty Income in accordance with the Separation and Distribution Agreement. Orion OP retained the remaining net proceeds of such borrowings as working capital that will be used for the general corporate purposes of the Company, Orion OP and Orion OP's subsidiaries. As of December 31, 2021, the Company had approximately $620.0 million of total consolidated debt outstanding and $335.0 million of availability under the Revolving Facility.

The Bridge Facility is subject to one 6-month extension option at the election of Orion OP. The exercise of such extension option requires the payment of an extension fee and the satisfaction of certain other customary conditions. The Bridge Facility was refinanced with a $355.0 million mortgage loan during February 2022 (see Note 15 – Subsequent Events below).

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The interest rate applicable to the loans under the Facilities may, at the election of Orion OP, be determined on the basis of LIBOR or a base rate, in either case, plus an applicable margin. Under the Revolver/Term Loan Facilities, the applicable margin is (1) in the case of the Revolving Facility, 2.50% for LIBOR loans and 1.50% for base rate loans and (2) in the case of the Term Loan Facility, 2.50% for LIBOR loans and 1.50% for base rate loans. Under the Bridge Facility, the applicable margin for LIBOR loans was initially 2.50% with scheduled increases over time to a maximum of 3.50% and the applicable margin on base rate loans was initially 1.50% with scheduled increases over time to a maximum of 2.50%, in each case, based on the number of days elapsed after November 12, 2021. Loans under the Revolver/Term Loan Facilities may be prepaid, and unused commitments under the Revolver/Term Loan Facilities may be reduced, at any time, in whole or in part, without premium or penalty (except for LIBOR breakage costs).

To the extent that amounts under the Revolving Facility remain unused, Orion OP is required to pay a quarterly commitment fee on the unused portion of the Revolving Facility in an amount equal to 0.25% per annum of the unused portion of the Revolving Facility.

The Revolver/Term Loan Facilities are guaranteed pursuant to a Guaranty (the "Revolver/Term Loan Guaranty") and the Bridge Facility was guaranteed pursuant to a Guaranty (the "Bridge Guaranty"), in each case, by the Company and, subject to certain exceptions, substantially all of Orion OP's existing and future subsidiaries (including substantially all of its subsidiaries that directly or indirectly own unencumbered real properties), other than certain joint ventures and subsidiaries that own real properties subject to certain other indebtedness (such subsidiaries of Orion OP, the "Subsidiary Guarantors").

The Revolver/Term Loan Facilities are secured by, among other things, first priority pledges of the equity interests in the Subsidiary Guarantors.

The Revolver/Term Loan Facilities require that Orion OP comply with various covenants, including, without limitation, covenants restricting, subject to certain exceptions, liens, investments, mergers, asset sales and the payment of certain dividends. In addition, the Revolver/Term Loan Facilities require that Orion OP satisfy certain financial covenants, including a:

- ratio of total debt to total asset value of not more than 0.60 to 1.00;
- ratio of adjusted EBITDA to fixed charges of not less than 1.50 to 1.00;
- ratio of secured debt to total asset value of not more than 0.45 to 1.00;
- ratio of unsecured debt to unencumbered asset value of not more than 0.60 to 1.00; and
- ratio of net operating income from all unencumbered real properties to unsecured interest expense of not less than 2.00 to 1.00.

As of December 31, 2021, Orion OP was in compliance with these financial covenants.

The Revolver/Term Loan Facilities include customary representations and warranties of the Company and Orion OP, which must be true and correct in all material respects as a condition to future extensions of credit under the Revolver/Term Loan Facilities. The Revolver/Term Loan Facilities also include customary events of default, the occurrence of which, following any applicable grace period, would permit the lenders to, among other things, declare the principal, accrued interest and other obligations of Orion OP under the Revolver/Term Loan Facilities to be immediately due and payable and foreclose on the collateral securing the Revolver/Term Loan Facilities.

Note 7 – Derivatives and Hedging Activities

Cash Flow Hedges of Interest Rate Risk

As of December 31, 2021, the Company had interest rate swap agreements with an aggregate notional amount of $175.0 million, which were designated as cash flow hedges under U.S. GAAP. The interest rate swap agreements were effective on December 1, 2021 and mature on November 12, 2023. As of December 31, 2020, the Company had no interest rate swap agreements.

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The table below presents the fair value of the Company's derivative financial instrument designated as a cash flow hedge as well as its classification in the Company's consolidated balance sheets as of December 31, 2021 (in thousands):

Derivatives Designated as Hedging Instruments	Balance Sheet Location	December 31, 2021
Interest rate swaps	Other assets, net	$ 299

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During the year ended December 31, 2021, the Company recorded unrealized gains of $0.2 million for changes in the fair value of its cash flow hedge in accumulated other comprehensive income. There were no similar amounts recorded during the years ended December 31, 2020 and 2019, respectively.

The Company reclassified previous losses of $0.1 million for the year ended December 31, 2021 from accumulated other comprehensive income (loss) into interest expense as a result of the hedged transactions impacting earnings. There were no similar amounts recorded during the years ended December 31, 2020 and 2019, respectively.

During the next twelve months, the Company estimates that an additional $0.4 million will be reclassified from other comprehensive income (loss) as an increase to interest expense.

Derivatives Not Designated as Hedging Instruments

As of December 31, 2021 and December 31, 2020, the Company had no interest rate swaps that were not designated as qualifying hedging relationships.

Tabular Disclosure of Offsetting Derivatives

The table below details a gross presentation, the effects of offsetting and a net presentation of the Company's derivatives as of December 31, 2021 and December 31, 2020 (in thousands). The net amounts of derivative assets or liabilities can be reconciled to the tabular disclosure of fair value.

	Offsetting of Derivative Assets and Liabilities							
	Gross Amounts of Recognized Assets	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Consolidated Balance Sheets	Net Amounts of Assets Presented in the Consolidated Balance Sheets	Net Amounts of Liabilities Presented in the Consolidated Balance Sheets	Financial Instruments	Cash Collateral Received	Net Amount
December 31, 2021	$ 299	$ —	$ —	$ 299	$ —	$ —	$ —	$ 299
December 31, 2020	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —

Note 8 – Supplemental Cash Flow Disclosures

Supplemental cash flow information was as follows for the years ended December 31, 2021, 2020 and 2019 (in thousands):

	Year Ended December 31,		
	2021	2020	2019
Supplemental disclosures:			
Cash paid for interest	$ 2,412	$ 3,479	$ 3,755
Cash paid for income taxes	$ 98	$ —	$ —
Non-cash investing and financing activities:			
Accrued capital expenditures and leasing costs	$ 286	$ —	$ —
Non-cash assets and liabilities contributed by parent company	$ 1,142,002	$ —	$ —
Establishment of right-of-use assets and lease liabilities	$ 989	$ —	$ 1,112

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Note 9 – Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following as of December 31, 2021 and December 31, 2020 (in thousands):

	December 31, 2021	December 31, 2020
Accrued interest	$ 1,093	$ 100
Accrued real estate and other taxes	10,322	436
Accrued transaction costs	129	—
Accounts payable	1,805	12
Accrued other	4,030	300
Total	$ 17,379	$ 848

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Note 10 – Commitments and Contingencies

Leasing

As part of its ordinary re-leasing activities, the Company has agreed and anticipates that it will continue to agree to provide rent concessions to tenants and incur leasing costs with respect to its properties, including tenant improvement allowances, landlord agreements to pay for certain improvements, as well as leasing commissions. These rent concession and leasing cost commitments could be significant. For example, during November 2021, in connection with the 11-year extension of an investment grade tenant at the Company's largest property measured by annualized base rent, the Company agreed to $11.1 million of future rent concessions and to fund up to $22.9 million of tenant improvement allowances, the full amount of which was funded as loan reserves as part of the closing of the CMBS Loan in February 2022.

Litigation

The Company is party to various legal proceedings which it believes are routine in nature and incidental to the operation of its business. The Company does not believe that any of these outstanding claims against it are expected to have a material adverse effect upon its consolidated and combined position or results of operations.

Environmental Matters

In connection with the ownership and operation of real estate, the Company may potentially be liable for costs and damages related to environmental matters. The Company has not been notified by any governmental authority of any non-compliance, liability or other claim, and is not aware of any other environmental condition, in each case, that it believes will have a material adverse effect upon its consolidated and combined position or results of operations.

Note 11 – Leases

Lessor

As of December 31, 2021, the Company is the lessor for its 92 office properties. The Company's operating leases have non-cancelable lease terms ranging from 0.08 years to 16.26 years as of December 31, 2021 and 0.30 years to 13.12 years as of December 31, 2020, respectively. Certain leases with tenants include options to extend or terminate the lease agreements or to purchase the underlying assets. Lease agreements may also contain rent increases that are based on an index or rate (e.g., the consumer price index or LIBOR).

The following table presents future minimum operating lease payments due to the Company over the next five years and thereafter as of December 31, 2021 (in thousands).

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	Future Minimum Operating Lease Payments
2022	$ 153,592
2023	128,580
2024	96,850
2025	64,544
2026	61,916
Thereafter	239,317
Total	$ 744,799

Lessee

The Company is the lessee under operating lease arrangements and corporate office leases, which meet the criteria under U.S. GAAP for an operating lease. As of December 31, 2021, the Company's operating leases had remaining lease terms ranging from 0.9 years to 63 years, which includes options to extend. Under the ground lease arrangements, the Company pays variable costs, including property operating expenses and common area maintenance. The weighted-average discount rate used to measure the lease liability for the Company's operating leases was 3.14% as of December 31, 2021. As the Company's leases do not provide an implicit rate, the Company used an estimated incremental borrowing rate based on the information available at the lease guidance adoption date or the Merger Effective Time, as applicable, in determining the present value of lease payments.

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Operating lease costs for the year ended December 31, 2021 were $0.3 million. Operating lease costs for each of the years ended December 31, 2020 and 2019 were $0.1 million. No cash paid for operating lease liabilities was capitalized.

The following table reflects the maturity analysis of payments due from the Company over the next five years and thereafter for ground and corporate office lease obligations as of December 31, 2021 (in thousands).

	Future Minimum Lease Payments
2022	1,008
2023	778
2024	452
2025	442
2026	442
Thereafter	13,383
Total	16,505
Less: imputed interest	6,248
Total	$ 10,257

The following table reflects the maturity analysis of payments due from the Company over the next five years and thereafter for ground lease obligations as of December 31, 2020 (in thousands).

	Future Minimum Lease Payments
2021	107
2022	111
2023	113
2024	113
2025	113
Thereafter	3,432
Total	3,989
Less: imputed interest	1,887
Total	$ 2,102

Note 12 – Stockholder's Equity

Common Stock

The Company was initially capitalized on July 15, 2021 with the issuance of 100,000 shares of common stock ($0.01 par value per share) to Realty Income for a total of $1,000.

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On November 10, 2021, the Company issued 56,525,650 additional shares of common stock to Realty Income, such that Realty Income owned 56,625,650 shares of the Company's common stock. Also on November 10, 2021, in connection with the filing of the Company's Articles of Amendment, the Company changed the par value of its common stock from $0.01 per share to $0.001 per share. On November 12, 2021, Realty Income effected the Distribution.

Stock Warrants

On November 12, 2021, in connection with the Distribution, Orion OP entered into an Amended and Restated Limited Liability Company Agreement (the "LLCA") of OAP/VER Venture, LLC (the "Arch Street Joint Venture"), by and between Orion OP and OAP Holdings LLC (the "Arch Street Partner"), an affiliate of Arch Street Capital Partners, pursuant to which the Arch Street Partner consented to the transfer of the equity interests of the Arch Street Joint Venture previously held by VEREIT Real Estate, L.P. to Orion OP.

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Also on November 12, 2021, in connection with the entry into the LLCA, the Company granted certain affiliates of the Arch Street Partner warrants to purchase up to 1,120,000 shares of the Company's common stock (the "Arch Street Warrants"). The Arch Street Warrants entitle the respective holders to purchase shares of the Company's common stock at a price per share equal to $22.42, at any time. The Arch Street Warrants may be exercised, in whole or in part, through a cashless exercise, in which case the holder would receive upon such exercise the net number of shares of Company common stock determined according to the formula set forth in the Arch Street Warrants. The Arch Street Warrants expire on the earlier of (a) 10 years after issuance and (b) the later of the termination of the Arch Street Joint Venture and seven years after issuance.

The Company has agreed that, prior to six months following the Company's eligibility to use Form S-3 for the registration of securities of the Company, the Company will file with the SEC a registration statement on Form S-3 (the "Registration Statement") for the registration, under the Securities Act, of the shares of the Company's common stock issuable upon exercise of the Arch Street Warrants. The Company will use its commercially reasonable efforts to cause the Registration Statement to become effective and to maintain the effectiveness of the Registration Statement, and a current prospectus relating thereto, until the earlier of (a) the expiration of the Arch Street Warrants, or (b) the shares issuable upon such exercise shall become freely tradable under United States federal securities laws by anyone who is not an affiliate (as such term is defined in Rule 144 under the Securities Act (or any successor rule)) of us. The holders of the Arch Street Warrants will also remain subject to the ownership limitations pursuant to the Company's organizational documents.

The Arch Street Warrants were measured at fair value on their grant date at an amount of $3.3 million and are classified as equity in the Company's consolidated and combined balance sheets. The corresponding cost of $3.3 million was recognized as an expense for the year ended December 31, 2021, which is included in Transaction costs in the Company's consolidated and combined statements of operations.

Note 13 - Equity Based Compensation

The Company has an equity-based incentive award plan (the "Equity Plan") for officers, employees, non-employee directors and consultants who provide services to the Company. Awards under the Equity Plan are accounted for under U.S. GAAP as share-based payments. The expense for such awards is recognized over the vesting period or when the requirements for exercise of the award have been met. Under the Equity Plan, the Company may grant various types of awards, including restricted stock units that will vest if the recipient maintains employment with the Company over the requisite service period (the "Time-Based Restricted Stock Units"). The fair value of the Time-Based Restricted Stock Units granted to non-executive directors and employees under the Equity Plan is generally determined using the closing stock price on the grant date and is expensed over the requisite service period on a straight-line basis. Time-Based Restricted Stock Units do not provide for any rights of a common stockholder prior to the vesting of such restricted stock units. Equity-based compensation expense related to Orion Time-Based Restricted Stock Units for the year ended December 31, 2021, was $0.1 million. As of December 31, 2021, total unrecognized compensation expense related to these awards was approximately $0.5 million, with an aggregate weighted-average remaining term of 2.2 years. Equity-based compensation expense for the year ended December 31, 2021, related to Realty Income time-based restricted stock units and stock options granted in connection with the Mergers, was $0.1 million. As of December 31, 2021, total unrecognized compensation expense related to these awards was approximately $0.6 million, with an aggregate weighted-average remaining term of 1.7 years.

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Note 14 - Net Income (Loss) Per Share

The financial statements reflect the common shares as if they were outstanding for the entire period presented, and are as of the date of Separation and Distribution. The computation of basic and diluted EPS is as follows for the years ended December 31, 2021, 2020 and 2019 (in thousands, except share and per share data):

	Year Ended December 31,		
	2021	2020	2019
Net (loss) income	$ (47,464)	$ (1,899)	$ 15,284
(Income) loss attributable to non-controlling interests	(17)	—	—
Net (loss) income available to common stockholders used in basic and diluted net income per share	(47,481)	(1,899)	15,284
Weighted average number of Common Stock outstanding - basic	56,625,650	56,625,650	56,625,650
Effect of dilutive securities [(1)]	—	—	—
Weighted average number of common shares - diluted	56,625,650	56,625,650	56,625,650
Basic and diluted net (loss) income per share attributable to common stockholders	$ (0.84)	$ (0.03)	$ 0.27

___

(1) As of December 31, 2021, 2020 and 2019, there were no adjustments to the weighted average common shares outstanding used in the diluted calculation given there were no potentially dilutive shares.

The following were excluded from diluted net (loss) income per share attributable to common stockholders, as the effect would have been antidilutive:

	Year Ended December 31,		
	2021	2020	2019
Weighted average unvested Time-Based Restricted Stock Units [(1)]	—	—	—
Weighted average stock warrants	1,120,000	—	—

___

(1) Net of assumed repurchases in accordance with the treasury stock method.

Note 15 – Subsequent Events

Debt

On February 10, 2022, certain indirect subsidiaries of the Company (the "Mortgage Borrowers") entered into a credit agreement with Wells Fargo Bank, National Association (the "Lender"), to obtain a $355.0 million fixed rate mortgage loan (the "CMBS Loan"), which is secured by the Mortgage Borrower's fee simple or ground lease interest in 19 properties owned directly by the Company (collectively, the "Mortgaged Properties"). The CMBS Loan bears interest at a fixed rate of 4.971% per annum and matures on February 11, 2027.

The CMBS Loan requires monthly payments of interest only, and all principal is due at maturity. The proceeds of the CMBS Loan were used to repay the Bridge Facility. Upon closing of the CMBS Loan, the Mortgage Borrowers funded $35.5 million of loan reserves

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primarily for future rent concessions and tenant improvement allowances under the leases with respect to the 19 Mortgaged Properties. These amounts, as well as the transaction expenses incurred in connection with the CMBS Loan, were funded with cash on hand and borrowings under the Company's Revolving Facility.

The CMBS Loan is secured by, among other things, first priority mortgages and deeds of trust granted by the Mortgage Borrowers and encumbering the Mortgaged Properties.

The CMBS Loan is generally not freely prepayable by the Mortgage Borrowers without payment of certain prepayment premiums and costs. The CMBS Loan may be prepaid in whole, but not in part, except as provided in the CMBS Loan agreement, at any time following the Prepayment Lockout Release Date (as defined in the CMBS Loan agreement) (generally two years after the Loan has been fully securitized), subject to the payment of a yield maintenance premium and the satisfaction of other terms and conditions set forth in the CMBS Loan agreement. Further, releases of individual properties are permitted in connection with an arms length third party sale upon repayment of the Release Price (as defined in the CMBS Loan agreement)

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for the applicable individual property and subject to payment of the applicable yield maintenance premium and the satisfaction of other terms and conditions set forth in the CMBS Loan agreement.

The CMBS Loan agreement also contains customary cash management provisions, including certain trigger events (such as failure of the Mortgage Borrowers to satisfy a minimum debt yield) which allow the Lender to retain any excess cash flow as additional collateral for the Loan, until such trigger event is cured.

In connection with the CMBS Loan agreement, the Company (as the guarantor) delivered a customary non-recourse carveout guaranty to the Lender (the “Guaranty”), under which the Company guaranteed the obligations and liabilities of the Mortgage Borrowers to the Lender with respect to certain non-recourse carveout events and the circumstances under which the CMBS Loan will be fully recourse to the Mortgage Borrowers, and which includes requirements for the Company to maintain a net worth of no less than $355 million and liquid assets of no less than $10 million, in each case, exclusive of the values of the collateral for the CMBS Loan. The Mortgage Borrowers and the Company also provided a customary environmental indemnity agreement, pursuant to which the Mortgage Borrowers and the Company agreed to protect, defend, indemnify, release and hold harmless the Lender from and against certain environmental liabilities relating to the Mortgaged Properties.

The loan documents evidencing the CMBS Loan include customary representations, warranties and covenants of the Mortgage Borrowers and the Company. The loan documents also include customary events of default, the occurrence of which, following any applicable grace period, would permit the Lender to, among other things, declare the principal, accrued interest and other obligations of the Mortgage Borrowers under the loan documents to be immediately due and payable and foreclose on the Mortgaged Properties.

Distributions

On March 22, 2022, the Company’s Board of Directors declared a quarterly dividend of $0.10 per share for the first quarter of 2022, payable on April 15, 2022, to stockholders of record as of March 31, 2022.

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Schedule III – Real Estate and Accumulated Depreciation

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Property	Encumbrances at December 31, 2021	Initial Costs (1) Land	Buildings, Fixtures and Improvements	Adjustments Subsequent to Acquisition (2)	Gross Amount Carried at December 31, 2021 (3) (4)	Accumulated Depreciation (3) (5)	Date Acquired	Date of Construction
Vacant - El Centro, CA	$ —	$ 520	$ 2,186	$ —	$ 2,706	$ (1,068)	9/17/2009	2009
Software & Services - Dublin, OH	—	2,400	17,044	—	19,444	(7,311)	3/31/2011	1992
Food, Beverage & Tobacco - St. Charles, MO	—	3,675	13,828	—	17,503	(5,885)	4/1/2011	1993
Telecommunication Services - Augusta, GA	—	—	11,128	—	11,128	(4,736)	4/1/2011	2007
Telecommunication Services - Brownsville, TX	—	1,740	11,570	—	13,311	(4,924)	4/1/2011	2007
Telecommunication Services - Salem, OR	—	1,722	10,074	—	11,796	(4,043)	6/22/2011	2000
Insurance - Cedar Falls, IA	—	634	6,331	—	6,965	(2,358)	8/28/2012	2012
Financial Institutions - Harleysville, PA	—	1,486	16,591	(13,185)	4,892	—	1/22/2013	1929
Financial Institutions - Mount Pleasant, SC	—	10,803	25,511	—	36,314	(6,530)	1/22/2013	2003
Government & Public Services - Brownsville, TX	—	321	6,803	28	7,152	(1,767)	1/22/2013	2008
Government & Public Services - Caldwell, ID	—	666	2,929	(867)	2,728	—	1/22/2013	2011
Government & Public Services - Dallas, TX	—	399	9,748	(4)	10,143	(2,513)	1/22/2013	2011
Government & Public Services - Eagle Pass, TX	—	146	2,086	(67)	2,165	(576)	1/22/2013	2002
Government & Public Services - Eagle Pass, TX	—	68	812	(52)	827	(213)	1/22/2013	2002
Government & Public Services - Knoxville, TN	—	761	9,042	130	9,932	(2,322)	1/22/2013	2011
Government & Public Services - Malone, NY	—	824	9,486	—	10,309	(2,511)	1/22/2013	2011
Government & Public Services - Minneapolis, MN	—	1,046	8,588	—	9,634	(2,198)	1/22/2013	2005
Government & Public Services - New Port Richey, FL	—	780	10,111	(175)	10,716	(2,561)	1/22/2013	2000
Government & Public Services - Paris, TX	—	274	5,391	(2)	5,664	(1,381)	1/22/2013	2010
Government & Public Services - Parkersburg, WV	—	494	12,901	1	13,397	(3,291)	1/22/2013	2009
Government & Public Services - Redding, CA	—	676	20,553	(173)	21,056	(5,265)	1/22/2013	2003
Government & Public Services - Sioux City, IA	—	77	4,761	(5)	4,833	(1,234)	1/22/2013	2011
Health Care Equipment & Services - Bedford, TX	—	1,608	56,219	—	57,827	(14,389)	1/22/2013	2010

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ORION OFFICE REIT INC.

SCHEDULE III – REAL ESTATE AND ACCUMULATED DEPRECIATION

December 31, 2021 (in thousands)

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Property	Encumbrances at December 31, 2021	Initial Costs [1] Land	Initial Costs [1] Buildings, Fixtures and Improvements	Adjustments Subsequent to Acquisition [2]	Gross Amount Carried at December 31, 2021 [3] [4]	Accumulated Depreciation [3] [5]	Date Acquired	Date of Construction
Consumer Durables & Apparel - Providence, RI	$ —	$ 2,550	$ 21,779	$ —	$ 24,329	$ (4,954)	1/31/2014	1985
Vacant - Buffalo Grove, IL	—	3,130	17,353	(15,483)	5,000	—	4/1/2014	1989
Materials - East Windsor, NJ	—	240	13,446	(6)	13,680	(2,948)	4/30/2014	2008
Media & Entertainment - East Syracuse, NY	—	880	15,817	—	16,697	(3,483)	4/30/2014	2000
Commercial & Professional Services - Schaumburg, IL	—	3,313	6,532	—	9,845	(36)	11/1/2021	1986
Capital Goods - Blair, NE	—	558	1,210	—	1,768	(8)	11/1/2021	2009
Consumer Durables & Apparel - Englewood, CO	—	3,354	14,714	—	18,068	(76)	11/1/2021	2009
Financial Institutions - Hopewell, NJ	—	19,325	57,846	—	77,171	(282)	11/1/2021	2001
Financial Institutions - Warwick, RI	—	1,358	3,983	—	5,340	(20)	11/1/2021	1995
Government & Public Services - Cocoa, FL	—	450	949	—	1,399	(5)	11/1/2021	2009
Government & Public Services - Fort Worth, TX	—	572	3,985	—	4,557	(20)	11/1/2021	2010
Government & Public Services - Grangeville, ID	—	1,385	3,436	—	4,821	(24)	11/1/2021	2007
Government & Public Services - Plattsburgh, NY	—	1,136	2,487	—	3,622	(14)	11/1/2021	2008
Government & Public Services - Ponce, PR	—	457	2,832	—	3,288	(15)	11/1/2021	1995
Health Care Equipment & Services - Indianapolis, IN	—	1,430	4,386	—	5,816	(23)	11/1/2021	1993
Health Care Equipment & Services - Irving, TX	—	9,267	19,852	—	29,120	(98)	11/1/2021	1997
Health Care Equipment & Services - Waukegan, IL	—	636	4,136	—	4,772	(20)	11/1/2021	1980
Telecommunication Services - Nashville, TN	—	2,588	9,587	86	12,261	(48)	11/1/2021	2002
Telecommunication Services - Richardson, TX	—	1,187	21,037	—	22,224	(100)	11/1/2021	1986
Insurance - Buffalo, NY	—	4,710	36,740	—	41,450	(179)	11/1/2021	2007
Health Care Equipment & Services - Fresno, CA	—	4,454	17,292	—	21,746	(86)	11/1/2021	1984
Insurance - Oklahoma City, OK	—	3,393	22,998	—	26,391	(117)	11/1/2021	2009
Health Care Equipment & Services - Phoenix, AZ	—	4,786	21,346	—	26,132	(110)	11/1/2021	2012
Health Care Equipment & Services - Plano, TX	—	9,834	35,893	—	45,727	(178)	11/1/2021	2009
Insurance - Urbana, MD		4,028	19,888		23,916	(101)	11/1/2021	2011

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ORION OFFICE REIT INC.

SCHEDULE III – REAL ESTATE AND ACCUMULATED DEPRECIATION

December 31, 2021 (in thousands)

		Initial Costs [1]						
Property	Encumbrances at December 31, 2021	Land	Buildings, Fixtures and Improvements	Adjustments Subsequent to Acquisition [2]	Gross Amount Carried at December 31, 2021 [3] [4]	Accumulated Depreciation [3] [5]	Date Acquired	Date of Construction
Software & Services - Bedford, MA	—	22,381	26,029	4	48,414	(145)	11/1/2021	2001
Commercial & Professional Services - Dublin, OH	—	1,287	4,688	—	5,975	(24)	11/1/2021	1997
Commercial & Professional Services - Lawrence, KS	$ —	$ 3,576	$ 2,996	$ —	$ 6,572	$ (19)	11/1/2021	1997
Commercial & Professional Services - Lawrence, KS	—	3,334	3,450	—	6,783	(21)	11/1/2021	2003
Software & Services - Lincoln, NE	—	—	6,587	—	6,587	(38)	11/1/2021	2009
Media & Entertainment - Milwaukee, WI	—	2,727	18,083	—	20,810	(87)	11/1/2021	2001
Health Care Equipment & Services - Nashville, TN	—	1,165	11,749	—	12,914	(59)	11/1/2021	2010
Capital Goods - Sterling, VA	—	10,515	25,393	—	35,908	(129)	11/1/2021	2011
Capital Goods - Tulsa, OK	—	1,904	1,238	—	3,142	(7)	11/1/2021	1982
Consumer Services - Tulsa, OK	—	6,865	34,716	—	41,581	(165)	11/1/2021	1995
Health Care Equipment & Services - Berkeley, MO	—	—	9,163	—	9,163	(54)	11/1/2021	2011
Retailing - Kennesaw, GA	—	—	11,141	—	11,141	(62)	11/1/2021	2012
Health Care Equipment & Services - Northbrook, IL	—	3,529	10,909	—	14,439	(56)	11/1/2021	1980
Retailing - The Woodlands, TX	—	2,550	17,481	—	20,031	(87)	11/1/2021	2014
General Service Administration - Covington, KY	—	4,087	56,990	3	61,081	(272)	11/1/2021	2002
Consumer Durables & Apparel - Denver, CO	—	5,707	36,047	602	42,356	(177)	11/1/2021	2001
Vacant - Englewood, CO	—	2,291	2,989	16	5,296	(18)	11/1/2021	2011
Vacant - Richardson, TX	—	2,047	12,733	—	14,780	(68)	11/1/2021	2008
Vacant - Ridley Park, PA	—	—	143	—	143	(2)	11/1/2021	1976
Vacant - Schaumburg, IL	—	1,573	787	—	2,360	(5)	11/1/2021	1989
Materials - The Woodlands, TX	—	5,776	14,234	225	20,233	(79)	11/1/2021	2009
	$ —	$ 262,140	$ 1,296,728	$ (77,122)	$ 1,481,745	$ (128,109)		

(1) Initial costs exclude subsequent impairment charges.

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(2) Consists of capital expenditures and real estate development costs, net of condemnations, easements, impairment charges and other adjustments.

(3) Gross intangible lease assets of $370.0 million and the associated accumulated amortization of $71.9 million are not reflected in the table above.

(4) The aggregate cost for Federal income tax purposes of land, buildings, fixtures and improvements as of December 31, 2021 was approximately $2.3 billion.

(5) Depreciation is computed using the straight-line method over the estimated useful lives of up to 35 years for buildings and five to 15 years for building fixtures and improvements.

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ORION OFFICE REIT INC.

SCHEDULE III – REAL ESTATE AND ACCUMULATED DEPRECIATION

December 31, 2021 (in thousands)

The following is a reconciliation of the gross real estate activity for the years ended December 31, 2021, 2020 and 2019 (in thousands):

	Year Ended December 31,		
	2021	2020	2019
Balance, beginning of year	$ 634,019	$ 659,441	$ 664,548
Additions:			
Acquisitions/improvements	927,001	457	466
Deductions/Other			
Sold or disposed of	(657)	(119)	—
Impairments	(77,636)	(25,760)	—
Other	(982)	—	(5,573)
Balance, end of year	$ 1,481,745	$ 634,019	$ 659,441

The following is a reconciliation of the accumulated depreciation for the years ended December 31, 2021, 2020 and 2019 (in thousands):

	Year Ended December 31,		
	2021	2020	2019
Balance, beginning of year	$ 136,143	$ 125,311	$ 107,081
Additions:			
Depreciation expense	20,805	18,040	18,230
Deductions/Other			
Sold or disposed of	(657)	(119)	—
Impairments	(27,947)	(7,089)	—
Other	(235)	—	—
Balance, end of year	$ 128,109	$ 136,143	$ 125,311

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Orion Office REIT Inc.

Opinion on the Financial Statements

We have audited the accompanying combined and consolidated balance sheets of VEREIT Office Assets (the "Company"), as described in Note 1 to the combined and consolidated financial statements, as of October 31, 2021 and December 31, 2020, the related combined and consolidated statements of operations, equity and cash flows, for the ten months ended October 31, 2021 and each of the two years in the period ended December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of October 31, 2021 and December 31, 2020, and the results of its operations and its cash flows for the ten months ended October 31, 2021 and each of the two years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's 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 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 and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company 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 Company'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 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 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 financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ DELOITTE & TOUCHE LLP

Phoenix, Arizona
March 24, 2022

We have served as the Company's auditor since 2021.

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VEREIT OFFICE ASSETS
COMBINED AND CONSOLIDATED BALANCE SHEETS
(In thousands)

	October 31, 2021	December 31, 2020
ASSETS		
Real estate investments, at cost:		
Land	$ 163,295	$ 167,658
Buildings, fixtures and improvements	1,303,038	1,340,258
Intangible lease assets	184,560	192,291
Total real estate investments, at cost	1,650,893	1,700,207
Less: accumulated depreciation and amortization	528,167	504,192
Total real estate investments, net	1,122,726	1,196,015
Operating lease right-of-use assets	5,361	5,403
Investment in unconsolidated joint venture	14,466	13,434
Cash and cash equivalents	—	400
Restricted cash	8	3,014
Rent and tenant receivables and other assets, net	35,035	34,964
Goodwill	159,129	159,129
Total assets	$ 1,336,725	$ 1,412,359
LIABILITIES AND EQUITY		
Mortgage notes payable, net	$ —	$ 217,588
Below-market lease liabilities, net	5,308	7,188
Accounts payable and accrued expenses	5,763	12,632
Deferred rent and other liabilities	8,001	8,114
Operating lease liabilities	5,359	5,403
Total liabilities	24,431	250,925
Commitments and contingencies (Note 4)		
Net parent investment	1,311,167	1,160,246
Non-controlling interest	1,127	1,188
Total equity	1,312,294	1,161,434
Total liabilities and equity	$ 1,336,725	$ 1,412,359

The accompanying notes are an integral part of this statement.

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VEREIT OFFICE ASSETS
COMBINED AND CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands)

	Ten Months Ended	Year Ended December 31,	
	October 31, 2021	2020	2019
Rental revenue (including reimbursable)	$ 134,740	$ 170,304	$ 182,069
Fee income from unconsolidated joint venture	654	596	—
Total revenues	135,394	170,900	182,069
Operating expenses:			
Property operating (including reimbursable)	36,173	46,597	47,248
General and administrative	5,602	7,029	7,800
Depreciation and amortization	48,938	62,662	70,859
Impairments	28,064	9,306	3,511
Total operating expenses	118,777	125,594	129,418
Other (expenses) income:			
Other income, net	152	158	549
Interest expense	(5,961)	(9,905)	(12,056)
Gain on disposition of real estate assets, net	—	9,765	—
Loss on extinguishment of debt, net	(5,294)	(1,686)	(40)
Equity in income of unconsolidated joint venture	697	535	—
Total other expenses, net	(10,406)	(1,133)	(11,547)
Income before taxes	6,211	44,173	41,104
Provision for income taxes	(520)	(640)	(517)
Net income	5,691	43,533	40,587
Net loss attributable to non-controlling interest	62	60	102
Net income attributable to VEREIT Office Assets	$ 5,753	$ 43,593	$ 40,689

The accompanying notes are an integral part of this statement.

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VEREIT OFFICE ASSETS
COMBINED AND CONSOLIDATED STATEMENTS OF EQUITY
(In thousands)

		Total Equity
Balance, January 1, 2019	$	1,311,652
Distributions, net		(42,173)
Net income		40,587
Other		63
Balance, December 31, 2019		1,310,129
Distributions, net		(192,228)
Net income		43,533
Balance, December 31, 2020		1,161,434
Contributions, net		145,169
Net income		5,691
Balance, October 31, 2021	$	1,312,294

The accompanying notes are an integral part of this statement.

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VEREIT OFFICE ASSETS
COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

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	Ten Months Ended	Year Ended December 31,	
	October 31, 2021	2020	2019
Cash flows from operating activities:			
Net income	$ 5,691	$ 43,533	$ 40,587
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	48,894	62,225	70,134
Impairments	28,064	9,306	3,511
Gain on disposition of real estate assets, net	—	(9,765)	—
Loss on derivative instruments and other	—	—	59
Loss on extinguishment of debt, net	5,294	1,686	40
Equity in income of unconsolidated joint venture	(697)	(535)	—
Distributions from unconsolidated joint venture	697	524	—
Changes in assets and liabilities:			
Rents and tenant receivables, operating lease right-of-use and other assets, net	803	613	(2,117)
Accounts payable and accrued expenses	(4,860)	2,525	819
Deferred rent, operating lease and other liabilities	(156)	(1,593)	(480)
Net cash provided by operating activities	83,730	108,519	112,553
Cash flows from investing activities:			
Capital expenditures and leasing costs	(8,019)	(7,427)	(15,816)
Real estate developments	(259)	(1,327)	(1,844)
Proceeds from disposition of real estate	—	116,360	—
Investments in unconsolidated joint venture	(2,180)	(2,669)	—
Return of investment from unconsolidated joint venture	1,147	718	—
Principal repayments received on other investments	—	5,768	—
Proceeds from the settlement of property-related insurance claims	70	10	588
Net cash (used in) provided by investing activities	(9,241)	111,433	(17,072)
Cash flows from financing activities:			
Proceeds from mortgage notes payable	—	1,032	705
Payments on mortgage notes payable	(223,064)	(28,233)	(52,950)
Payments of deferred financing costs	—	—	(96)
Contributions from non-controlling interest holders	—	—	63
Net contributions from (distributions to) parent	145,169	(192,228)	(42,173)
Net cash used in financing activities	(77,895)	(219,429)	(94,451)
Net change in cash and cash equivalents and restricted cash	(3,406)	523	1,030
Cash and cash equivalents and restricted cash, beginning of period	3,414	2,891	1,861
Cash and cash equivalents and restricted cash, end of period	$ 8	$ 3,414	$ 2,891
Reconciliation of Cash and Cash Equivalents and Restricted Cash			
Cash and cash equivalent at the beginning of the period	$ 400	$ 190	(530)
Restricted cash at the beginning of the period	3,014	2,701	2,391
Cash and cash equivalents and restricted cash at the beginning of the period	$ 3,414	$ 2,891	$ 1,861
Cash and cash equivalent at the end of the period	$ —	$ 400	$ 190
Restricted cash at the end of the period	8	3,014	2,701

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The accompanying notes are an integral part of this statement.

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Note 1 – Organization and Summary of Significant Accounting Policies

Organization

On April 29, 2021, Realty Income Corporation ("Realty Income") entered into an Agreement and Plan of Merger (as amended, the "Merger Agreement") with VEREIT, Inc. ("VEREIT"), its operating partnership, VEREIT Operating Partnership, L.P. ("VEREIT OP"), Rams MD Subsidiary I, Inc., a wholly owned subsidiary of Realty Income ("Merger Sub 1"), and Rams Acquisition Sub II, LLC, a wholly owned subsidiary of Realty Income ("Merger Sub 2"). On November 1, 2021, pursuant to the Merger Agreement, Merger Sub 2 merged with and into VEREIT OP, with VEREIT OP continuing as the surviving partnership, and immediately thereafter, VEREIT merged with and into Merger Sub 1, with Merger Sub 1 continuing as the surviving corporation (together, the "Mergers", and such effective time of the Mergers, the "Merger Effective Time"). Upon the Merger Effective Time, as part of the Mergers, Realty Income acquired certain office real properties and related assets previously owned by subsidiaries of VEREIT (collectively, "VEREIT Office Assets"). Following the Merger Effective Time, in accordance with the Merger Agreement, Realty Income contributed the portion of the combined business comprising certain office real properties and related assets previously owned by subsidiaries of Realty Income (collectively, "Realty Income Office Assets") and the VEREIT Office Assets (the "Separation") to Orion Office REIT Inc. (the "Company") and its operating partnership, Orion Office REIT LP ("Orion OP"). On November 12, 2021, following the Separation, in accordance with the Merger Agreement and that certain Separation and Distribution Agreement, Realty Income effected a special distribution to its stockholders (including the former holders of VEREIT common stock and certain former VEREIT OP common unitholders prior to the Mergers) of all of the outstanding shares of common stock of the Company (the "Distribution"). Following the Distribution, Orion operates as a separate, publicly-traded company and intends to qualify and elect to be taxed as a REIT, commencing with the Company's initial taxable year ended December 31, 2021. VEREIT Office Assets includes the combined accounts related to certain of the office properties of VEREIT, historically operated through subsidiaries of VEREIT, and contains certain corporate costs.

As of October 31, 2021, VEREIT Office Assets had one reportable segment which owned 52 properties, including one property owned by a consolidated joint venture, totaling approximately 7.6 million leasable square feet located in 25 states in the United States and Puerto Rico, and an investment in one unconsolidated joint venture that owns five office properties totaling approximately 0.8 million leasable square feet located within five states. As of October 31, 2021, VEREIT Office Assets had not conducted any business as a separate legal entity and had no other material assets or liabilities.

Summary of Significant Accounting Policies

Principles of Combination and Basis of Accounting and Presentation

The accompanying combined and consolidated financial statements were prepared in accordance with generally accepted accounting principles in the United States ("GAAP") and include the accounts of VEREIT Office Assets on a combined and consolidated basis as the ownership interests were under common control and ownership of VEREIT, including a consolidated joint venture. Any applicable intercompany accounts and transactions have been eliminated in consolidation and combination. The portion of the consolidated joint venture not previously owned by VEREIT, is presented as non-controlling interest in VEREIT Office Assets' combined and consolidated balances sheets and statements of operations. The results of operations for the ten months ended October 31, 2021 are not necessarily indicative of the results for the entire year.

For legal entities being evaluated for consolidation, VEREIT Office Assets must first determine whether the interests that it holds and fees it receives qualify as variable interests in the entity. A variable interest is an investment or other interest that will absorb portions of an entity's expected losses or receive portions of the entity's expected residual returns. VEREIT Office Assets' evaluation includes consideration of fees paid to VEREIT Office Assets where VEREIT's management, on behalf of VEREIT Office Assets, acts as a decision maker or service provider to the entity being evaluated. If VEREIT Office Assets determines that it holds a variable interest in an entity, it evaluates whether that entity is a variable interest entity ("VIE"). VIEs are entities where investors lack sufficient equity at risk for

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the entity to finance its activities without additional subordinated financial support or where equity investors, as a group, lack one of the following characteristics: (a) the power to direct the activities that most significantly impact the entity's economic performance, (b) the obligation to absorb the expected losses of the entity, or (c) the right to receive the expected returns of the entity. VEREIT Office Assets consolidates entities that are not VIEs if it has a majority voting interest or other rights that result in effectively controlling the entity.

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VEREIT Office Assets then qualitatively assesses whether it is (or is not) the primary beneficiary of a VIE, which is generally defined as the party who has a controlling financial interest in the VIE. Consideration of various factors include, but are not limited to, VEREIT Office Assets' ability to direct the activities that most significantly impact the entity's economic performance and its obligation to absorb losses from or right to receive benefits of the VIE that could potentially be significant to the VIE. VEREIT Office Assets consolidates any VIEs when the Company is determined to be the primary beneficiary of the VIE and the difference between consolidating the VIE and accounting for it using the equity method could be material to VEREIT Office Assets' combined and consolidated financial statements. VEREIT Office Assets continually evaluates the need to consolidate these VIEs based on standards set forth in GAAP.

These combined and consolidated financial statements were derived from the books and records of VEREIT and were carved out from VEREIT at a carrying value reflective of historical cost in such VEREIT records. VEREIT Office Assets' historical balance sheets reflect amounts for goodwill based on its proportion of the cost basis of the real estate assets as of December 31, 2018. VEREIT Office Assets' historical financial results reflect charges for certain corporate costs and, we believe such charges are reasonable. Costs of the services that were charged to VEREIT Office Assets were based on either actual costs incurred or a proportion of costs estimated to be applicable to this entity, based on VEREIT Office Assets' pro rata share of VEREIT's annualized rental income. Annualized rental income is rental revenue on a straight-line basis, which includes the effect of rent escalations and any tenant concessions, such as free rent, and excludes any adjustments to rental income due to changes in the collectability assessment, contingent rent, such as percentage rent, and operating expense reimbursements. The historical combined and consolidated financial information presented may therefore not be indicative of the results of operations, financial position or cash flows that would have been obtained if there had been an independent, stand-alone public company during the periods presented or of Orion's future performance as an independent, stand-alone company.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Real Estate Investments

Real estate and related assets acquired are recorded at cost and accumulated depreciation and amortization are assessed based on the period of future benefit of the asset. Depreciation and amortization are computed using a straight-line method over the estimated useful life of 40 years for buildings and building improvements, 15 years for land improvements and the remaining lease term for tenant improvements and intangible lease assets.

VEREIT management performed quarterly impairment review procedures, primarily through continuous monitoring of events and changes in circumstances that could indicate the carrying value of its real estate assets may not be recoverable. Impairment indicators that VEREIT management considered included, but were not limited to, decrease in operating income, bankruptcy or other credit concerns of a property's major tenant or tenants or a significant decrease in a property's revenues due to lease terminations, vacancies or reduced lease rates.

When impairment indicators are identified or if a property is considered to have a more likely than not probability of being disposed of within the next 12 to 24 months, VEREIT management assessed the recoverability of the assets by determining whether the carrying value of the assets will be recovered through the undiscounted future cash flows expected from the use of the assets and their eventual disposition. GAAP required VEREIT Office Assets to utilize the expected holding period of its properties when assessing recoverability. In the event that such expected undiscounted future cash flows did not exceed the carrying value, the real estate assets have been adjusted to their respective fair values and an impairment loss has been recognized. There are inherent uncertainties in making estimates of expected future cash flows such as market conditions and performance and sustainability of the tenants.

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Investment in Unconsolidated Joint Venture

As of October 31, 2021 and December 31, 2020, VEREIT Office Assets owned a 20% ownership interest in an unconsolidated joint venture, the Arch Street Joint Venture, that owned five and four properties, respectively, with total real estate investments, at cost, of $196.2 million and $169.3 million, respectively, and total debt outstanding of $118.4 million and $102.6 million, respectively, which was non-recourse to VEREIT Office Assets.

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VEREIT Office Assets accounted for its investment in the unconsolidated joint venture using the equity method of accounting as VEREIT Office Assets had the ability to exercise significant influence, but not control, over operating and financing policies of the joint venture. The equity method of accounting requires the investment to be initially recorded at cost and subsequently adjusted for VEREIT Office Assets' share of equity in the joint venture's earnings and distributions. VEREIT Office Assets recorded its proportionate share of net income (loss) from the unconsolidated joint venture in equity in income of unconsolidated joint venture in the combined and consolidated statements of operations.

VEREIT Office Assets was required to determine whether an event or change in circumstances had occurred that may have had a significant adverse effect on the fair value of its investment in the unconsolidated joint venture. If an event or change in circumstance had occurred, VEREIT Office Assets' management was required to evaluate its investment in the unconsolidated joint venture for potential impairment and determine if the carrying value of its investment exceeded its fair value. An impairment charge is recorded when an impairment is deemed to be other-than-temporary. To determine whether an impairment is other-than-temporary, VEREIT Office Assets' management considered whether it had the ability and intent to hold the investment until the carrying value is fully recovered. The evaluation of an investment in an unconsolidated joint venture for potential impairment required VEREIT Office Assets' management to exercise significant judgment and to make certain assumptions. The use of different judgments and assumptions could result in different conclusions. No impairments were identified during the ten months ended October 31, 2021 and the year ended December 31, 2020.

Goodwill Impairment

VEREIT evaluated goodwill for impairment annually or more frequently when an event occurred or circumstances changed that indicated the carrying value may not be recoverable. To determine whether it was necessary to perform a quantitative goodwill impairment test, VEREIT first assessed qualitative factors, including, but not limited to macro-economic conditions such as deterioration in the entity's operating environment or industry or market considerations; entity-specific events such as increasing costs, declining financial performance, or loss of key personnel; or other events such as an expectation that a reporting unit will be sold or sustained decrease in VEREIT's stock price on either an absolute basis or relative to peers. If an entity believes, as a result of its qualitative assessment, that it is more-likely-than-not (i.e. greater than 50% chance) that the fair value of a reporting unit is less than its carrying amount, the quantitative impairment test is required. Otherwise, no quantitative testing is required. If it is determined, as a result of the qualitative assessment, that it is more-likely-than-not that the fair value is less than the carrying amount, the provisions of guidance require that the fair value be compared to the carrying value. Goodwill is considered impaired if the carrying value exceeds the fair value. No impairments of VEREIT's goodwill were recorded during the ten months ended October 31, 2021 and the years ended December 31, 2020 and 2019. The results of the VEREIT impairment tests carry over to VEREIT Office Assets, therefore no impairments were recorded in the accompanying combined and consolidated statements of operations.

Cash and Cash Equivalents

VEREIT Office Assets considers all highly liquid instruments with maturities when purchased of three months or less to be cash equivalents. VEREIT Office Assets considers investments in highly liquid money market accounts to be cash equivalents.

Restricted Cash

As of October 31, 2021 and December 31, 2020, restricted cash included $8,000 and $3.0 million, respectively, in lender reserves. Reserves relate to lease expirations, as well as maintenance, structural and debt service reserves.

Rent and Tenant Receivables and Other Assets, Net

Rent and tenant receivables and other assets, net primarily includes amounts to be collected in future periods related to the recognition of rental income on a straight-line basis over the lease term and cost recoveries due from tenants. Prepaid expenses as of the balance

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sheet date relate to future periods and will be expensed or reclassified to another account during the period to which the costs relate. Any amounts with no future economic benefit are charged to earnings when identified.

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Deferred Financing Costs

Deferred financing costs represent commitment fees, legal fees and other costs associated with obtaining commitments for financing. Deferred financing costs are presented on the combined and consolidated balance sheet as a direct deduction from the carrying amount of the related debt liability. These costs are amortized to interest expense over the terms of the respective financing agreements using the straight-line method, which approximates the effective interest method. Unamortized deferred financing costs are written off when the associated debt is refinanced or repaid before maturity. Costs incurred in connection with potential financial transactions that are not completed are expensed in the period in which it is determined the financing will not be completed.

Leases - Lessor

At the inception of a new lease arrangement, including new leases that arise from amendments, the terms and conditions are assessed to determine the proper lease classification. When the terms of a lease effectively transfer control of the underlying asset, the lease is classified as a sales-type lease. When a lease does not effectively transfer control of the underlying asset to the lessee, but a guarantee is obtained for the value of the asset from a third party, the lease is classified as a direct financing lease. All other leases are classified as operating leases. As of October 31, 2021 and December 31, 2020, no leases were classified as sales-type or direct financing leases.

For operating leases with minimum scheduled rent increases, rental revenue is recognized on a straight-line basis, including the effect of any free rent periods, over the lease term when collectability of lease payments is probable. Variable lease payments are recognized as rental revenue in the period when the changes in facts and circumstances on which the variable lease payments are based occur.

VEREIT Office Assets adopted Accounting Standards Codification Topic 842, Leases effective as of January 1, 2019. Two separate lease components were identified as follows: (i) land lease component and (ii) single property lease component comprised of building, land improvements and tenant improvements. The leases also contain provisions for tenants to reimburse VEREIT Office Assets for real estate taxes and insurance, which are considered noncomponents of the lease, and maintenance and other property operating expenses, which are considered to be non-lease components. VEREIT Office Assets elected the practical expedient to combine lease and non-lease components and the non-lease components will be included with the single property lease component as the predominant component.

VEREIT Office Assets continually reviews receivables related to rent, straight-line rent and property operating expense reimbursements and determines collectability by taking into consideration the tenant’s payment history, the financial condition of the tenant, business conditions in the industry in which the tenant operates and economic conditions in the area in which the property is located. The review includes a binary assessment of whether or not substantially all of the amounts due under a tenant’s lease agreement are probable of collection. For leases that are deemed probable of collection, revenue continues to be recorded on a straight-line basis over the lease term. For leases that are deemed not probable of collection, revenue is recorded as cash is received. All changes in the collectability assessment for an operating lease are recognized as an adjustment to rental income.

During the year ended December 31, 2020, there was a global outbreak of a new strain of coronavirus, COVID-19. The global and domestic response to the COVID-19 outbreak continues to evolve. Federal, state, and local authorities have responded in a variety of ways, including temporary closure of or imposed limitations on the operations of certain non-essential businesses. Since the COVID-19 outbreak began, each of VEREIT Office Assets’ tenants has almost entirely continued to meet its payment obligations under its respective lease. In consideration of each tenant’s payment history, among other factors, there have been no changes in the collectability assessment for any of VEREIT Office Assets’ operating leases. Though the COVID-19 outbreak did not have a material impact on VEREIT Office Assets’ results of operations, cash flows or financial condition for the ten months ended October 31, 2021 and year ended December 31, 2020, it could negatively impact tenant operations at VEREIT Office Assets’ properties in the future, which could result in a material impact to VEREIT Office Assets’ future results of operations, cash flows and financial condition.

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Leases - Lessee

To account for leases for which VEREIT Office Assets is the lessee, contracts must be analyzed upon inception to determine if the arrangement is, or contains, a lease. A lease conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease classification tests and measurement procedures are performed at the lease commencement date.

The lease liability is initially measured as the present value of the lease payments over the lease term, discounted using the interest rate implicit in the lease, if that rate is readily determinable; otherwise, the lessee's incremental borrowing rate is used. The incremental borrowing rate is determined based on the estimated rate of interest that the lessee would pay to borrow on a collateralized basis over a similar term at an amount equal to the lease payments in a similar economic environment. The lease term is the noncancelable period of the lease and includes any renewal and termination options VEREIT Office Assets is reasonably certain to exercise. The lease liability balance is amortized using the effective interest method. The lease liability is remeasured when the contract is modified, upon the resolution of a contingency such that variable payments become fixed or if the assessment of exercising an extension, termination or purchase option changes.

The operating lease right-of-use ("ROU") asset balance is initially measured as the lease liability amount, adjusted for any lease payments made prior to the commencement date, initial direct costs, estimated costs to dismantle, remove, or restore the underlying asset and incentives received.

Income Taxes

As of October 31, 2021, VEREIT Office Assets was owned by VEREIT, which had elected to be taxed as a REIT for U.S. federal income tax purposes under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended, commencing with the taxable year ended December 31, 2011. VEREIT believed it was organized and operating in such a manner as to qualify to be taxed as a REIT for the taxable year ending December 31, 2021. As a REIT, VEREIT was generally not subject to federal income tax on taxable income that it distributed to its stockholders so long as it distributed annually at least 90% of its REIT taxable income (computed without regard to the deduction for dividends paid and excluding net capital gains). Accordingly, no provision has been made for federal income taxes in the accompanying combined and consolidated financial statements of VEREIT Office Assets.

During each of the ten months ended October 31, 2021 and years ended December 31, 2020 and 2019, VEREIT Office Assets recognized state and local income and franchise tax expense of approximately $0.5 million and $0.6 million, respectively. Amounts are included in provision for income taxes in the accompanying combined and consolidated statements of operations.

VEREIT Office Assets had no unrecognized tax benefits as of or during the ten months ended October 31, 2021 and years ended December 31, 2020 and 2019. Any interest and penalties related to unrecognized tax benefits would be recognized in provision for income taxes in the accompanying combined and consolidated statements of operations. As of October 31, 2021, VEREIT Office Assets had no material uncertain income tax positions.

Recent Accounting Pronouncements

In July 2021, the FASB issued ASU 2021-05 establishing Topic 842, Lessors - Certain Leases with Variable Lease Payments. ASU 2021-05 further clarifies ASC 842 classification guidance as it relates to a lessor's accounting for certain leases with variable lease payments. This guidance requires a lessor to classify a lease with variable payments that do not depend on an index or rate as an operating lease if either a sales-type lease or direct financing lease classification would trigger a day-one loss. This guidance is effective for reporting periods beginning after December 15, 2021, with early adoption permitted. We are currently evaluating the impact of the adoption of ASU 2021-05 on our consolidated and combined statements.

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In March 2020, the FASB issued ASU 2020-04 establishing Topic 848, Reference Rate Reform. ASU 2020-04 contains practical expedients for reference rate reform related activities that impact debt, leases, derivatives and other contracts. The guidance is optional and is effective between March 12, 2020 and December 31, 2022. The guidance may be elected over time as reference rate reform activities occur. We are currently evaluating the impact that the expected market transition from the London Interbank Offered Rate, commonly referred to as LIBOR, to alternative references rates will have on our financial statements as well as the applicability of the aforementioned expedients and exceptions provided in ASU 2020-04.

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Note 2 – Real Estate Investments and Related Intangibles

Property Dispositions

During the year ended December 31, 2020, VEREIT Office Assets disposed of three properties, selling them to the unconsolidated joint venture for an aggregate net sales price of $135.5 million. The dispositions resulted in proceeds of $116.4 million after closing costs and VEREIT Office Assets recorded a net gain of $9.8 million related to the dispositions, which is included in gain on disposition of real estate assets, net in the accompanying combined and consolidated statements of operations.

Intangible Lease Assets

Intangible lease assets consisted of the following (amounts in thousands, except weighted-average useful life):

	Weighted-Average Useful Life (Years)	October 31, 2021	December 31, 2020
Intangible lease assets:			
In-place leases, net of accumulated amortization of $119,604 and $118,093, respectively	10.1	$ 29,091	$ 40,622
Leasing commissions, net of accumulated amortization of $5,679 and $4,211, respectively	9.1	8,744	7,974
Above-market lease assets and deferred lease incentives, net of accumulated amortization of $14,793 and $12,974, respectively	9.8	6,649	8,417
Total intangible lease assets, net		$ 44,484	$ 57,013
Intangible lease liabilities:			
Below-market leases, net of accumulated amortization of $18,504 and $17,553, respectively	10.3	$ 5,308	$ 7,188

The aggregate amount of amortization of above-market and below-market leases and deferred lease incentives included as a net decrease to rental revenue was $29,000 for the ten months ended October 31, 2021 and $67,000 for the year ended December 31, 2020. The aggregate amount included as a net increase to rental revenue was $231,000 for the year ended December 31, 2019. The aggregate amount of in-place leases, leasing commissions and other lease intangibles amortized and included in depreciation and amortization expense was $13.0 million for the ten months ended October 31, 2021, and $17.8 million and $19.2 million for the years ended December 31, 2020 and 2019, respectively.

The following table provides the projected amortization expense and adjustments to rental revenue related to the intangible lease assets and liabilities for the next five years as of October 31, 2021 (amounts in thousands):

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	Remainder of 2021	2022	2023	2024	2025
In-place leases:					
Total projected to be included in amortization expense	$ 2,191	$ 10,475	$ 9,142	$ 5,512	$ 1,156
Leasing commissions:					
Total projected to be included in amortization expense	$ 288	$ 1,692	$ 1,290	$ 1,201	$ 1,020
Above-market lease assets and deferred lease incentives:					
Total projected to be deducted from rental revenue	$ 373	$ 2,223	$ 2,186	$ 1,104	$ 354
Below-market lease liabilities:					
Total projected to be included in rental revenue	$ 345	$ 2,003	$ 1,878	$ 854	$ 208

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Consolidated Joint Venture

VEREIT Office Assets had an interest in one consolidated joint venture that owned one property as of October 31, 2021 and December 31, 2020. As of October 31, 2021 and December 31, 2020, the consolidated joint venture had total assets of $30.7 million and $33.0 million, respectively, of which $27.7 million and $29.1 million, respectively, were real estate investments, net of accumulated depreciation and amortization at each of the respective dates. The property was secured by a mortgage note payable, which was non-recourse to VEREIT Office Assets and had a net balance of $14.8 million as of December 31, 2020. During the ten months ended October 31, 2021, VEREIT, on behalf of VEREIT Office Assets, repaid the balance in full and there were no amounts outstanding as of October 31, 2021. The joint venture partner is the managing member of the joint venture. However, in accordance with the joint venture agreement, VEREIT Office Assets had the ability to control operating and financing policies of the consolidated joint venture and the joint venture partner must obtain VEREIT Office Assets' approval for any major transactions. VEREIT Office Assets and the joint venture partner were subject to the provisions of the joint venture agreement, which included provisions for when additional contributions may be required to fund certain cash shortfalls.

Impairments

VEREIT management performed quarterly impairment review procedures for real estate investments, leasehold improvements and property and equipment and right of use assets, primarily through continuous monitoring of events and changes in circumstances that could indicate the carrying value of its real estate assets may not be recoverable.

As part of VEREIT management's quarterly impairment review procedures, net real estate assets representing four properties of VEREIT Office Assets were deemed to be impaired resulting in impairment charges of $28.1 million during the ten months ended October 31, 2021. During the year ended December 31, 2020, net real estate assets related to two properties were deemed to be impaired resulting in impairment charges of $9.3 million. During the year ended December 31, 2019, net real estate assets related to two properties were deemed to be impaired resulting in impairment charges of $3.5 million. The impairment charges related to properties that VEREIT management identified for potential sale or were determined, based on discussions with the current tenants, would not be re-leased by the tenant and VEREIT management believed the property would not be leased to another tenant at a rental rate that supported the book value.

VEREIT estimated fair values using Level 3 inputs and used a combined income and market approach, specifically using discounted cash flow analysis and recent comparable sales transactions. The evaluation of real estate assets for potential impairment required VEREIT's management to exercise significant judgment and make certain key assumptions, including, but not limited to, the following: (1) capitalization rate; (2) discount rates; (3) number of years property will be held; (4) property operating expenses; and (5) re-leasing assumptions including number of months to re-lease, market rental revenue and required tenant improvements. There are inherent uncertainties in making these estimates such as market conditions and performance and sustainability of VEREIT Office Assets' tenants. For VEREIT's impairment tests for the real estate assets during the ten months ended October 31, 2021, VEREIT used a weighted-average discount rate of 9.0% and a weighted-average capitalization rate of 8.5% . For VEREIT's impairment tests for the real estate assets during the year ended December 31, 2020, VEREIT used a weighted-average discount rate of 8.9% and a weighted-average capitalization rate of 8.4%. For VEREIT's impairment tests for the real estate assets during the year ended December 31, 2019, discount rates and capitalization rates were not applicable as VEREIT determined the fair value of the real estate assets of VEREIT Office Assets based on sale scenarios and the properties had leases expiring within 12 months of the impairment analysis.

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Note 3 – Mortgage Notes Payable, Net

As of October 31, 2021, VEREIT Office Assets had no mortgage notes payable as all amounts were repaid in conjunction with the Separation.

As of December 31, 2020, VEREIT Office Assets had mortgage notes payable, net of $217.6 million, including net premiums of less than $0.1 million and net deferred financing costs of $0.3 million, with a weighted-average interest rate of 4.64%. The weighted-average interest rate for fixed rate loans was computed using the interest rate in effect until the anticipated repayment date and the weighted-average interest rate for the variable rate loan was computed using the interest rate in effect as of December 31, 2020.

As of December 31, 2020, the mortgage notes were secured by 12 properties with a net carrying value of $368.4 million. As of December 31, 2020, the estimated fair value of the mortgage notes payable was $222.5 million and was estimated by discounting the expected cash flows based on estimated borrowing rates available as of the measurement date. VEREIT Office Assets classified the mortgage notes payable as Level 2 under the fair value hierarchy, which includes using inputs that are observable or can be corroborated with observable market data for substantially the entire contractual term.

The mortgage loan agreements required the maintenance of certain financial ratios. Failure to maintain such ratios could have resulted in restrictions on the use of cash associated with the establishment of certain lender reserves. At December 31, 2020, there were no cash restrictions due to failure to maintain financial ratios.

Note 4 – Commitments and Contingencies

Litigation

VEREIT Office Assets is party to various legal proceedings which it believes are routine in nature and incidental to the operation of its business. VEREIT Office Assets does not believe that any of these outstanding claims against it are expected to have a material adverse effect upon its consolidated financial position or results of operations.

Environmental Matters

In connection with the ownership and operation of real estate, VEREIT Office Assets may potentially be liable for costs and damages related to environmental matters. VEREIT Office Assets has not been notified by any governmental authority of any non-compliance, liability or other claim, and is not aware of any other environmental condition, in each case, that it believes will have a material adverse effect upon its results of operations.

Note 5 – Leases

Lessor

As of October 31, 2021, VEREIT Office Assets is the lessor for its 52 office properties. VEREIT Office Assets' operating leases have non-cancelable lease terms ranging from 0.17 years to 11.59 years as of October 31, 2021. Certain leases with tenants include options to extend or terminate the lease agreements or to purchase the underlying assets. Lease agreements may also contain rent increases that are based on an index or rate (e.g., the consumer price index or LIBOR). VEREIT Office Assets believes the residual value risk is not a primary risk because of the long-lived nature of the assets.

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The components of rental revenue from VEREIT Office Assets' operating leases were as follows (in thousands):

	Ten Months Ended	Year Ended December 31,	
	2021	**2020**	**2019**
Fixed:			
Cash rent	$ 109,582	$ 132,402	$ 141,541
Straight-line rent	(4,889)	(869)	(42)
Lease intangible amortization	(29)	(67)	231
Property operating cost reimbursements	3,270	3,794	3,690
Total fixed	107,934	135,260	145,420
Variable [(1)]	26,806	35,044	36,649
Total rental revenue	$ 134,740	$ 170,304	$ 182,069

(1) Includes costs reimbursed related to property operating expenses, common area maintenance and percentage rent.

The following table presents future minimum operating lease payments due to VEREIT Office Assets over the next five years and thereafter as of October 31, 2021 (in thousands).

	Future Minimum Operating Lease Payments
November 1, 2021 - December 31, 2021	$ 15,683
2022	110,872
2023	95,130
2024	72,361
2025	38,980
2026	29,951
Thereafter	34,357
Total	$ 397,334

Lessee

VEREIT Office Assets is the lessee under one ground lease arrangement, which meets the criteria of an operating lease. As of October 31, 2021, VEREIT Office Assets' lease has a remaining lease term of 35.8 years, which includes options to extend. Under the ground lease arrangement, VEREIT Office Assets pays variable costs, including property operating expenses and common area maintenance. The discount rate for VEREIT Office Assets' operating lease was 5.17% as of October 31, 2021. As VEREIT Office Assets' lease does not provide an implicit rate, VEREIT Office Assets used an estimated incremental borrowing rate based on the information available at the adoption date in determining the present value of lease payments.

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Operating lease costs for the ten months ended October 31, 2021 was $246,000. Operating lease costs for each of the years ended December 31, 2020 and 2019 was $328,000. No cash paid for operating lease liabilities was capitalized.

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The following table reflects the maturity analysis of payments due from VEREIT Office Assets over the next five years and thereafter for ground lease obligations as of October 31, 2021 (in thousands).

	Future Minimum Lease Payments
November 1, 2021 - December 31, 2021	$ 55
2022	329
2023	329
2024	329
2025	329
2026	329
Thereafter	10,062
Total	11,762
Less: imputed interest	6,403
Total	$ 5,359

Note 6 – Subsequent Events

VEREIT Office Assets evaluated subsequent events and no items have come to the attention of management that require recognition or disclosure, except as set forth below.

On November 1, 2021, the Mergers were completed. Following the Merger Effective Time, the Separation was completed. On November 12, 2021, following the Separation, the Distribution was completed.

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Exhibit 4.2

DESCRIPTION OF SECURITIES

As of December 31, 2021, Orion Office REIT Inc., a Maryland corporation ("Orion," "we," "us," "our," and the "Company"), had one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): our common stock, $0.001 par value per share (our "common stock"). Our common stock is listed on The New York Stock Exchange ("NYSE") under the ticker symbols "ONL."

The following summary of the terms of our capital stock and of Maryland law and our charter and bylaws does not purport to be complete and is subject to and qualified in its entirety by reference to the Maryland General Corporation Law ("MGCL") and our charter and bylaws. We urge you to read our Articles of Amendment and Restatement (as amended, our "charter") and Amended and Restated Bylaws (our "bylaws") for additional information.

Description of our Common Stock

General

Our charter provides that we may issue up to 120,000,000 shares of stock, consisting of 100,000,000 shares of common stock, $0.001 par value per share, and 20,000,000 shares of preferred stock, $0.001 par value per share. Our charter authorizes our board of directors, without stockholder approval, to amend our charter to increase or decrease the aggregate number of shares of stock that we are authorized to issue or the number of authorized shares of any class or series of stock. Under Maryland law, our stockholders generally are not liable for our debts or obligations solely as a result of their status as stockholders.

Common Stock

Distributions

Subject to the preferential rights, if any, of holders of any class or series of our stock other than our common stock and to the provisions of our charter relating to the restrictions on ownership and transfer of our stock, holders of our common stock are entitled to receive distributions when authorized by our board of directors and declared by us out of assets legally available for distribution to our stockholders and are entitled to share ratably in our assets legally available for distribution to our stockholders in the event of our liquidation, dissolution or winding up after payment of or adequate provision for all of our known debts and liabilities.

Voting Rights

Subject to the provisions of our charter regarding the restrictions on ownership and transfer of our stock and except as may be otherwise specified in the terms of any class or series of common stock, each outstanding share of common stock entitles the holder to one vote on all matters submitted to a vote of stockholders, including the election of directors, and, except as may be provided with respect to any other class or series of our stock, the holders of shares of our common stock possess the exclusive voting power. There is no cumulative voting in the election of directors. Consequently, the holders of a majority of the outstanding shares of our common stock can elect all of the directors then standing for election, and the holders of the remaining shares will not be able to elect any directors. In uncontested elections, directors are elected by the affirmative vote of a majority of the total votes cast for and against such nominee. In contested elections, directors are elected by a plurality of all of the votes cast in the election of directors.

Under the MGCL, a Maryland corporation generally is not entitled to dissolve, amend its charter, merge or consolidate with, or convert into, another entity, sell all or substantially all of its assets or engage in a statutory share exchange unless the action is declared advisable by the board of directors and approved by the affirmative vote of stockholders entitled to cast at least two-thirds of the votes

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entitled to be cast on the matter, unless a lesser percentage (but not less than a majority of all of the votes entitled to be cast on the matter) is specified in the corporation's charter. Our charter provides that these actions must be approved by a majority of all of the votes entitled to be cast on the matter.

Maryland law also permits a corporation to transfer all or substantially all of its assets without the approval of its stockholders to an entity owned, directly or indirectly, by the corporation. Because our operating assets are held by our operating partnership's subsidiaries, these subsidiaries may be able to merge or transfer all or substantially all of their assets without the approval of our stockholders.

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Other Rights

Holders of shares of our common stock have no preference, conversion, exchange, sinking fund, redemption or appraisal rights and have no preemptive rights to subscribe for any securities of the Company. Subject to the provisions of our charter regarding the restrictions on ownership and transfer of our stock, shares of our common stock have equal distribution, liquidation and other rights.

Power to Increase or Decrease Authorized Shares of Common Stock, Reclassify Unissued Shares of Common Stock and Issue Additional Shares of Common Stock

Our charter authorizes our board of directors, with the approval of a majority of the entire board and without stockholder approval, to amend our charter to increase or decrease the aggregate number of shares of stock or the number of shares of any class or series of stock that we are authorized to issue. In addition, our charter authorizes our board of directors to authorize the issuance from time to time of shares of our common stock.

Our charter also authorizes our board of directors to classify and reclassify any unissued shares of our common stock into other classes or series of stock, including one or more classes or series of stock that have priority over our common stock with respect to voting rights, distributions or upon liquidation, and authorize us to issue the newly classified shares. Prior to the issuance of shares of each new class or series of stock, our board of directors is required by Maryland law and by our charter to set, subject to the provisions of our charter regarding the restrictions on ownership and transfer of our stock, the preferences, conversion and other rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption for each class or series. Therefore, although our board of directors does not intend, as of the date of this filing, to do so, it could authorize the issuance of shares of common stock with terms and conditions that could have the effect of delaying, deferring or preventing a change in control or other transaction that might involve a premium price for shares of our common stock or otherwise be in the best interests of our stockholders.

We believe that the power of our board of directors to approve amendments to our charter to increase or decrease the number of authorized shares of stock, to authorize us to issue additional authorized but unissued shares of common stock and to classify or reclassify unissued shares of common stock and thereafter to authorize us to issue such classified or reclassified shares of stock provides us with increased flexibility in structuring possible future financings and acquisitions and in meeting other needs that might arise.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare Trust Company, N.A.

Listing

Our common stock is listed on the NYSE under the symbol “ONL”.

Preferred Stock

General

Our charter provides that we may issue up to 20,000,000 shares of preferred stock, par value $0.001 per share. As discussed above, our charter authorizes our board of directors, without stockholder approval, to amend our charter to increase or decrease the aggregate number of shares of stock, including preferred stock, that we are authorized to issue or the number of authorized shares of any

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class or series of stock. Under Maryland law, our stockholders generally are not liable for our debts or obligations solely as a result of their status as stockholders.

All shares of our preferred stock authorized and issued from time to time will be duly authorized, fully paid and nonassessable. Our charter authorizes our board of directors to classify and reclassify any unissued shares of our preferred stock into other classes or series of stock, including one or more classes or series of stock that have priority over our common stock with respect to voting rights, distributions or upon liquidation and authorize us to issue the newly classified shares. Prior to the issuance of shares of each new class or series, our board of directors is required by Maryland law and by our charter to set, subject to the provisions of our charter regarding the restrictions on

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ownership and transfer of our stock, the preferences, conversion and other rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption for each class or series. The specific terms of a particular class or series of preferred stock will be described in any prospectus supplement relating to that class or series which will be qualified in its entirety by reference to the articles supplementary relating to that class or series.

Any prospectus supplement, relating to each class or series, will describe, consistent with that specified in the applicable articles supplementary, the terms of the preferred stock as follows:

- the designation and par value per share of such preferred stock and the number of shares of preferred stock offered;
- the initial public offering price at which we will issue the shares of preferred stock, if applicable;
- whether the shares of preferred stock will be listed on any securities exchange;
- the dividend rate or method of calculation and the payment dates for dividends;
- whether dividends on such preferred stock are cumulative or not and, if cumulative, the dates from which dividends will start to accumulate;
- any voting rights;
- any conversion rights;
- any preemptive rights;
- any redemption or sinking fund provisions;
- the amount of liquidation preference per share;
- a discussion of certain material U.S. federal income tax considerations applicable to an investment in the preferred stock;
- any limitations on actual and constructive ownership and restrictions on transfer, in each case as may be appropriate to preserve our status as a REIT;
- the relative ranking and preferences of the preferred stock as to dividend rights and rights upon liquidation, dissolution or winding up of our affairs;
- any limitations on issuance of any class or series of preferred stock ranking senior to or on a parity with such class or series of preferred stock as to dividend rights and rights upon liquidation, dissolution or winding up of our affairs; and

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- any other specific preferences, rights, restrictions, limitations, qualifications, terms and conditions of such preferred stock.

Rank

Unless otherwise specified in the applicable articles supplementary and described in any corresponding prospectus supplement, the preferred stock will, with respect to dividend rights and rights upon liquidation, dissolution or winding up of the Company, rank: (1) senior to all classes or series of our common stock, and to any other class or series of our stock expressly designated as ranking junior to the preferred stock; (2) on parity with any class or series of our stock expressly designated as ranking on parity with the preferred stock; and (3) junior to any other class or series of our stock expressly designated as ranking senior to the preferred stock.

Conversion Rights

The terms and conditions, if any, upon which any shares of any class or series of preferred stock are convertible into our common stock will be set forth in the applicable articles supplementary and described in any prospectus supplement relating thereto. Such terms will include the number of shares of our common stock into which the shares of preferred stock are convertible, the conversion price (or manner of calculation thereof), the conversion period, provisions as to whether conversion will be at the option of the holders of such class or series of preferred stock, the events requiring an adjustment of the conversion price and provisions affecting conversion in the event of the redemption of such class or series of preferred stock.

Power to Increase or Decrease Authorized Shares of Preferred Stock, Reclassify Unissued Shares of Preferred Stock and Issue Additional Shares of Preferred Stock

As discussed above, our charter authorizes our board of directors, with the approval of a majority of the entire board and without stockholder approval, to amend our charter to increase or decrease the aggregate number of shares of stock or the number of shares of any class or series of stock, including preferred stock, that we are authorized to issue. In addition, our charter authorizes our board of directors to authorize the issuance from time to time of shares of our preferred stock.

Our charter also authorizes our board of directors to classify and reclassify any unissued shares of our preferred stock into other classes or series of stock, including one or more classes or series of stock that have priority over our common stock with respect to voting rights, distributions or upon liquidation, and authorize us to issue the newly classified shares. As discussed above, prior to the issuance of shares of each new class or series, our board of directors is required by Maryland law and by our charter to set, subject to the provisions of our charter regarding the restrictions on ownership and transfer of our stock, the preferences, conversion and other rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption for each class or series. Therefore, although our board of directors does not intend, as of the date of this filing, to do so, it could authorize the issuance of shares of preferred stock with terms and conditions that could have the effect of delaying, deferring or preventing a change in control or other transaction that might involve a premium price for shares of our common stock or otherwise be in the best interests of our stockholders.

We believe that the power of our board of directors to approve amendments to our charter to increase or decrease the number of authorized shares of stock, to authorize us to issue additional authorized but unissued shares

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of preferred stock and to classify or reclassify unissued shares of preferred stock and thereafter to authorize us to issue such classified or reclassified shares of stock provides us with increased flexibility in structuring possible future financings and acquisitions and in meeting other needs that might arise.

Restrictions on Ownership and Transfer

In order for us to qualify as a real estate investment trust (a "REIT") under the Internal Revenue Code of 1986, as amended (the "Code"), shares of our stock must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months (other than the first year for which an election to qualify as a REIT has been made) or during a proportionate part of a shorter taxable year. Also, not more than 50% of the value of the outstanding shares of our stock may be owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities such as private foundations) during the last half of a taxable year (other than the first year for which an election to be a REIT has been made). To qualify as a REIT, we must satisfy other requirements as well.

Our charter contains restrictions on the ownership and transfer of our stock. Our board may, from time to time, grant waivers from these restrictions, as discussed below. Our charter provides that, subject to the exceptions described below, no person or entity may own, or be deemed to own, beneficially or by virtue of the applicable constructive ownership provisions of the Code, more than 9.8%, in value or in number of shares, whichever is more restrictive, of the outstanding shares of our common stock (referred to as the "common stock ownership limit") or 9.8% in value of the outstanding shares of all classes or series of our stock (referred to as the "aggregate stock ownership limit"). We refer to the common stock ownership limit and the aggregate stock ownership limit collectively as the "ownership limits." We refer to the person or entity that, but for operation of the ownership limits or another restriction on ownership and transfer of our stock as described below, would beneficially own or constructively own shares of our stock in violation of such limits or restrictions and, if appropriate in the context, a person or entity that would have been the record owner of such shares of our stock as a "prohibited owner."

The constructive ownership rules under the Code are complex and may cause shares of stock owned beneficially or constructively by a group of related individuals and/or entities to be owned beneficially or constructively by one individual or entity. As a result, the acquisition of less than 9.8%, in value or in number of shares, whichever is more restrictive, of the outstanding shares of our common stock, or less than 9.8% in value of the outstanding shares of all classes and series of our stock (or the acquisition by an individual or entity of an interest in an entity that owns, beneficially or constructively, shares of our stock), could cause that individual or entity, or another individual or entity, to own beneficially or constructively shares of our stock in excess of the ownership limits.

Our board of directors, in its sole and absolute discretion, but subject to certain limitations or requirements set forth in our charter, may exempt, prospectively or retroactively, a particular stockholder from the ownership limits or establish a different limit on ownership (referred to as the "excepted holder limit") if our board of directors determines that:

- such exemption will not cause five or fewer individuals to beneficially own more than 49% in value of our outstanding stock; and
- such stockholder does not and will not constructively own an interest in a tenant of ours (or a tenant of any entity owned or controlled by us) that would cause us to own, actually or constructively, more than a 9.9% interest (as set forth in Section 856(d)(2)(B) of the Code) in such tenant (or our board of directors determines that revenue derived from such tenant will not affect our ability to qualify as a REIT).

Any violation or attempted violation of any such representations or undertakings will result in such stockholder's shares of stock being automatically transferred to a charitable trust. As a condition of granting the waiver or establishing the excepted holder limit, our

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board of directors may require an opinion of counsel or a ruling from the IRS, in either case in form and substance satisfactory to our board of directors, in its sole and absolute discretion, in order to determine or ensure our status as a REIT and such representations and undertakings from the person requesting the exception as our board of directors may require in its sole and absolute discretion to make the determinations above. Our board of directors may impose such conditions or restrictions as it deems appropriate in connection with granting such a waiver or establishing an excepted holder limit.

In connection with granting a waiver of the ownership limits or creating an excepted holder limit or at any other time, our board of directors may from time to time increase or decrease the common stock ownership limit, the aggregate stock ownership limit or both, for all other persons, unless, after giving effect to such increase, five or

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fewer individuals could beneficially own, in the aggregate, more than 49% in value of our outstanding stock or we would otherwise fail to qualify as a REIT. A reduced ownership limit will not apply to any person or entity whose percentage ownership of our common stock or our stock of all classes and series, as applicable, is, at the effective time of such reduction, in excess of such decreased ownership limit until such time as such person's or entity's percentage ownership of our common stock or our stock of all classes and series, as applicable, equals or falls below the decreased ownership limit, but any further acquisition of shares of our common stock or stock of all other classes or series, as applicable, will violate the decreased ownership limit.

Our charter further contains provisions to prohibit:

- any person from beneficially or constructively owning, applying certain attribution rules of the Code, shares of our stock that could result in our being "closely held" under Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year) or otherwise cause us to fail to qualify as a REIT; and

- any person from transferring shares of our stock if the transfer would result in shares of our stock being beneficially owned by fewer than 100 persons (determined under the principles of Section 856(a)(5) of the Code).

Any person who acquires or attempts or intends to acquire beneficial or constructive ownership of shares of our stock that will or may violate the ownership limits or any of the other restrictions on ownership and transfer of our stock described above, or who would have owned shares of our stock transferred to the trust as described below, must immediately give notice to us of such event or, in the case of an attempted or proposed transaction, give us at least 15 days' prior written notice and provide us with such other information as we may request in order to determine the effect of such transfer on our status as a REIT.

If any transfer of shares of our stock would result in shares of our stock being beneficially owned by fewer than 100 persons, the transfer will be null and void and the intended transferee will acquire no rights in the shares. In addition, if any purported transfer of shares of our stock or any other event would otherwise result in any person violating the ownership limits or an excepted holder limit established by our board of directors, or in our being "closely held" under Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year) or otherwise failing to qualify as a REIT, then that number of shares (rounded up to the nearest whole share) that would cause the violation will be automatically transferred to, and held by, a trust for the exclusive benefit of one or more charitable organizations selected by us, and the intended transferee or other prohibited owner will acquire no rights in the shares. The automatic transfer will be effective as of the close of business on the business day prior to the date of the violative transfer or other event that results in a transfer to the trust. If the transfer to the trust as described above is not automatically effective, for any reason, to prevent violation of the applicable ownership limits or our being "closely held" under Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year) or our otherwise failing to qualify as a REIT, then our charter provides that the transfer of the shares will be null and void and the intended transferee will acquire no rights in such shares.

Shares of our stock held in the trust will be issued and outstanding shares. The prohibited owner will not benefit economically from ownership of any shares of our stock held in the trust and will have no rights to distributions and no rights to vote or other rights attributable to the shares of our stock held in the trust. The trustee of the trust will exercise all voting rights and receive all distributions with respect to shares held in the trust for the exclusive benefit of the charitable beneficiary of the trust. Any distribution made before we discover that the shares have been transferred to a trust as described above must be repaid by the recipient to the trustee upon demand by us. Subject to Maryland law, effective as of the date that the shares have been transferred to the trust, the trustee will have the authority to rescind as void any vote cast by a prohibited owner before our discovery that the shares have been transferred to the trust and to recast the vote in accordance with the desires of the trustee acting for the benefit of the charitable beneficiary of the trust. However, if we have already taken irreversible corporate action, then the trustee may not rescind and recast the vote.

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Shares of our stock transferred to the trustee are deemed offered for sale to us, or our designee, at a price per share equal to the lesser of (i) the price paid by the prohibited owner for the shares (or, in the case of a devise, gift or other transaction, the market price at the time of such devise, gift or other transaction) and (ii) the market price on the date we accept, or our designee accepts, such offer. We may reduce the amount so payable to the trustee by the amount of any distribution that we made to the prohibited owner before we discovered that the shares had been automatically transferred to the trust and that are then owed by the prohibited owner to the trustee as described above, and we may pay the amount of any such reduction to the trustee for distribution to the charitable beneficiary. We have the right to accept such offer until the trustee has sold the shares of our stock held in the trust as discussed below. Upon a sale to us, the interest of the charitable beneficiary in the shares sold terminates, and the

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trustee must distribute the net proceeds of the sale to the prohibited owner and must distribute any distributions held by the trustee with respect to such shares to the charitable beneficiary.

If we do not buy the shares, the trustee must, within 20 days of receiving notice from us of the transfer of shares to the trust, sell the shares to a person or entity designated by the trustee who could own the shares without violating the ownership limits or the other restrictions on ownership and transfer of our stock. After the sale of the shares, the interest of the charitable beneficiary in the shares transferred to the trust will terminate and the trustee must distribute to the prohibited owner an amount equal to the lesser of (i) the price paid by the prohibited owner for the shares (or, if the prohibited owner did not give value for the shares in connection with the event causing the shares to be held in the trust (for example, in the case of a gift, devise or other such transaction), the market price of the shares on the day of the event causing the shares to be held in the trust) and (ii) the sales proceeds (net of any commissions and other expenses of sale) received by the trustee for the shares. The trustee may reduce the amount payable to the prohibited owner by the amount of any distribution that we paid to the prohibited owner before we discovered that the shares had been automatically transferred to the trust and that are then owed by the prohibited owner to the trustee as described above. Any net sales proceeds in excess of the amount payable to the prohibited owner must be paid immediately to the charitable beneficiary, together with any distributions thereon. In addition, if, prior to the discovery by us that shares of stock have been transferred to a trust, such shares of stock are sold by a prohibited owner, then such shares will be deemed to have been sold on behalf of the trust and, to the extent that the prohibited owner received an amount for or in respect of such shares that exceeds the amount that such prohibited owner was entitled to receive, such excess amount will be paid to the trustee upon demand. The prohibited owner has no rights in the shares held by the trustee.

In addition, if our board of directors determines that a transfer or other event has occurred that would violate the restrictions on ownership and transfer of our stock described above, our board of directors may take such action as it deems advisable to refuse to give effect to or to prevent such transfer, including, but not limited to, causing us to redeem shares of our stock, refusing to give effect to the transfer on our books or instituting proceedings to enjoin the transfer.

Every owner of 5% or more (or such lower percentage as required by the Code or the regulations promulgated thereunder) of our stock, within 30 days after the end of each taxable year, must give us written notice stating the stockholder’s name and address, the number of shares of each class or series of our stock that the stockholder beneficially owns and a description of the manner in which the shares are held. Each such owner must provide to us in writing such additional information as we may request in order to determine the effect, if any, of the stockholder’s beneficial ownership on our status as a REIT and to ensure compliance with the ownership limits. In addition, any person or entity that is a beneficial owner or constructive owner of shares of our stock and any person or entity (including the stockholder of record) that is holding shares of our stock for a beneficial owner or constructive owner must, on request, provide to us such information as we may request in order to determine our status as a REIT and to comply with the requirements of any taxing authority or governmental authority or to determine such compliance.

Any certificates representing shares of our stock will bear a legend referring to the restrictions on ownership and transfer of our stock described above.

These restrictions on ownership and transfer of our stock will not apply if our board of directors determines that it is no longer in our best interests to attempt to qualify, or to continue to qualify, as a REIT or that compliance is no longer required in order for us to qualify as a REIT.

The restrictions on ownership and transfer of our stock described above could delay, defer or prevent a transaction or a change in control that might involve a premium price for our common stock or otherwise be in the best interests of our stockholders.

Arch Street Warrants

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Warrant

We have granted a warrant to purchase up to 1,120,000 shares of our common stock to certain affiliates of Arch Street Capital Partners (the "Arch Street Warrants"). The Arch Street Warrants entitle the holders to purchase shares of our common stock at a price per share equal to $22.42, at any time. The Arch Street Warrants may be exercised, in whole or in part, through a cashless exercise, in which case the holder would receive upon such exercise the net number of shares of our common stock determined according to the formula set forth in the Arch Street Warrants.

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The Arch Street Warrants expire the earlier of (a) ten years after issuance and (b) the termination of our joint venture with Arch Street Capital Partners.

The Arch Street Warrants were made pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act. The Arch Street Warrants are exercisable and we will not be obligated to issue shares of our common stock upon exercise of the Arch Street Warrants unless the common stock issuable upon the exercise thereof has been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the Arch Street Warrants. No underwriting discounts or commissions were paid with respect to the issuance of the Arch Street Warrants. The holder of the Arch Street Warrants will also remain subject to the ownership limitations described in the section entitled "- Restrictions on Ownership and Transfer" above related to the maintenance of our ability to qualify as a REIT under the Code.

Registration Rights

We have agreed that, prior to six months following the Company's eligibility to use Form S-3 for the registration of securities of the Company, we shall file with the Commission a registration statement on Form S-3 (the "Registration Statement") for the registration, under the Securities Act, of the shares of our common stock issuable upon exercise of the Arch Street Warrants. We shall use our commercially reasonable efforts to cause the Registration Statement to become effective and to maintain the effectiveness of the Registration Statement, and a current prospectus relating thereto, until the earlier of (a) the expiration of the Arch Street Warrants, or (b) the shares issuable upon such exercise shall become freely tradable under United States federal securities laws by anyone who is not an affiliate (as such term is defined in Rule 144 under the Securities Act (or any successor rule)) of us.

Certain Provisions Of Maryland Law And Of Our Charter And Bylaws

Our Board of Directors. Our board of directors consists of five directors as of the date of this filing. Our charter and bylaws provide that the number of directors constituting our board of directors may be increased or decreased only by a majority vote of our board of directors, provided that the number of directors may not be decreased to fewer than the minimum number required under the MGCL (which is one), nor increased to more than 15.

Subject to the terms of any class or series of preferred stock, vacancies on our board of directors may be filled only by a majority of the remaining directors, even if the remaining directors do not constitute a quorum, and any director elected to fill a vacancy will hold office for the remainder of the full term of the directorship in which the vacancy occurred and until his or her successor is duly elected and qualifies.

Each of our directors is elected by our stockholders to serve until the next annual meeting of our stockholders and until his or her successor is duly elected and qualifies. Holders of shares of our common stock have no right to cumulative voting in the election of directors. Consequently, the holders of a majority of the outstanding shares of our common stock may elect all of the nominees then standing for election as directors, and the holders of the remaining shares will not be able to elect any directors. In uncontested elections, directors are elected by the affirmative vote of a majority of the total votes cast for and against such nominee. In contested elections, directors are elected by a plurality of all of the votes cast in the election of directors.

Removal of Directors. Our charter provides that a director may be removed only for cause (as defined in our charter) and only by the affirmative vote of a majority of the votes entitled to be cast generally in the election of directors. This provision, when coupled with the exclusive power of our board of directors to fill vacancies on our board of directors, precludes stockholders from removing

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incumbent directors (except for cause and upon a substantial affirmative vote) and filling the vacancies created by such removal with their own nominees.

Business Combinations. Under the MGCL, certain "business combinations" (including a merger, consolidation, statutory share exchange or, in certain circumstances, an asset transfer or issuance or reclassification of equity securities) between a Maryland corporation and an interested stockholder (defined generally as any person who beneficially owns, directly or indirectly, 10% or more of the voting power of the corporation's outstanding voting stock or an affiliate or associate of the corporation who, at any time during the two-year period immediately prior to the date in question, was the beneficial owner of 10% or more of the voting power of the then-outstanding stock of the corporation) or an affiliate of such an interested stockholder are prohibited for five years after the most

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recent date on which the interested stockholder became an interested stockholder. Thereafter, any such business combination must generally be recommended by the board of directors of the corporation and approved by the affirmative vote of at least (i) 80% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation and (ii) two-thirds of the votes entitled to be cast by holders of voting stock of the corporation, other than shares held by the interested stockholder with whom (or with whose affiliate) the business combination is to be effected or held by an affiliate or associate of the interested stockholder, unless, among other conditions, the corporation's common stockholders receive a minimum price (as defined in the MGCL) for their shares and the consideration is received in cash or in the same form as previously paid by the interested stockholder for its shares. A person is not an interested stockholder under the statute if the board of directors approved in advance the transaction by which the person otherwise would have become an interested stockholder. A corporation's board of directors may provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by the board.

Pursuant to the statute, our board of directors has by resolution exempted business combinations between the Company and any other person. As a result, any person described in the preceding sentence may be able to enter into business combinations with the Company that may not be in the best interests of our stockholders, without compliance with the supermajority vote requirements and other provisions of the statute. We cannot assure you that our board of directors will not amend or repeal this resolution in the future.

Control Share Acquisitions. The MGCL provides that holders of "control shares" of a Maryland corporation acquired in a "control share acquisition" have no voting rights with respect to such shares except to the extent approved by the affirmative vote of at least two-thirds of the votes entitled to be cast on the matter. Shares owned by the acquirer, an officer of the corporation or an employee of the corporation who is also a director of the corporation are excluded from shares entitled to vote on the matter.

"Control shares" are voting shares of stock that, if aggregated with all other such shares of stock owned by the acquirer, or in respect of which the acquirer is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquirer to exercise voting power in electing directors within one of the following ranges of voting power:

- one-tenth or more, but less than one-third;
- one-third or more, but less than a majority; or
- a majority or more of all voting power.

Control shares do not include shares that the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval or shares acquired directly from the corporation. A "control share acquisition" means the acquisition of issued and outstanding control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition, upon satisfaction of certain conditions (including an undertaking to pay expenses and making an "acquiring person statement" as described in the MGCL), may compel the board of directors to call a special meeting of stockholders to be held within 50 days of demand to consider the voting rights of the shares. If no request for a meeting is made, the corporation may itself present the question at any stockholders meeting.

If voting rights are not approved at the meeting or if the acquiring person does not deliver an "acquiring person statement" as required by the statute, then, subject to certain conditions and limitations, the corporation may redeem for fair value any or all of the control shares (except those for which voting rights have previously been approved). Fair value is determined, without regard to the absence of voting rights for the control shares, as of the date of the last control share acquisition by the acquirer or, if a meeting of stockholders is held at which the voting rights of such shares are considered and not approved, as of the date of such meeting. If voting rights for control shares are approved at a stockholders' meeting and the acquirer becomes entitled to vote a majority of the shares entitled

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to vote, all other stockholders may exercise appraisal rights. The fair value of the shares as determined for purposes of such appraisal rights may not be less than the highest price per share paid by the acquirer in the control share acquisition.

The control share acquisition statute does not apply to shares acquired in a merger, consolidation or statutory share exchange if the corporation is a party to the transaction or acquisitions approved or exempted by the charter or bylaws of the corporation.

Our bylaws contain a provision exempting from the control share acquisition statute any and all acquisitions by any person of shares of our stock. This provision may be amended or eliminated at any time in the future by our board of directors.

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Subtitle 8. Subtitle 8 of Title 3 of the MGCL permits a Maryland corporation with a class of equity securities registered under the Exchange Act and at least three independent directors to elect to be subject, by provision in its charter or bylaws or a resolution of its board of directors and notwithstanding any contrary provision in the charter or bylaws, to any or all of five provisions of the MGCL that provide, respectively, for:

- a classified board;
- a two-thirds vote requirement for removing a director;
- a requirement that the number of directors be fixed only by vote of the board of directors;
- a requirement that a vacancy on the board be filled only by the remaining directors in office and (if the board is classified) for the remainder of the full term of the class of directors in which the vacancy occurred; and
- a majority requirement for the calling of a stockholder-requested special meeting of stockholders.

Pursuant to Subtitle 8, we have elected to provide that vacancies on our board may be filled only by the remaining directors and that directors elected by the board to fill vacancies will serve for the remainder of the full term of the directorship in which the vacancy occurred. Through provisions in our charter and bylaws unrelated to Subtitle 8, we already (i) vest in the board the exclusive power to fix the number of directorships and (ii) require, unless called by our board of directors, the written request of stockholders entitled to cast a majority of all of the votes entitled to be cast at such a meeting to call a special meeting.

Meetings of Stockholders. Pursuant to our bylaws, a meeting of our stockholders for the election of directors and the transaction of any business will be held annually on a date and at the time and place set by our board of directors. Our board of directors may call a special meeting of our stockholders. Subject to the provisions of our bylaws, a special meeting of our stockholders to act on any matter that may properly be brought before a meeting of our stockholders must also be called by our secretary upon the written request of the stockholders entitled to cast a majority of all the votes entitled to be cast on such matter at the meeting and containing the information required by our bylaws. Our secretary will inform the requesting stockholders of the reasonably estimated cost of preparing and delivering the notice of meeting (including our proxy materials), and the requesting stockholder must pay such estimated cost before our secretary is required to prepare and deliver the notice of the special meeting.

Amendments to Our Charter and Bylaws. Except for those amendments permitted to be made without stockholder approval under Maryland law or our charter, our charter generally may be amended only if the amendment is first declared advisable by our board of directors and thereafter approved by the affirmative vote of stockholders entitled to cast a majority of all of the votes entitled to be cast on the matter.

Our board of directors has the power to adopt, alter or repeal any provision of our bylaws and to make new bylaws. In addition, stockholders may alter, amend or repeal any provision of our bylaws and adopt new bylaws with the approval by a majority of the votes entitled to be cast on the matter by stockholders entitled to vote generally in the election of directors.

Forum Selection. Our bylaws require, subject to limited exceptions, that any derivative action or proceeding brought on our behalf, any action asserting a claim of breach of any duty owed by any of our directors, officers or other employees to us or our stockholders and other similar actions may be brought only in specified courts in the State of Maryland. Although we believe this provision will benefit us by limiting duplicative, costly and time-consuming litigation in multiple forums and by providing increased consistency in the application of Maryland law in the types of lawsuits to which it applies, the provision may have the effect of discouraging lawsuits against us or our directors, officers and other employees. This provision is intended to cover internal corporate claims and not actions arising under the federal securities laws.

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Transactions Outside the Ordinary Course of Business. Under the MGCL, a Maryland corporation generally is not entitled to dissolve, merge or consolidate with, or convert into, another entity, sell all or substantially all of its assets or engage in a statutory share exchange unless the action is declared advisable by the board of directors and approved by the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter, unless a lesser percentage (but not less than a majority of all of the votes entitled to be cast on the matter) is specified in the corporation's charter. Our charter provides that these actions must be approved by a majority of all of the votes entitled to be cast on the matter.

Advance Notice of Director Nominations and New Business. Our bylaws provide that, with respect to an annual meeting of our stockholders, nominations of individuals for election to our board of directors and the proposal of other business to be considered by our stockholders may be made only (i) pursuant to our notice of the meeting, (ii) by or at the direction of our board of directors or (iii) by any stockholder who was a stockholder of record at the record date set by the board of directors for the purpose of determining stockholders entitled to vote at the meeting, at the time of giving the notice required by our bylaws and at the time of the meeting (or any

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postponement or adjournment thereof), who is entitled to vote at the meeting on such business or in the election of such nominee and has provided notice to us within the time period, and containing the information and other materials, specified in the advance notice provisions of our bylaws.

With respect to special meetings of stockholders, only the business specified in our notice of meeting may be brought before the meeting. Nominations of individuals for election to our board of directors may be made only (i) by or at the direction of our board of directors or (ii) if the meeting has been called for the purpose of electing directors, by any stockholder who was a stockholder of record at the record date set by the board of directors for the purpose of determining stockholders entitled to vote at the meeting, at the time of giving the notice required by our bylaws and at the time of the meeting (or any postponement or adjournment thereof), who is entitled to vote at the meeting in the election of each such nominee and who has provided notice to us within the time period, and containing the information and other materials, specified in the advance notice provisions of our bylaws.

The advance notice procedures of our bylaws provide that, to be timely, a stockholder's notice with respect to director nominations or other proposals for an annual meeting must be delivered to our corporate secretary at our principal executive office not earlier than the 150th day nor later than 5:00 p.m., Eastern Time, on the 120th day prior to the first anniversary of the date of the proxy statement for our preceding year's annual meeting. In the event that the date of the annual meeting is advanced or delayed by more than 30 days from the first anniversary of the date of the preceding year's annual meeting, to be timely, a stockholder's notice must be delivered not earlier than the 150th day prior to the date of the annual meeting and not later than 5:00 p.m., Eastern Time, on the close of business on the later of the 120th day prior to the date of the annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made.

REIT Qualification. Our charter provides that our board of directors may authorize us to revoke or otherwise terminate our REIT election, without approval of our stockholders, if it determines that it is no longer in our best interests to continue to qualify as a REIT.

Effects of Certain Provisions of Maryland Law and of Our Charter and Bylaws. Our charter and bylaws and Maryland law contain provisions that may delay, defer or prevent a change in control or other transaction that might involve a premium price for shares of our common stock or otherwise be in the best interests of our stockholders, including advance notice requirements for director nominations and other stockholder proposals. Likewise, if the provision in our bylaws opting out of the control share acquisition provisions of the MGCL were rescinded, if the resolution opting out of the business combination act was revoked or if we were to opt in to the classified board or other provisions of Subtitle 8, these provisions of the MGCL could have similar anti-takeover effects.

Indemnification and Limitation of Directors' and Officers' Liability. Maryland law permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages, except for liability resulting from (i) actual receipt of an improper benefit or profit in money, property or services or (ii) active and deliberate dishonesty that is established by a final judgment and that is material to the cause of action. Our charter contains a provision that eliminates the liability of our directors and officers to the maximum extent permitted by Maryland law.

The MGCL requires us (unless our charter provides otherwise, which our charter does not) to indemnify a director or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he or she is made a party by reason of his or her service in that capacity. The MGCL permits us to indemnify our present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made or threatened to be made a party by reason of their service in those or other capacities unless it is established that:

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- the act or omission of the director or officer was material to the matter giving rise to the proceeding and (a) was committed in bad faith or (b) was the result of active and deliberate dishonesty;
- the director or officer actually received an improper personal benefit in money, property or services; or
- in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful.

Under the MGCL, we may not indemnify a director or officer in a suit by us or in our right in which the director or officer was adjudged liable to us or in a suit in which the director or officer was adjudged liable on the basis that personal benefit was improperly received. A court may order indemnification if it determines that the director or officer is fairly and reasonably entitled to indemnification, even though the director or officer did not meet the prescribed standard of conduct or was adjudged liable on the basis that personal benefit was improperly received. However, indemnification for an adverse judgment in a suit by us or in our right, or for a judgment of liability on the basis that personal benefit was improperly received, is limited to expenses.

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In addition, the MGCL permits us to advance reasonable expenses to a director or officer upon our receipt of:

- a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by us; and
- a written undertaking by or on behalf of the director or officer to repay the amount paid or reimbursed by us if it is ultimately determined that the director or officer did not meet the standard of conduct.

Our charter obligates the Company to the maximum extent permitted by Maryland law in effect from time to time, to indemnify and, without requiring a preliminary determination of the ultimate entitlement to indemnification, pay or reimburse reasonable expenses in advance of final disposition of a proceeding to:

- any present or former director or officer who is made or threatened to be made a party to, or witness in, a proceeding by reason of his or her service in that capacity; or
- any individual who, while a director or officer of the Company and at our request, serves or has served as a director, officer, partner, trustee, member, manager, trustee, employee or agent of another corporation, REIT, limited liability company, partnership, joint venture, trust, employee benefit plan or any other enterprise and who is made or threatened to be made a party to, or witness in, the proceeding by reason of his or her service in that capacity.

Our charter also permits us to indemnify and advance expenses to any person who served a predecessor of the Company in any of the capacities described above and to any employee or agent of the Company or a predecessor of the Company.

We have entered into indemnification agreements with our directors and executive officers that provide for indemnification to the maximum extent permitted by Maryland law.

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Exhibit 10.15

PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT (2022)

This Restricted Stock Unit Agreement (2022) (this "***Agreement***"), dated as of _____, 2022 (the "***Grant Date***"), is made by and between Orion Office REIT Inc., a Maryland corporation (the "***Company***"), and [_______________] (the "***Participant***"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan (as defined below).

WHEREAS, the Company maintains the Orion Office REIT Inc. 2021 Equity Incentive Plan (as amended from time to time, the "***Plan***");

WHEREAS, the Company wishes to carry out the Plan (the terms of which are hereby incorporated by reference and made a part of this Agreement);

WHEREAS, Section 8 of the Plan provides for the issuance of Restricted Stock Units ("***RSUs***"); and

WHEREAS, the Administrator has determined that it would be to the advantage and in the best interest of the Company to issue RSUs to the Participant as an inducement to enter into or remain in the service of the Company or any Subsidiary, and as an additional incentive during such service, and has advised the Company thereof.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto do hereby agree as follows:

1. Issuance of Award of RSUs. Pursuant to the Plan, in consideration of the Participant's agreement to provide services to the Company or any Subsidiary (as applicable), the Company hereby issues to the Participant an award of [_____________] RSUs. Each RSU that vests (and ceases to be subject to the Restrictions) shall represent the right to receive payment, in accordance with this Agreement, of one share of Stock. Unless and until an RSU vests, the Participant will have no right to payment in respect of any such RSU. Prior to actual payment in respect of any vested RSU, such RSU will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

2. Dividend Equivalent Rights. Each RSU granted hereunder that becomes a Performance Vested RSU is hereby granted in tandem with a corresponding Dividend Equivalent Right, which Dividend Equivalent Right shall remain outstanding from the Grant Date until the earlier of the payment or forfeiture of the RSU to which it corresponds. Pursuant to each outstanding Dividend Equivalent Right, with respect to each dividend declared by the Company with respect to the Performance Period, the Participant shall be entitled to receive payment equal to the amount of such dividend, if any, on the Shares underlying the Performance Vested RSU to which such Dividend Equivalent Right relates, payable in the same form and amounts as dividends paid to each holder of a Share. Each such payment shall be made no later than thirty (30) days following the applicable dividend payment date, provided that no such payments shall be made prior to the date on which the RSU becomes a Performance Vested RSU, and any Dividend Equivalent Right payments that would have been made prior to such date had the RSU been a Performance Vested RSU shall be paid in a single lump sum no later than forty-five (45) days following the date on which the RSU becomes a Performance Vested RSU. Dividend Equivalent Rights shall not entitle the Participant to any payments relating to dividends for which the record date occurs after the payment of the Performance Vested RSU underlying such Dividend Equivalent Right, and the Participant shall not be entitled to any Dividend Equivalent Right payments with respect to any RSU that does not become a Performance Vested RSU. Dividend Equivalent Rights and any amounts that may become distributable in respect thereof shall be treated separately from the

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RSUs and the rights arising in connection therewith for purposes of the designation of time and form of payments required by Section 409A of the Code.

3. Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below.

(a) "***Absolute TSR Performance Vesting Percentage***" means the percentage determined as set forth on Exhibit A attached hereto, which is a function of the Company TSR Percentage during the Performance Period.

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(b) "***Absolute TSR RSUs***" means the number of RSUs designated as Absolute TSR RSUs on Exhibit A attached hereto.

(c) "***Absolute TSR Vested RSUs***" means the product of (i) the total number of Absolute TSR RSUs, and (ii) the applicable Absolute TSR Performance Vesting Percentage.

(d) "***Acquisition Performance Vesting Percentage***" means the percentage determined as set forth on Exhibit A attached hereto, which is a function of the Company Acquisition Value during the Performance Period.

(e) "***Acquisition Vesting RSUs***" means the number of RSUs designated as Acquisition Vesting RSUs on Exhibit A attached hereto.

(f) "***Acquisition Vested RSUs***" means the product of (i) the total number of Acquisition Vesting RSUs, and (ii) the applicable Acquisition Performance Vesting Percentage.

(g) "***Annualized Base Rent***" means the monthly aggregate cash amount charged to tenants under the Company's leases (including monthly base rent receivables and certain contractually obligated reimbursements by the Company's tenants), as of the final date of the applicable Performance Period, multiplied by twelve (12). In calculating Annualized Base Rent, the Company's percentage ownership interest in the monthly aggregate cash amount charged to tenants from properties owned through any unconsolidated joint venture such as OAP/VER Venture, LLC (the "***Arch Street Joint Venture***"), shall be included.

(h) "***Average Lease Term Performance Vesting Percentage***" means the percentage determined as set forth on Exhibit A attached hereto, which is a function of the Company's Weighted Average Lease Term during the Performance Period.

(i) "***Average Lease Term Vesting RSUs***" means the number of RSUs designated as Average Lease Term Vesting RSUs on Exhibit A attached hereto.

(j) "***Average Lease Term Vested RSUs***" means the product of (i) the total number of Average Lease Term Vesting RSUs, and (ii) the applicable Average Lease Term Performance Vesting Percentage.

(k) "***Cause***" means "Cause" as defined in the Participant's applicable employment or severance agreement with the Company if such an agreement exists and contains a definition of Cause, or, if no such agreement exists or such agreement does not contain a definition of Cause, then Cause shall mean (i) commission, with respect to the Company, of an act of fraud, embezzlement, misappropriation, intentional misrepresentation or conversion of assets, (ii) conviction of, or entered a plea of guilty or "nolo contendere" to, a felony (excluding any felony relating to the negligent operation of an automobile), (iii) willfully failing to substantially perform (other than by reason of illness or temporary disability) the Participant's reasonably assigned material duties, (iv) engaging in willful misconduct in the performance of the Participant's duties, (v) engaging in conduct that violated the Company's then existing written internal policies or procedures and which is materially detrimental to the business and reputation of the Company, or (vi) materially breached any non-competition, non-disclosure or other agreement in effect between the Participant and the Company.

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(l) "***Company Acquisition Value***" means the aggregate purchase price paid (whether in cash or other consideration) by the Company and its affiliates for properties purchased during the Performance Period, provided that with respect to any properties purchased through an unconsolidated joint venture, including the Arch Street Joint Venture, the Company Acquisition Value shall include the aggregate purchase price for such property, multiplied by the Company's percentage ownership interest in such unconsolidated joint venture at the time of such purchase.

(m) "***Company Disposition Value***" means the aggregate sale price paid (whether in cash or other consideration) to the Company and its affiliates for properties sold during the Performance Period, provided that with respect to any properties sold through an unconsolidated joint venture, including the Arch Street Joint Venture, the Company Disposition Value shall include the aggregate sale price paid for such property, multiplied by the Company's percentage ownership interest in such unconsolidated joint venture at the time of such sale.

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(n) "***Company TSR Percentage***" means, as applied to the Company, the change in the Share Value from the beginning to the end of the Performance Period, plus dividends and distributions made or declared (assuming such dividends or distributions are reinvested on the ex-dividend date (at a price equal to the closing price of the Stock on the applicable ex-dividend date)) during the Performance Period, expressed as a percentage.

(o) "***Disability***" means "Disability" as defined in the Participant's applicable employment or severance agreement with the Company if such an agreement exists and contains a definition of Disability, or, if no such agreement exists or such agreement does not contain a definition of Disability, then Disability then "Disability" shall mean that the Participant is unable to perform his/her duties due to any sickness, injury or disability for a consecutive period of one hundred eighty (180) days or an aggregate of six (6) months in any twelve (12)-consecutive month period. A determination of "Disability" shall be made by a physician satisfactory to both the Participant and the Company, provided that if the Participant and the Company do not agree on a physician, the Participant and the Company shall each select a physician and these two together shall select a third physician, whose determination as to Disability shall be binding on all parties. The appointment of one or more individuals to carry out the Participant's offices or duties during a period of Participant's inability to perform such duties and pending a determination of Disability shall not be considered a breach of any agreement by the Company

(p) "***Disposition Performance Vesting Percentage***" means the percentage determined as set forth on Exhibit A attached hereto, which is a function of the Company's dispositions during the Performance Period.

(q) "***Disposition Vested RSUs***" means the product of (i) the total number of Disposition Vesting RSUs, and (ii) the applicable Disposition Performance Vesting Percentage.

(r) "***Disposition Vesting RSUs***" means the number of RSUs designated as Disposition Vesting RSUs on Exhibit A attached hereto.

(s) "***Good Reason***" means "Good Reason" as defined in the Participant's applicable employment or severance agreement with the Company if such an agreement exists and contains a definition of Good Reason, or, if no such agreement exists or such agreement does not contain a definition of Good Reason, then Good Reason means (i) a material reduction in the Participant's base salary or target bonus percentage, (ii) a material reduction in the Participant's title or a material diminution in the Participant's duties, responsibilities or authorities, or (iii) the relocation of the Participant's primary place of employment to a location that is more than 50 miles from the location of the Company's offices in [Phoenix, Arizona / New York, New York], as of the date hereof; provided that no event will constitute Good Reason unless (A) the Participant has given the Company written notice setting forth the conduct of the Company that is alleged to constitute Good Reason, within thirty (30) days of the first date on which the Participant has knowledge of such conduct, (B) the Company fails to cure such conduct within thirty (30) days following the date on which such written notice is provided, and (C) the effective date of the Participant's actual termination for Good Reason occurs no later than 60 days after the expiration of such Company cure period.

(t) "***Occupancy Rate***" means the sum of leased square feet divided by rentable square feet under all Company leases and properties as of the end of the Performance Period. In calculating Occupancy Rate, the Company's percentage interest in properties owned through any unconsolidated joint venture such as the Arch Street Joint Venture shall be included.

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(u) "***Occupancy Rate Performance Vesting Percentage***" means the percentage determined as set forth on Exhibit A attached hereto, which is a function of the Company's Occupancy Rate during the Performance Period.

(v) "***Occupancy Rate Vested RSUs***" means the product of (i) the total number of Occupancy Rate Vesting RSUs, and (iii) the applicable Occupancy Rate Performance Vesting Percentage.

(w) "***Occupancy Rate Vesting RSUs***" means the number of RSUs designated as Occupancy Rate Vesting RSUs on Exhibit A attached hereto.

(x) "***Performance Period***" means the period set forth on Exhibit A attached hereto.

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(y) "***Performance Vested RSUs***" means (i) the Absolute TSR Vested RSUs, plus (ii) the Acquisition Vested RSUs, plus (iii) the Average Lease Term Vested RSUs, plus (iv) the Disposition Vested RSUs, plus (v) the Occupancy Rate Vested RSUs.

(z) "***Qualifying Termination***" means a Termination of Service by reason of (i) the Participant's death, (ii) a termination by the Company or any Subsidiary due to the Participant's Disability, (iii) a termination by the Company or any Subsidiary other than for Cause, or (iv) a termination by the Participant for Good Reason.

(aa) "***Restrictions***" means the exposure to forfeiture set forth in Sections 5(a) and 6(a).

(ab) "***Service Provider***" means an employee, Consultant or Non-Employee Director, as applicable, of the Company or its Subsidiaries.

(ac) "***Share***" means a share of Stock.

(ad) "***Share Value***," means (i) for the first day of the Performance Period, the closing trading price of a Share on the principal exchange on which such shares are then traded on such date and (ii) for any other given date, the average of the closing trading prices of a Share on the principal exchange on which such shares are then traded during the twenty (20) consecutive trading days ending on such date; *provided, however,* that if a Change in Control occurs prior to the completion of the Performance Period, Share Value shall mean the price per Share paid in cash by the acquiror in the Change in Control transaction or, to the extent that the consideration in the Change in Control transaction is paid in stock of the acquiror or its affiliates, then, unless otherwise determined by the Administrator, Share Value shall mean the value of the consideration paid per Share based on the average of the high and low trading prices of a share of such acquiror stock on the principal exchange on which such shares are then traded on the date on which a Change in Control occurs.

(ae) "***Termination of Service***" means a termination of the Participant's employment (or cessation of Service Relationship) with the Company and its Subsidiaries for any reason.

(af) "***Unvested RSU***" means any RSU that has not become fully vested pursuant to Section 5 hereof and remains subject to the Restrictions.

(ag) "***Weighted Average Lease Term***" means the number of years remaining under all Company leases as of the end of the Performance Period, weighted based on Annualized Base Rent. In calculating Weighted Average Lease Term, the Company's percentage interest in properties owned through any unconsolidated joint venture such as the Arch Street Joint Venture shall be included.

4. RSUs and Dividend Equivalent Rights Subject to the Plan; Ownership and Transfer Restrictions.

(a) The RSUs and Dividend Equivalent Rights are subject to the terms, definitions and provisions of the Plan, which is incorporated herein by reference, including, without limitation, the restrictions on transfer set forth in Section 12 of the Plan and the REIT restrictions set forth in Section 18(c) of the Plan.

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(b) Without limiting the foregoing, the RSUs and Stock issuable with respect thereto shall be subject to the restrictions on ownership and transfer set forth in the charter of the Company, as amended and supplemented from time to time.

5. Vesting.

(a) Performance Vesting. As soon as reasonably practicable (but in no event more than forty-five (45) days) following the completion of the Performance Period, the Administrator shall determine the Absolute TSR Performance Vesting Percentage, the Acquisition Performance Vesting Percentage, the Average Lease Term Performance Vesting Percentage, the Disposition Performance Vesting Percentage, the Occupancy Rate Performance Vesting Percentage and the number of RSUs granted hereby that have become Absolute TSR Vested RSUs, Acquisition Vested RSUs, Average Lease Term Vested RSUs, Disposition Vested RSUs, Occupancy Rate Vested RSUs and Performance Vested RSUs, in each case as of the completion of the

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Performance Period. Subject to Sections 5(b) and 6(b) below, upon such determination by the Administrator, the Restrictions set forth in Section 6(a) below applicable to any outstanding Performance Vested RSUs (if any) shall lapse and such Performance Vested RSUs shall become fully vested, subject to Participant's continued status as a Service Provider through such vesting date. Any RSUs granted hereby which do not satisfy the requirements to become Performance Vested RSUs as of the completion of the Performance Period will automatically be cancelled and forfeited without payment of any consideration therefor, and the Participant shall have no further right to or interest in such RSUs.

(b) Change in Control. Notwithstanding the foregoing, in the event that (i) a Change in Control occurs prior to the completion of the Performance Period, (ii) the Participant has not incurred a Termination of Service prior to such Change in Control and (iii) this award of RSUs is not continued, converted, assumed or replaced by the surviving or successor entity in an equitable manner as approved by the Administrator in good faith, the Restrictions shall lapse with respect to a number of RSUs equal to the greater of (A) the number of RSUs which would be Performance Vested RSUs (if any) assuming the completion of the Performance Period as of the date of the Change in Control and (B) the number of RSUs which would be Performance Vested RSUs (if any) assuming that the Company TSR Percentage, the Company Acquisition Value, the Company Disposition Value, the Occupancy Rate and the Weighted Average Lease Term were each achieved at "Target Level" (as set forth on Exhibit A attached hereto), and such RSUs shall, immediately prior to such Change in Control, become fully vested and shall be deemed to be Performance Vested RSUs. Any RSUs that do not become fully vested in accordance with the preceding sentence will automatically be cancelled and forfeited as of the date of the Change in Control without payment of any consideration therefor, and the Participant shall have no further right to or interest in such RSUs.

6. Effect of Termination of Service.

(a) Termination of Service. Subject to Sections 6(b) below, in the event of the Participant's Termination of Service for any reason, any and all Unvested RSUs as of the date of such Termination of Service (after taking into account any accelerated vesting that occurs in connection with such termination) will automatically and without further action be cancelled and forfeited without payment of any consideration therefor, and the Participant shall have no further right to or interest in such Unvested RSUs. Subject to Section 6(b) below, no RSUs which have not vested as of the date of the Participant's Termination of Service shall thereafter become vested.

(b) Qualifying Termination. In the event that the Participant incurs a Qualifying Termination prior to the completion of the Performance Period, the Restrictions shall lapse with respect to a number of RSUs equal to the greater of (A) the number of RSUs which would be Performance Vested RSUs (if any) assuming the completion of the Performance Period as of the date of the Participant's Qualifying Termination, and (B) the number of RSUs which would be Performance Vested RSUs (if any) assuming that the Company TSR Percentage, the Company Acquisition Value, the Company Disposition Value, the Occupancy Rate and the Weighted Average Lease Term were each achieved at "Target Level" (as set forth on Exhibit A attached hereto) (such greater number of RSUs, the "***Qualifying Termination RSUs***"), and such RSUs shall become fully vested and shall be deemed to be Performance Vested RSUs upon the Administrator's determination, within forty-five (45) days following the date of the Participant's Qualifying Termination, of the number of Qualifying Termination RSUs. Any RSUs that do not become fully vested in accordance with the preceding sentence will automatically be cancelled and forfeited as of the date of the Administrator's determination of the number of Qualifying Termination RSUs without payment of any consideration therefor, and the Participant shall have no further right to or interest in such RSUs.

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7. Payment. Payments in respect of any RSUs that vest in accordance herewith shall be made to the Participant (or in the event of the Participant's death, to his or her estate) in whole Shares, and any fractional Share will be rounded as determined by the Company; *provided, however*, that in no event shall the aggregate number of RSUs that vest or become payable hereunder exceed the total number of RSUs set forth in Section 1 of this Agreement. The Company shall make such payments as soon as practicable after the applicable vesting date, but in any event within twenty (20) days after such vesting date, provided that, in the event of vesting upon a Change in Control under Section 5(b) above, such payment shall be made or deemed made immediately preceding and effective upon the occurrence of such Change in Control.

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8. Determinations by Administrator. Notwithstanding anything contained herein, all determinations, interpretations and assumptions relating to the vesting of the RSUs (including, without limitation, determinations, interpretations and assumptions with respect to Company TSR Percentage, the Company Acquisition Value, the Company Disposition Value, the Occupancy Rate and the Weighted Average Lease Term) shall be made by the Administrator and shall be applied consistently and uniformly to all similar Awards granted under the Plan. In making such determinations, the Administrator may employ attorneys, consultants, accountants, appraisers, brokers, or other persons, and the Administrator, the Board, the Company and its officers and directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Administrator in good faith and absent manifest error shall be final and binding upon the Participant, the Company and all other interested persons. In addition, the Administrator, in its discretion, may adjust or modify the methodology for calculations relating to the vesting of the RSUs (including, without limitation, the methodology for calculating Company TSR Percentage, the Company Acquisition Value, the Company Disposition Value, the Occupancy Rate and the Weighted Average Lease Term), other than the Absolute TSR Performance Vesting Percentage, the Acquisition Performance Vesting Percentage, the Average Lease Term Performance Vesting Percentage, the Disposition Performance Vesting Percentage and the Occupancy Rate Performance Vesting Percentage, as necessary or desirable to account for events affecting the value of the Stock which, in the discretion of the Administrator, are not considered indicative of Company performance, which may include events such as the issuance of new Stock, stock repurchases, stock splits, issuances and/or exercises of stock grants or stock options, and similar events, all in order to properly reflect the Company's intent with respect to the performance objectives underlying the RSUs or to prevent dilution or enlargement of the benefits or potential benefits intended to be made available with respect to the RSUs. In addition, the Administrator shall have discretion to apply adjustments to the calculations relating to the vesting of the RSUs where it determines that the RSUs granted hereby that have not become Absolute TSR Vested RSUs, Acquisition Vested RSUs, Average Lease Term Vested RSUs, Disposition Vested RSUs, Occupancy Rate Vested RSUs and Performance Vested RSUs, as applicable, as a result of actions taken by the management of the Company which the Administrator determines, in its sole discretion, are in the long-term best interests of the Company.

9. Restrictions on New RSUs or Shares. In the event that the RSUs or the Shares underlying the RSUs are changed into or exchanged for a different number or kind of securities of the Company or of another corporation or other entity by reason of merger, consolidation, recapitalization, reclassification, stock split, stock dividend or combination of shares, such new or additional or different securities which are issued upon conversion of or in exchange or substitution for RSUs or the Shares underlying the RSUs which are then subject to vesting shall be subject to the same vesting conditions as such RSUs or Shares, as applicable, unless the Administrator provides for the vesting of the RSUs or the Shares underlying the RSUs, as applicable.

10. Conditions to Issuance of Shares. Shares issued as payment for the RSUs will be issued out of the Company's authorized but unissued Shares. Upon issuance, such Shares shall be fully paid and nonassessable. The Shares issued pursuant to this Agreement shall be held in book-entry form and no certificates shall be issued therefor. In addition to the other requirements set forth herein, the Shares issued as payment for the RSUs shall be issued only upon the fulfillment of all of the following conditions:

(a) The admission of such Shares to listing on all stock exchanges on which such class of stock is then listed;

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(b) The completion of any registration or other qualification of such shares under any state or federal law or under rulings or regulations of the Securities and Exchange Commission or of any other governmental regulatory body, which the Administrator shall, in its absolute discretion, deem necessary or advisable;

(c) The obtaining of any approval or other clearance from any state or federal governmental agency which the Administrator shall, in its absolute discretion, determine to be necessary or advisable;

(d) The lapse of such reasonable period of time as the Administrator may from time to time establish for reasons of administrative convenience; and

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(e) The receipt by the Company of full payment for any applicable withholding or other employment tax or required payments with respect to any such Shares to the Company with respect to the issuance or vesting of such Shares.

In the event that the Company delays a distribution or payment in settlement of RSUs because it reasonably determines that the issuance of Shares in settlement of RSUs will violate federal securities laws or other applicable law, such distribution or payment shall be made at the earliest date at which the Company reasonably determines that the making of such distribution or payment will not cause such violation, as required by Treasury Regulation Section 1.409A-2(b)(7)(ii). The Company shall not delay any payment if such delay will result in a violation of Section 409A of the Code.

11. Rights as Stockholder. Neither the Participant nor any person claiming under or through the Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder, including without limitation any voting rights in respect of such Shares, unless and until such Shares will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to the Participant or any person claiming under or through the Participant.

12. Tax Withholding. The Company or any Subsidiary shall have the authority and the right to deduct or withhold, or require the Participant to remit to such entity, an amount sufficient to satisfy federal, state, local and foreign taxes (including the Participant's FICA obligation) required by law to be withheld with respect to the issuance, vesting or payment of the RSUs and the Dividend Equivalent Rights. In satisfaction of the foregoing requirement or in satisfaction of any additional tax withholding, the Company or any Subsidiary may, or the Administrator may in its discretion allow the Participant to elect to have the Company or any Subsidiary (as applicable), withhold Shares otherwise issuable under such award (or allow the return of Shares) having a Fair Market Value equal to the sums required to be withheld. Notwithstanding any other provision of the Plan or this Agreement, the number of Shares which may be withheld with respect to the issuance, vesting or payment of the RSUs and the Dividend Equivalent Rights in order to satisfy the Participant's income and payroll tax liabilities with respect thereto shall be limited to the number of shares which have a fair market value on the date of withholding no greater than the aggregate amount of such liabilities based on the maximum individual statutory withholding rates in the applicable jurisdiction.

13. Remedies. The Participant shall be liable to the Company for all costs and damages, including incidental and consequential damages, resulting from a disposition of the RSUs which is in violation of the provisions of this Agreement. Without limiting the generality of the foregoing, the Participant agrees that the Company shall be entitled to obtain specific performance of the obligations of the Participant under this Agreement and immediate injunctive relief in the event any action or proceeding is brought in equity to enforce the same. The Participant will not urge as a defense that there is an adequate remedy at law.

14. Restrictions on Public Sale by the Participant. To the extent not inconsistent with applicable law, the Participant agrees not to effect any sale or distribution of the RSUs or the Shares underlying the RSUs or any similar security of the Company, or any securities convertible into or exchangeable or exercisable for such securities, including a sale pursuant to Rule 144 under the Securities Act, during the fourteen (14) days prior to, and during the up to 90 day period beginning on, the date of the pricing of any public or private debt or equity securities offering by the Company (except as part of such offering), if and to the extent requested in writing by the Company in the case of a non-underwritten public or private offering or if and to the extent requested in writing by the managing underwriter or underwriters (or initial purchaser or initial purchasers, as the case may be) and consented to by the Company, which consent may be given or

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withheld in the Company's sole and absolute discretion, in the case of an underwritten public or private offering (such agreement to be in the form of a lock-up agreement provided by the Company, managing underwriter or underwriters, or initial purchaser or initial purchasers, as the case may be).

15. Conformity to Securities Laws. The Participant acknowledges that the Plan and this Agreement are intended to conform to the extent necessary with all provisions of all applicable federal and state laws, rules and regulations (including, but not limited to the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, including without limitation the applicable exemptive conditions of Rule 16b-3 of the Exchange Act) and to such approvals by any listing, regulatory or other governmental authority as may, in the opinion of counsel for the Company, be necessary or advisable in connection therewith. Notwithstanding anything herein to the contrary, the Plan shall be

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administered, and the RSUs are granted, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan, this Agreement and the RSUs shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

16. Code Section 409A. To the extent applicable, this Agreement shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the effective date of this Agreement. Notwithstanding any provision of this Agreement to the contrary, in the event that following the effective date of this Agreement, the Company determines that the RSUs may be subject to Section 409A of the Code and related Department of Treasury guidance (including such Department of Treasury guidance as may be issued after the effective date of this Agreement), the Company may adopt such amendments to this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Company determines are necessary or appropriate to (a) exempt the RSUs from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the RSUs, or (b) comply with the requirements of Section 409A of the Code and related Department of Treasury guidance; provided, however, that this Section 16 shall not create any obligation on the part of the Company or any Subsidiary to adopt any such amendment, policy or procedure or take any such other action. For purposes of Section 409A of the Code, any right to a series of payments pursuant to this Agreement shall be treated as a right to a series of separate payments. Notwithstanding anything to the contrary in this Agreement, no amounts shall be paid to the Participant under this Agreement during the six-month period following the Participant's "separation from service" to the extent that the Administrator determines that the Participant is a "specified employee" (each within the meaning of Section 409A of the Code) at the time of such separation from service and that paying such amounts at the time or times indicated in this Agreement would be a prohibited distribution under Code Section 409A(a)(2)(b)(i). If the payment of any such amounts is delayed as a result of the previous sentence, then on the first business day following the end of such six-month period (or such earlier date upon which such amount can be paid under Section 409A of the Code without being subject to such additional taxes), the Company shall pay to the Participant in a lump-sum all amounts that would have otherwise been payable to the Participant during such six-month period under this Agreement.

17. No Right to Continued Service. Nothing in this Agreement shall confer upon the Participant any right to continue as a Service Provider of the Company or any Subsidiary, or shall interfere with or restrict in any way the rights of the Company or any Subsidiary, which rights are hereby expressly reserved, to discharge the Participant at any time for any reason whatsoever, with or without cause.

18. Miscellaneous.

(a) Incorporation of the Plan. This Agreement is made under and subject to and governed by all of the terms and conditions of the Plan. In the event of any discrepancy or inconsistency between this Agreement and the Plan, the terms and conditions of the Plan shall control. By signing this Agreement, the Participant confirms that he or she has received access to a copy of the Plan and has had an opportunity to review the contents thereof.

(b) Clawback. This award, the RSUs and the Shares issuable with respect to the RSUs shall be subject to any clawback or recoupment policy, including, without limitation, the Company's Policy for Recoupment of Incentive Compensation, currently in effect or as may be adopted by the Company, as may be amended from time to time.

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(c) Successors and Assigns. Subject to the limitations set forth in this Agreement, this Agreement shall be binding upon, and inure to the benefit of, the executors, administrators, heirs, legal representatives, successors and assigns of the parties hereto, including, without limitation, any business entity that succeeds to the business of the Company.

(d) Entire Agreement; Amendments and Waivers. This Agreement, together with the Plan, constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties. In the event that the provisions of such other agreement or letter conflict or are inconsistent with the provisions of this Agreement, the provisions of this Agreement shall control. Except as set forth in Section 16 above, this Agreement may not be amended except in an instrument in writing signed on behalf of each of the parties hereto and approved by the Administrator. No amendment, supplement, modification or waiver of this Agreement shall be binding unless

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executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

(e) Severability. If for any reason one or more of the provisions contained in this Agreement or in any other instrument referred to herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, then to the maximum extent permitted by law, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or any other such instrument.

(f) Titles. The titles, captions or headings of the Sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

(g) Counterparts. This Agreement may be executed in any number of counterparts, any of which may be executed and transmitted by facsimile (including, without limitation, transfer by .pdf), and each of which shall be deemed to be an original, but all of which together shall be deemed to be one and the same instrument.

(h) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Maryland applicable to contracts entered into and wholly to be performed within the State of Maryland by Maryland residents, without regard to any otherwise governing principles of conflicts of law that would choose the law of any state other than the State of Maryland.

(i) Notices. Any notice to be given by the Participant under the terms of this Agreement shall be addressed to the General Counsel of the Company at the Company's address set forth in Exhibit A attached hereto. Any notice to be given to the Participant shall be addressed to him or her at the Participant's then current address on the books and records of the Company. By a notice given pursuant to this Section 18(i), either party may hereafter designate a different address for notices to be given to him or her. Any notice which is required to be given to the Participant shall, if the Participant is then deceased, be given to the Participant's personal representative if such representative has previously informed the Company of his or her status and address by written notice under this Section 18(i) (and the Company shall be entitled to rely on any such notice provided to it that it in good faith believes to be true and correct, with no duty of inquiry). Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery or upon deposit in the United States mail by certified mail, with postage and fees prepaid, addressed as set forth above or upon confirmation of delivery by a nationally recognized overnight delivery service.

(j) Consent to Electronic Delivery; Electronic Signature. In lieu of receiving documents in paper format, the Participant agrees, to the fullest extent permitted by law, to accept electronic delivery of any documents that the Company may be required to deliver (including, without limitation, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports, and all other forms of communications) in connection with this and any other award made or offered by the Company. Electronic delivery may be via an electronic mail system or by reference to a location on the Company's intranet to which the Participant has access. The Participant consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may be required to deliver, and agrees that his or her electronic signature is the same as, and shall have the same force and effect as, his or her manual signature.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

ORION OFFICE REIT INC.,
a Maryland corporation

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By: ________________________________
Name:
Title:

The Participant hereby accepts and agrees to be bound by all of the terms and conditions of this Agreement.

____
[_______________]

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Exhibit A

Definitions and Notice Address

Definitions

Capitalized terms not defined herein shall have the meanings set forth in the Performance-Based Restricted Stock Unit Agreement (2022) to which this Exhibit is attached.

"***Absolute TSR RSUs***" means [_________] RSUs.

"***Absolute TSR Performance Vesting Percentage***" means a function of the Company TSR Percentage during the Performance Period, and shall be determined as set forth below:

	Company TSR Percentage	**Acquisition Performance Vesting Percentage**
	< $[____]	0%
"Threshold Level"	$[____]	25%
"Target Level"	$[____]– [____]	50%
"Maximum Level"	≥$[____]	100%

In the event that the Company TSR Percentage falls between the Threshold Level and the Target Level, the Absolute TSR Performance Vesting Percentage shall be determined using straight line linear interpolation between the Threshold Level and Target Level Absolute TSR Performance Vesting Percentages specified above; and in the event that the Company TSR Percentage falls between the Target Level and the Maximum Level, the Absolute TSR Performance Vesting Percentage shall be determined using straight line linear interpolation between the Target Level and Maximum Level Absolute TSR Performance Vesting Percentages specified above.

*Notwithstanding the foregoing, the Absolute TSR Performance Vesting Percentage shall be (i) reduced by 0.5% for each percentile that the Company's Peer Group Relative Performance is below the [___]th percentile, and (ii) increased by 0.5% for each percentile that the Company's Peer Group Relative Performance is above the [___]th percentile (but in no event shall the Absolute TSR Performance Vesting Percentage exceed 100%), in each case, during the Performance Period.

"***Acquisition Performance Vesting Percentage***" means a function of Company Acquisition Value during the Performance Period, and shall be determined as set forth below:

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	Company Acquisition Value	Acquisition Performance Vesting Percentage
	< $[____]	0%
"Threshold Level"	$[____]	25%
"Target Level"	$[____]– [____]	50%
"Maximum Level"	≥$[____]	100%

In the event that Company Acquisition Value falls between the Threshold Level and the Target Level, the Acquisition Performance Vesting Percentage shall be determined using straight line linear interpolation between the Threshold Level and Target Level Acquisition Performance Vesting Percentages specified above; and in the event that the Company Acquisition Value falls between the Target Level and the Maximum Level, the Acquisition Performance Vesting Percentage shall be determined using straight line linear interpolation between the Target Level and Maximum Level Acquisition Performance Vesting Percentages specified above.

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"***Acquisition Vesting RSUs***" means [__________] RSUs.

"***Average Lease Term Performance Vesting Percentage***" means a function of the Weighted Average Lease Term during the Performance Period, and shall be determined as set forth below:

	Weighted Average Lease Term	**Average Lease Term Performance Vesting Percentage**
	< [____]years	0%
"Threshold Level"	[____]years	25%
"Target Level"	[____]years – [____]years	50%
"Maximum Level"	≥[____]	100%

In the event that the Weighted Average Lease Term falls between the Threshold Level and the Target Level, the Average Lease Term Performance Vesting Percentage shall be determined using straight line linear interpolation between the Threshold Level and Target Level Average Lease Term Performance Vesting Percentages specified above; and in the event that the Weighted Average Lease Term falls between the Target Level and the Maximum Level, the Average Lease Term Performance Vesting Percentage shall be determined using straight line linear interpolation between the Target Level and Maximum Level Average Lease Term Performance Vesting Percentages specified above.

"***Average Lease Term Vesting RSUs***" means [__________] RSUs.

"***Disposition Performance Vesting Percentage***" means a function of Company Disposition Value during the Performance Period, and shall be determined as set forth below:

	Company Disposition Value	**Disposition Performance Vesting Percentage**
	< $[____]	0%
"Threshold Level"	$[____]	25%
"Target Level"	$[____]– [____]	50%
"Maximum Level"	≥$[____]	100%

In the event that Company Disposition Value falls between the Threshold Level and the Target Level, the Disposition Performance Vesting Percentage shall be determined using straight line linear interpolation between the Threshold Level and Target Level Disposition Performance Vesting Percentages specified above; and in the event that the Company Disposition Value falls between the Target Level and the Maximum Level, the Disposition Performance Vesting Percentage

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shall be determined using straight line linear interpolation between the Target Level and Maximum Level Disposition Performance Vesting Percentages specified above.

"***Disposition Vesting RSUs***" means [_________] RSUs.

"***Occupancy Rate Performance Vesting Percentage***" means a function of the Occupancy Rate during the Performance Period, and shall be determined as set forth below:

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Exhibit 10.15

	Occupancy Rate	Occupancy Rate Performance Vesting Percentage
	< [____]%	0%
“Threshold Level”	[____]%	25%
“Target Level”	[____] -[____]%	50%
“Maximum Level”	≥[____]%	100%

In the event that the Occupancy Rate falls between the Threshold Level and the Target Level, the Occupancy Rate Performance Vesting Percentage shall be determined using straight line linear interpolation between the Threshold Level and Target Level Occupancy Rate Performance Vesting Percentages specified above; and in the event that the Occupancy Rate falls between the Target Level and the Maximum Level, the Occupancy Rate Performance Vesting Percentage shall be determined using straight line linear interpolation between the Target Level and Maximum Level Occupancy Rate Performance Vesting Percentages specified above.

“***Occupancy Rate Vesting RSUs***” means [__________] RSUs.

“***Peer Group Companies***” means the following entities, provided that if the common stock of any of the following entities ceases to be listed on a nationally recognized stock exchange at any time during the Performance Period, then that entity shall be excluded from the Peer Group Companies:

Brandywine Realty Trust

City Office REIT, Inc.

Easterly Government Properties, Inc.

Gladstone Commercial Corporation

Global Net Lease, Inc.

Highwoods Properties, Inc.

Office Properties Income Trust.

Piedmont Office Realty Trust, Inc.

“***Peer Group Relative Performance***” means the Company TSR Percentage compared to the Peer Group TSR Percentages, expressed as a percentile ranking against the Peer Group Companies.

“***Peer Group TSR Percentage***” means the total shareholder return, expressed as a percentage, of each of the Peer Group Companies during the Performance Period, calculated in a manner consistent with Section 2(n) above from publicly available information.

“***Performance Period***” means the period commencing on January 1, 2022 and ending on December 31, 2024.

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Company Address

2325 E. Camelback Road
Suite 850
Phoenix, Arizona 85016

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Exhibit 21.1

Subsidiaries of Orion Office REIT Inc.

Entity Name	Jurisdiction of Formation/Incorporation
Orion Office REIT LP	Maryland
Orion Office REIT LP LLC	Maryland
Orion Office REIT Services LLC	Maryland
Orion TRS Inc.	Maryland
Orion Office Systems LLC	Delaware
CLF Sawdust Member LLC	Delaware
Orion Sierra Vista AZ LLC	Delaware
Orion El Centro CA LLC	Delaware
Orion Redding CA LLC	Delaware
Orion New Port Richey FL LLC	Delaware
Orion Augusta GA LLC	Delaware
Orion Cedar Rapids IA LLC	Delaware
Orion Cedar Falls IA LLC	Delaware
Orion Sioux City IA LLC	Delaware
Orion Caldwell ID LLC	Delaware
Orion Deerfield IL 1 LLC	Delaware
Orion Deerfield IL 2 LLC	Delaware
Orion Deerfield IL 3 LLC	Delaware
Orion Deerfield IL 4 LLC	Delaware
Orion Deerfield IL 5 LLC	Delaware
Orion Deerfield IL 6 LLC	Delaware
Orion Minneapolis MN LLC	Delaware
Orion St Charles MO LLC	Delaware
Orion Malone NY LLC	Delaware
Orion Columbus OH LLC	Delaware

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Exhibit 21.1

Orion Dublin OH LLC	Delaware
Orion Uniontown OH LLC	Delaware
Orion Salem OR LLC	Delaware
Orion Harleysville PA LLC	Delaware
Orion Memphis TN LLC	Delaware
Orion Knoxville TN LLC	Delaware
Orion Brownsville TX 1 LLC	Delaware
Orion Brownsville TX 2 LLC	Delaware
Orion Paris TX LLC	Delaware
Orion Eagle Pass TX 1 LLC	Delaware
Orion Dallas TX LLC (DE)	Delaware
Orion Bedford TX LLC	Delaware
Orion Eagle Pass TX 2 LLC	Delaware
Orion Parkersburg WV LLC	Delaware
Realty Income Providence LaSalle Square, LLC	Delaware
Realty Income Buffalo Grove Deerfield, LLC	Delaware
Realty Income East Windsor SciPark, LLC	Delaware
Realty Income East Syracuse Fair Lakes, LLC	Delaware
ARC ATMTPSC001, LLC	Delaware
ARC ESSTLMO001, LLC	Delaware
ARC TITUCAZ001, LLC	Delaware
Orion Phoenix AZ LLC	Delaware
Orion Longmont CO LLC	Delaware
Orion Denver CO LLC	Delaware
Orion Cocoa FL LLC	Delaware
Orion Grangeville ID LLC	Delaware
Orion Schaumburg IL LLC	Delaware

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Orion Indianapolis IN LLC	Delaware
Orion Lawrence KS 1 LLC	Delaware
Orion Lawrence KS 2 LLC	Delaware
Orion Berkeley MO LLC	Delaware
Orion Blair NE LLC	Delaware
Orion Lincoln NE LLC	Delaware
Orion Amherst NY LLC	Delaware
Orion Tulsa OK LLC	Delaware
Orion Oklahoma City OK LLC	Delaware
Orion Nashville TN LLC	Delaware
Orion Fort Worth TX LLC	Delaware
Orion Irving TX LLC	Delaware
Orion Plano TX LLC	Delaware
Orion Sterling VA LLC	Delaware
Orion Milwaukee WI LLC	Delaware
ARCP GSPLTNY01, LLC	Delaware
ARC HRPWARI001, LLC	Delaware
KDC Norman Woods Business Trust	Virginia
CLF Fresno Business Trust	Virginia
CLF Lakeside Richardson LLC	Delaware
CLF Farinon San Antonio LLC	Delaware
CLF Cheyenne Tulsa, LLC	Delaware
CLF Pulco Two LLC	Delaware
CLF Ridley Park Business Trust	Virginia
CLF VA Ponce LLC	Delaware
CLF Lakeside Richardson LLC	Delaware
CLF Sierra, LLC	Delaware

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CLF Pulco One LLC	Delaware
CLF Westbrook Malvern Business Trust	Virginia
ARC HRPBPAB002, LLC	Delaware
ARC HRPBPAA001, LLC	Delaware
ARCP OFC Annandale NJ, LLC	Delaware
ARCP OFC Covington KY, LLC	Delaware
ARCP OFC Dublin OH, LLC	Delaware
ARCP OFC Malvern PA, LLC	Delaware
ARCP OFC Schaumburg IL, LLC	Delaware
257 W. Genesee, LLC	New York
Cole OF Urbana MD, LLC	Delaware
Cole OF Nashville TN, LLC	Delaware
Cole OF Kennesaw GA, LLC	Delaware
Cole OF Glenview IL, LLC	Delaware
Cole OF Duluth GA, LLC	Delaware
Cole OF Parsippany NJ, LLC	Delaware
Cole OF Bedford MA, LLC	Delaware
Cole OF Hopewell Township NJ, LLC	Delaware

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Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statement (No. 333-260995) on Form S-8 of our report dated March 24, 2022, with respect to the consolidated and combined financial statements and financial statement schedule III of Orion Office REIT Inc.

/s/ KPMG LLP

San Diego, California

March 24, 2022

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CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-260995 on Form S-8 of Orion Office REIT Inc. of our report dated March 24, 2022, relating to the financial statements of VEREIT Office Assets appearing in this Annual Report on Form 10-K of Orion Office REIT Inc. for the year ended December 31, 2021.

/s/ DELOITTE & TOUCHE LLP

Phoenix, Arizona
March 24, 2022

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Exhibit 31.1

ORION OFFICE REIT INC.
CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Paul H. McDowell, certify that:

1. I have reviewed this Annual Report on Form 10-K of Orion Office REIT 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

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(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: March 24, 2022

/s/ Paul H. McDowell

Paul H. McDowell
Chief Executive Officer and President

(Principal Executive Officer)

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Exhibit 31.2

ORION OFFICE REIT INC.
CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Gavin Brandon, certify that:

1. I have reviewed this Annual Report on Form 10-K of Orion Office REIT 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.

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Date:	March 24, 2022	/s/ Gavin Brandon
		Gavin Brandon Chief Financial Officer, Executive Vice President and Treasurer (Principal Financial Officer)

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Exhibit 32.1

ORION OFFICE REIT 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

In connection with the Annual Report on Form 10-K of Orion Office REIT Inc. (the "Company") for the period ended December 31, 2021 (the "Report"), I, Paul H. McDowell, Chief Executive Officer of the Company, certify to my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 24, 2022

/s/ Paul H. McDowell

Paul H. McDowell
Chief Executive Officer and President
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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Exhibit 32.2

ORION OFFICE REIT 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

In connection with the Annual Report on Form 10-K of Orion Office REIT Inc. (the "Company") for the period ended December 31, 2021 (the "Report"), I, Gavin Brandon, Executive Vice President and Chief Financial Officer of the Company, certify to my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 24, 2022

/s/ Gavin Brandon

Gavin Brandon
Chief Financial Officer, Executive Vice President and Treasurer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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Cover Page - USD ($)	12 Months Ended Dec. 31, 2021	Mar. 18, 2022	Jun. 30, 2021
Cover [Abstract]			
Document Type	10-K		
Document Annual Report	true		
Document Period End Date	Dec. 31, 2021		
Current Fiscal Year End Date	--12-31		
Document Transition Report	false		
Entity File Number	001-40873		
Entity Registrant Name	Orion Office REIT Inc.		
Entity Incorporation, State or Country Code	MD		
Entity Tax Identification Number	87-1656425		
Entity Address, Address Line One	2325 E. Camelback Road, Suite 850		
Entity Address, City or Town	Phoenix		
Entity Address, State or Province	AZ		
Entity Address, Postal Zip Code	85016		
City Area Code	(602)		
Local Phone Number	698-1002		
Title of 12(b) Security	Common Stock		
Trading Symbol	ONL		
Security Exchange Name	NYSE		
Entity Well-known Seasoned Issuer	No		
Entity Voluntary Filers	No		
Entity Current Reporting Status	Yes		
Entity Interactive Data Current	Yes		
Entity Filer Category	Non-accelerated Filer		
Entity Small Business	false		
Entity Emerging Growth Company	true		
Entity Ex Transition Period	false		
ICFR Auditor Attestation Flag	false		
Entity Shell Company	false		
Entity Common Stock, Shares Outstanding		56,625,650	

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Documents Incorporated by Reference	Portions of the registrant’s definitive proxy statement to be delivered to stockholders in connection with the registrant’s 2022 Annual Meeting of Stockholders (the “Proxy Statement”) are incorporated by reference into Part III of this Annual Report on Form 10-K. The registrant intends to file the Proxy Statement within 120 days after its fiscal year end. Only those portions of the Proxy Statement which are specifically incorporated by reference herein shall constitute a part of this Annual Report on Form 10-K.	
Entity Central Index Key	0001873923	
Document Fiscal Year Focus	2021	
Document Fiscal Period Focus	FY	
Amendment Flag	false	
Entity Public Float		$ 0

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Audit Information	12 Months Ended Dec. 31, 2021
Auditor [Line Items]	
Auditor Name	KPMG LLP
Auditor Location	San Diego, CA
Auditor Firm ID	185
VEREIT Office Assets	
Auditor [Line Items]	
Auditor Name	Deloitte & Touche LLP
Auditor Location	Phoenix, AZ
Auditor Firm ID	34

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ORION OFFICE REIT, CONSOLIDATED AND COMBINED BALANCE SHEETS - USD ($) $ in Thousands	Dec. 31, 2021	Dec. 31, 2020
Real estate investments, at cost:		
Land	$ 250,194	$ 71,191
Buildings, fixtures and improvements	1,231,551	562,828
Total real estate investments, at cost	1,481,745	634,019
Less: accumulated depreciation and amortization	128,109	136,143
Total real estate investments, net	1,353,636	497,876
Accounts receivable, net	17,916	8,078
Intangible lease assets, net	298,107	28,680
Cash and cash equivalents	29,318	0
Other assets, net	60,501	11,797
Total assets	1,759,478	546,431
LIABILITIES AND EQUITY		
Mortgage notes payable, net	0	37,052
Accounts payable and accrued expenses	17,379	848
Below-market lease liabilities, net	20,609	7,221
Other liabilities	16,355	4,192
Total liabilities	671,190	49,313
Net parent investment	0	497,118
Common stock, $0.001 par value, 100,000,000 shares authorized and 56,625,650 shares issued and outstanding as of December 31, 2021	57	0
Additional paid-in capital	1,145,278	0
Accumulated other comprehensive income	299	0
Accumulated deficit	(58,715)	0
Total stockholders’ equity	1,086,919	497,118
Non-controlling interest	1,369	0
Total equity	1,088,288	497,118
Total liabilities and equity	1,759,478	546,431
Bridge facility, net		
LIABILITIES AND EQUITY		
Bridge facility, net	354,357	0
Credit facility term loan, net		
LIABILITIES AND EQUITY		
Credit facilities	172,490	0
Credit facility revolver		
LIABILITIES AND EQUITY		
Credit facilities	$ 90,000	$ 0

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ORION OFFICE REIT, CONSOLIDATED AND COMBINED BALANCE SHEETS (Parenthetical)	Dec. 31, 2021 $ / shares shares
Statement of Financial Position [Abstract]	
Common stock, par value (in dollars per share) | $ / shares	$ 0.001
Common stock, shares authorized (shares)	100,000,000
Shares issued (in shares)	56,625,650
Common stock, shares outstanding (shares)	56,625,650

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ORION OFFICE REIT, CONSOLIDATED AND COMBINED STATEMENTS OF OPERATIONS - USD ($) $ in Thousands	12 Months Ended		
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Total revenues	$ 79,731	$ 53,474	$ 53,465
Operating expenses:			
Transaction costs	7,909	0	0
Property operating	13,411	5,770	5,898
General and administrative	3,832	2,051	2,044
Depreciation and amortization	43,922	25,950	26,923
Impairments	49,859	18,671	0
TOTAL EXPENSES	118,933	52,442	34,865
Other (expenses) income:			
Interest expense	(4,267)	(2,931)	(3,316)
Loss on extinguishment of debt, net	(3,782)	0	0
Equity in income of unconsolidated joint venture	(56)	0	0
Total other (expenses) income, net	(8,105)	(2,931)	(3,316)
(Loss) income before taxes	(47,307)	(1,899)	15,284
Provision for income taxes	(157)	0	0
Net (loss) income	(47,464)	(1,899)	15,284
Net (income) loss attributable to non-controlling interest	(17)	0	0
Net (loss) income attributable to common stockholders	$ (47,481)	$ (1,899)	$ 15,284
Basic net income (loss) per share attributable to common stockholders (in dollars per share)	$ (0.84)	$ (0.03)	$ 0.27
Diluted net income (loss) per share attributable to common stockholders (in dollars per share)	$ (0.84)	$ (0.03)	$ 0.27
Rental			
Total revenues	$ 79,460	$ 53,474	$ 53,465
Fee income from unconsolidated joint venture			
Total revenues	$ 271	$ 0	$ 0

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ORION OFFICE REIT, CONSOLIDATED AND COMBINED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) - USD ($) $ in Thousands		12 Months Ended		
		Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Statement of Comprehensive Income [Abstract]				
Net (loss) income		$ (47,464)	$ (1,899)	$ 15,284
Total other comprehensive income (loss)				
Unrealized gain on interest rate derivatives		209	0	0
Reclassification of previous unrealized loss on interest rate derivatives into net (loss) income		90	0	0
Total other comprehensive income (loss)		299	0	0
Total comprehensive (loss) income		(47,165)	(1,899)	15,284
Comprehensive (income) loss attributable to non-controlling interests	[1]	(17)	0	0
Total comprehensive (loss) income		$ (47,182)	$ (1,899)	$ 15,284

[1] Represents comprehensive (income) loss attributable to a consolidated joint venture partner.

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ORION OFFICE REIT, CONSOLIDATED AND COMBINED STATEMENTS OF EQUITY - USD ($) $ in Thousands	Total	Total Stockholders' and Parent Company Equity	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Net Parent Investment	Non-Controlling Interests
Beginning balance (in shares) at Dec. 31, 2018			0					
Beginning balance at Dec. 31, 2018	$ 530,457	$ 530,457	$ 0	$ 0	$ 0	$ 0	$ 530,457	$ 0
Increase (Decrease) in Stockholders' Equity [Roll Forward]								
Net (loss) income	15,284	15,284					15,284	
Distributions to parent company, net	(37,735)	(37,735)					(37,735)	
Other comprehensive income	0							
Ending balance (in shares) at Dec. 31, 2019			0					
Ending balance at Dec. 31, 2019	508,006	508,006	$ 0	0	0	0	508,006	0
Increase (Decrease) in Stockholders' Equity [Roll Forward]								
Net (loss) income	(1,899)	(1,899)					(1,899)	
Distributions to parent company, net	(8,989)	(8,989)					(8,989)	
Other comprehensive income	0							
Ending balance (in shares) at Dec. 31, 2020			0					
Ending balance at Dec. 31, 2020	497,118	497,118	$ 0	0	0	0	497,118	0
Increase (Decrease) in Stockholders' Equity [Roll Forward]								
Net (loss) income	(47,464)	(47,481)				(58,715)	11,234	17
Contributions, net	635,002	633,650					633,650	1,352
Issuance of common stock, net (in shares)			56,625,650					
Issuance of common stock, net	0	0	$ 57	1,141,945			(1,142,002)	0
Grant of stock warrants	3,269	3,269		3,269				
Equity-based compensation, net	64	64		64				
Other comprehensive income	299	299			299			
Ending balance (in shares) at Dec. 31, 2021			56,625,650					
Ending balance at Dec. 31, 2021	$ 1,088,288	$ 1,086,919	$ 57	$ 1,145,278	$ 299	$ (58,715)	$ 0	$ 1,369

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ORION OFFICE REIT, CONSOLIDATED AND COMBINED STATEMENTS OF CASH FLOWS - USD ($) $ in Thousands	12 Months Ended		
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Cash flows from operating activities:			
Net (loss) income	$ (47,464)	$ (1,899)	$ 15,284
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	43,922	25,950	26,923
Non-cash revenue adjustments	(1,315)	(406)	(792)
Amortization of net premiums on mortgages payable	(60)	(411)	(435)
Impairments	49,859	18,671	0
Loss on extinguishment of debt, net	3,782	0	0
Amortization of debt issuance costs	728	0	0
Equity-based compensation	65	0	0
Equity in income of unconsolidated joint venture	56	0	0
Changes in assets and liabilities:			
Accounts receivable, net and other assets, net	(5,017)	613	(280)
Accounts payable, accrued expenses and other liabilities, net	11,552	(191)	(706)
Net cash provided by operating activities	56,108	42,327	39,994
Cash flows from investing activities:			
Capital expenditures and leasing costs	(9,916)	(464)	(536)
Investments in unconsolidated joint venture	(2,478)	0	0
Return of investment from unconsolidated joint venture	133	0	0
Net cash (used in) provided by investing activities	(12,261)	(464)	(536)
Cash flows from financing activities:			
Distributions to parent company, net	(587,156)	(8,989)	(37,621)
Payments on mortgage notes payable	(36,476)	(32,678)	(968)
Payments upon extinguishment of mortgage notes payable	(4,298)	0	0
Payments of deferred financing costs	(10,514)	0	0
Net cash used in financing activities	(18,444)	(41,667)	(38,589)
Net change in cash and cash equivalents and restricted cash	25,403	196	869
Cash and cash equivalents and restricted cash at the beginning of the year	3,915	3,719	2,850
Cash and cash equivalents and restricted cash at the end of the year	29,318	3,915	3,719
Reconciliation of Cash and Cash Equivalents and Restricted Cash			
Cash and cash equivalents at beginning of year	0	0	0
Restricted cash at beginning of year	3,915	3,719	2,850
Cash and cash equivalents and restricted cash at the beginning of the year	3,915	3,719	2,850
Cash and cash equivalents at end of year	29,318	0	0
Restricted cash at the end of the year	0	3,915	3,719
Cash and cash equivalents and restricted cash at the end of the year	29,318	3,915	3,719
Bridge facility, net			

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Cash flows from financing activities:			
Proceeds from lines of credit	355,000	0	0
Credit facility term loan, net			
Cash flows from financing activities:			
Proceeds from lines of credit	175,000	0	0
Credit facility revolver			
Cash flows from financing activities:			
Proceeds from lines of credit	$ 90,000	$ 0	$ 0

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VEREIT OFFICE ASSETS, COMBINED AND CONSOLIDATED BALANCE SHEETS - USD ($) $ in Thousands	Dec. 31, 2021	Oct. 31, 2021	Dec. 31, 2020
Real estate investments, at cost:			
Land	$ 250,194		$ 71,191
Buildings, fixtures and improvements	1,231,551		562,828
Total real estate investments, at cost	1,481,745		634,019
Less: accumulated depreciation and amortization	128,109		136,143
Total real estate investments, net	1,353,636		497,876
Operating lease right-of-use assets	10,200		
Investment in unconsolidated joint venture	18,631		0
Cash and cash equivalents	29,318		0
Restricted cash	0		3,915
Total assets	1,759,478		546,431
LIABILITIES AND EQUITY			
Mortgage notes payable, net	0		37,052
Below-market lease liabilities, net	20,609		7,221
Accounts payable and accrued expenses	17,379		848
Operating lease liabilities	10,257		2,102
Total liabilities	671,190		49,313
Total liabilities and equity	$ 1,759,478		546,431
VEREIT Office Assets			
Real estate investments, at cost:			
Land		$ 163,295	167,658
Buildings, fixtures and improvements		1,303,038	1,340,258
Intangible lease assets		184,560	192,291
Total real estate investments, at cost		1,650,893	1,700,207
Less: accumulated depreciation and amortization		528,167	504,192
Total real estate investments, net		1,122,726	1,196,015
Operating lease right-of-use assets		5,361	5,403
Investment in unconsolidated joint venture		14,466	13,434
Cash and cash equivalents		0	400
Restricted cash		8	3,014
Rent and tenant receivables and other assets, net		35,035	34,964
Goodwill		159,129	159,129
Total assets		1,336,725	1,412,359
LIABILITIES AND EQUITY			
Mortgage notes payable, net		0	217,588
Below-market lease liabilities, net		5,308	7,188
Accounts payable and accrued expenses		5,763	12,632
Deferred rent and other liabilities		8,001	8,114

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Operating lease liabilities	5,359	5,403
Total liabilities	24,431	250,925
Commitments and contingencies (Note 4)		
Net parent investment	1,311,167	1,160,246
Non-controlling interest	1,127	1,188
Total equity	1,312,294	1,161,434
Total liabilities and equity	$ 1,336,725	$ 1,412,359

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VEREIT OFFICE ASSETS, COMBINED AND CONSOLIDATED STATEMENTS OF OPERATIONS - USD ($) $ in Thousands	10 Months Ended	12 Months Ended	
	Oct. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Total revenues		$ 53,474	$ 53,465
Operating expenses:			
Property operating		5,770	5,898
General and administrative		2,051	2,044
Impairments		18,671	0
Other (expenses) income:			
Loss on extinguishment of debt, net		0	0
Equity in income of unconsolidated joint venture		0	0
Total other (expenses) income, net		(2,931)	(3,316)
Income before taxes		(1,899)	15,284
Provision for income taxes		0	0
Net (loss) income		(1,899)	15,284
Net loss attributable to non-controlling interest		0	0
Net (loss) income attributable to common stockholders		(1,899)	15,284
VEREIT Office Assets			
Total revenues	$ 135,394	170,900	182,069
Operating expenses:			
Property operating	36,173	46,597	47,248
General and administrative	5,602	7,029	7,800
Depreciation and amortization	48,938	62,662	70,859
Impairments	28,064	9,306	3,511
Total operating expenses	118,777	125,594	129,418
Other (expenses) income:			
Other income, net	152	158	549
Interest expense	(5,961)	(9,905)	(12,056)
Gain on disposition of real estate assets, net	0	9,765	0
Loss on extinguishment of debt, net	(5,294)	(1,686)	(40)
Equity in income of unconsolidated joint venture	697	535	0
Total other (expenses) income, net	(10,406)	(1,133)	(11,547)
Income before taxes	6,211	44,173	41,104
Provision for income taxes	(520)	(640)	(517)
Net (loss) income	5,691	43,533	40,587
Net loss attributable to non-controlling interest	62	60	102
Net (loss) income attributable to common stockholders	5,753	43,593	40,689
Rental revenue (including reimbursable)			
Total revenues		53,474	53,465
Rental revenue (including reimbursable) | VEREIT Office Assets			
Total revenues	134,740	170,304	182,069

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Fee income from unconsolidated joint venture			
Total revenues		0	0
Fee income from unconsolidated joint venture | VEREIT Office Assets			
Total revenues	$ 654	$ 596	$ 0

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VEREIT OFFICE ASSETS, COMBINED AND CONSOLIDATED STATEMENTS OF EQUITY - USD ($) $ in Thousands	Total	VEREIT Office Assets
Beginning balance at Dec. 31, 2018		$ 1,311,652
Increase (Decrease) in Partners' Capital [Roll Forward]		
Distributions to parent company, net	$ (37,735)	(42,173)
Net (loss) income	15,284	40,587
Other		63
Ending balance at Dec. 31, 2019		1,310,129
Increase (Decrease) in Partners' Capital [Roll Forward]		
Distributions to parent company, net	(8,989)	(192,228)
Net (loss) income	$ (1,899)	43,533
Ending balance at Dec. 31, 2020		1,161,434
Increase (Decrease) in Partners' Capital [Roll Forward]		
Contributions, net		145,169
Net (loss) income		5,691
Ending balance at Oct. 31, 2021		$ 1,312,294

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VEREIT OFFICE ASSETS COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS - USD ($) $ in Thousands	10 Months Ended	12 Months Ended		
	Oct. 31, 2021	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Cash flows from operating activities:				
Net income		$ (47,464)	$ (1,899)	$ 15,284
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization		43,922	25,950	26,923
Impairments		49,859	18,671	0
Gain on disposition of real estate assets, net		3,782	0	0
Equity in income of unconsolidated joint venture		56	0	0
Changes in assets and liabilities:				
Accounts payable and accrued expenses		11,552	(191)	(706)
Net cash provided by operating activities		56,108	42,327	39,994
Cash flows from investing activities:				
Capital expenditures and leasing costs		(9,916)	(464)	(536)
Investments in unconsolidated joint venture		(2,478)	0	0
Return of investment from unconsolidated joint venture		133	0	0
Net cash (used in) provided by investing activities		(12,261)	(464)	(536)
Cash flows from financing activities:				
Payments on mortgage notes payable		(36,476)	(32,678)	(968)
Payments of deferred financing costs		(10,514)	0	0
Net cash used in financing activities		(18,444)	(41,667)	(38,589)
Net change in cash and cash equivalents and restricted cash		25,403	196	869
Cash and cash equivalents and restricted cash at the beginning of the year	$ 3,915	3,915	3,719	2,850
Cash and cash equivalents and restricted cash at the end of the year		29,318	3,915	3,719
Cash and cash equivalents at beginning of year	0	0	0	0
Restricted cash at beginning of year	3,915	3,915	3,719	2,850
Cash and cash equivalents at end of year		29,318	0	0
Restricted cash at the end of the year		0	3,915	3,719
Supplemental disclosures:				
Cash paid for interest		2,412	3,479	3,755
VEREIT Office Assets				
Cash flows from operating activities:				
Net income	5,691		43,533	40,587
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	48,894		62,225	70,134
Impairments	28,064		9,306	3,511

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Gain on disposition of real estate assets, net	0		(9,765)	0
Loss on derivative instruments and other	0		0	59
Gain on disposition of real estate assets, net	5,294		1,686	40
Equity in income of unconsolidated joint venture	(697)		(535)	0
Distributions from unconsolidated joint venture	697		524	0
Changes in assets and liabilities:				
Rents and tenant receivables, operating lease right-of-use and other assets, net	803		613	(2,117)
Accounts payable and accrued expenses	(4,860)		2,525	819
Deferred rent, operating lease and other liabilities	(156)		(1,593)	(480)
Net cash provided by operating activities	83,730		108,519	112,553
Cash flows from investing activities:				
Capital expenditures and leasing costs	(8,019)		(7,427)	(15,816)
Real estate developments	(259)		(1,327)	(1,844)
Proceeds from disposition of real estate	0		116,360	0
Investments in unconsolidated joint venture	(2,180)		(2,669)	0
Return of investment from unconsolidated joint venture	1,147		718	0
Principal repayments received on other investments	0		5,768	0
Proceeds from the settlement of property-related insurance claims	70		10	588
Net cash (used in) provided by investing activities	(9,241)		111,433	(17,072)
Cash flows from financing activities:				
Proceeds from mortgage notes payable	0		1,032	705
Payments on mortgage notes payable	(223,064)		(28,233)	(52,950)
Payments of deferred financing costs	0		0	(96)
Contributions from non-controlling interest holders	0		0	63
Net contributions from (distributions to) parent	145,169		(192,228)	(42,173)
Net cash used in financing activities	(77,895)		(219,429)	(94,451)
Net change in cash and cash equivalents and restricted cash	(3,406)		523	1,030
Cash and cash equivalents and restricted cash at the beginning of the year	3,414	3,414	2,891	1,861
Cash and cash equivalents and restricted cash at the end of the year	8		3,414	2,891
Cash and cash equivalents at beginning of year	400	400	190	(530)
Restricted cash at beginning of year	3,014	3,014	2,701	2,391
Cash and cash equivalents at end of year	0		400	190
Restricted cash at the end of the year	8		3,014	2,701
Supplemental disclosures:				
Cash paid for interest	6,521		10,491	12,963
Non-cash investing and financing activities:				
Real estate contributions to unconsolidated joint venture	0		17,240	0
Accrued capital expenditures and real estate developments	(2,033)		(288)	$ (3,180)
Establishment of right-of-use assets and lease liabilities	$ 0	$ 5,520	$ 0	

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Orion Office REIT, Organization	12 Months Ended Dec. 31, 2021
Organization, Consolidation and Presentation of Financial Statements [Abstract]	
Organization	**Note 1 – Organization** ***Organization*** Orion Office REIT Inc. ("the Company", "Orion", "we" or "us") was incorporated in the state of Maryland on July 1, 2021 and was capitalized on July 15, 2021. On April 29, 2021, Realty Income Corporation ("Realty Income") entered into an Agreement and Plan of Merger (as amended, the "Merger Agreement") with VEREIT, Inc. ("VEREIT"), its operating partnership, VEREIT Operating Partnership, L.P. ("VEREIT OP"), Rams MD Subsidiary I, Inc., a wholly owned subsidiary of Realty Income ("Merger Sub 1"), and Rams Acquisition Sub II, LLC, a wholly owned subsidiary of Realty Income ("Merger Sub 2"). On November 1, 2021, pursuant to the Merger Agreement, Merger Sub 2 merged with and into VEREIT OP, with VEREIT OP continuing as the surviving partnership, and immediately thereafter, VEREIT merged with and into Merger Sub 1, with Merger Sub 1 continuing as the surviving corporation (together, the "Mergers", and such effective time of the Mergers, the "Merger Effective Time"). Upon the Merger Effective Time, as part of the Mergers, Realty Income acquired certain office real properties and related assets previously owned by subsidiaries of VEREIT (collectively, "VEREIT Office Assets"). Following the Merger Effective Time, in accordance with the Merger Agreement, Realty Income contributed the portion of the combined business comprising certain office real properties and related assets previously owned by subsidiaries of Realty Income (collectively, "Realty Income Office Assets") and VEREIT Office Assets (the "Separation") to the Company and its operating partnership, Orion Office REIT LP ("Orion OP"). On November 12, 2021, following the Separation, in accordance with the Merger Agreement and that certain Separation and Distribution Agreement, Realty Income effected a special distribution to its stockholders (including the former holders of VEREIT common stock and certain former VEREIT OP common unitholders prior to the Mergers) of all of the outstanding shares of common stock of the Company (the "Distribution"). Approximately $595.0 million was distributed to Realty Income in accordance with the Separation and Distribution Agreement. In connection with the Separation and the Distribution, the Company entered into certain agreements with Realty Income to govern the ongoing relationships between the Company and Realty Income and to provide mechanisms for an orderly transition to the Company's status as an independent, publicly traded company, including the Separation and Distribution Agreement and a transition services agreement to provide certain administrative and other services between the parties for a limited time. Following the Distribution, the Company became independent and publicly traded and intends to qualify and elect to be taxed as a REIT, commencing with the Company's initial taxable year ending December 31, 2021. The Company's common stock, par value $0.001 per share, trades on the New York Stock Exchange (the "NYSE") under the symbol "ONL". At December 31, 2021, the Company owned and operated 92 office properties and related assets previously owned by Realty Income and VEREIT, totaling approximately 10.5 million

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leasable square feet located within 29 states and Puerto Rico. In addition, the Company owns an equity interest in an unconsolidated joint venture with an affiliate of Arch Street Capital Partners, which, as of December 31, 2021 owned a portfolio consisting of six office properties totaling approximately 1.0 million leasable square feet located within six states.

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Orion Office REIT, Summary of Significant Accounting Policies	12 Months Ended
	Dec. 31, 2021

Accounting Policies [Abstract]

Summary of Significant Accounting Policies

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The consolidated and combined statements of the Company presented herein include the accounts of the Company and its consolidated subsidiaries. All intercompany transactions have been eliminated upon consolidation. The financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States ("U.S. GAAP").

Principles of Consolidation and Combination and Basis of Presentation

The consolidated and combined statements of the Company include the accounts of Realty Income Office Assets presented on a combined basis for the period from January 1, 2021 to October 31, 2021 and all prior periods presented as the ownership interests were under common control and ownership of Realty Income during the respective periods. From and after the Merger Effective Time, the consolidated and combined financial statements include the accounts of the Company and its consolidated subsidiaries and a consolidated joint venture. The portion of the consolidated joint venture not owned by the Company is presented as non-controlling interest in the Company's consolidated balance sheets, statements of operations, statements of comprehensive income (loss) and statements of changes in equity.

For periods presented prior to the date of the Distribution, the historical consolidated and combined results for the Company reflect charges for certain legal, accounting and other costs related to the Distribution, which were incurred and paid by Realty Income on the Company's behalf, and are reflected as capital contributions.

For legal entities being evaluated for consolidation, the Company must first determine whether the interests that it holds and fees it receives qualify as variable interests in the entity. A variable interest is an investment or other interest that will absorb portions of an entity's expected losses or receive portions of the entity's expected residual returns. The Company's evaluation includes consideration of fees paid to the Company where the Company acts as a decision maker or service provider to the entity being evaluated. If the Company determines that it holds a variable interest in an entity, it evaluates whether that entity is a variable interest entity ("VIE"). VIEs are entities where investors lack sufficient equity at risk for the entity to finance its activities without additional subordinated financial support or where equity investors, as a group, lack one of the following characteristics: (a) the power to direct the activities that most significantly impact the entity's economic performance, (b) the obligation to absorb the expected losses of the entity, or (c) the right to receive the expected returns of the entity. The Company consolidates entities that are not VIEs if it has a majority voting interest or other rights that result in effectively controlling the entity.

The Company then qualitatively assesses whether it is (or is not) the primary beneficiary of a VIE, which is generally defined as the party who has a controlling financial interest in the VIE.

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Consideration of various factors include, but are not limited to, the Company's ability to direct the activities that most significantly impact the entity's economic performance and its obligation to absorb losses from or right to receive benefits of the VIE that could potentially be significant to the VIE. The Company continually evaluates the need to consolidate VIEs based on standards set forth in U.S. GAAP.

Per Share Data

Income (loss) per basic share of Common Stock is calculated by dividing net income (loss) by the weighted-average number of shares of Common Stock issued and outstanding during such period. Diluted income (loss) per share of Common Stock considers the effect of potentially dilutive shares of Common Stock outstanding during the period.

Transaction Costs

Transaction costs are expensed as incurred. Such costs are comprised of the legal and professional fees associated with the formation and organization of the Company, the Mergers and the Distribution and are included in transaction costs in the accompanying consolidated statement of operations. Such costs also include expenses related to the fair value of the warrants issued to affiliates of the Arch Street Partner.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management makes significant estimates regarding real estate investment impairments.

Leases

Lessor

At the inception of a new lease arrangement for which the Company is the lessor, including new leases that arise from amendments, the Company assesses the terms and conditions to determine the proper lease classification. When the terms of a lease effectively transfer control of the underlying asset, the lease is classified as a sales-type lease. When a lease does not effectively transfer control of the underlying asset to the lessee, but the Company obtains a guarantee for the value of the asset from a third party, the Company classifies the lease as a direct financing lease. All other leases are classified as operating leases. As of December 31, 2021, none of the Company's leases were classified as sales-type leases or direct financing leases.

Lessee

To account for leases for which the Company is the lessee, contracts must be analyzed upon inception to determine if the arrangement is, or contains, a lease. A lease conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease classification tests and measurement procedures are performed at the lease commencement date.

The lease liability is initially measured as the present value of the lease payments over the lease term, discounted using the interest rate implicit in the lease, if that rate is readily determinable; otherwise, the lessee's incremental borrowing rate is used. The incremental borrowing rate is determined based on the estimated rate of interest that the lessee would pay to

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borrow on a collateralized basis over a similar term at an amount equal to the lease payments in a similar economic environment. The lease term is the noncancelable period of the lease and includes any renewal and termination options the Company is reasonably certain to exercise. The lease liability balance is amortized using the effective interest method. The lease liability is remeasured when the contract is modified, upon the resolution of a contingency such that variable payments become fixed or if the assessment of exercising an extension, termination or purchase option changes.

The operating lease right-of-use ("ROU") asset balance is initially measured as the lease liability amount, adjusted for any lease payments made prior to the commencement date, initial direct costs, estimated costs to dismantle, remove, or restore the underlying asset and incentives received.

Revenue Recognition

Rental Revenue

The Company continually reviews receivables related to rent, straight-line rent and property operating expense reimbursements and determines collectability by taking into consideration the tenant's payment history, the financial condition of the tenant, business conditions in the industry in which the tenant operates and economic conditions in the area in which the property is located. The review includes a binary assessment of whether or not substantially all of the amounts due under a tenant's lease agreement are probable of collection. For leases that are deemed probable of collection, revenue continues to be recorded on a straight-line basis over the lease term and the Company recognizes a general allowance on a portfolio-wide basis. For leases that are deemed not probable of collection, revenue is recorded as cash is received and the Company reduces rental revenue for any straight-line rent receivables. The Company recognizes all changes in the collectability assessment for an operating lease as an adjustment to rental revenue. During the year ended December 31, 2021, the Company did not record a general allowance or any reductions to rental revenue for amounts not probable of collection.

For operating leases with minimum scheduled rent increases, the Company recognizes rental revenue on a straight-line basis, including the effect of any free rent periods, over the lease term when collectability of lease payments is probable. Variable lease payments are recognized as rental revenue in the period when the changes in facts and circumstances on which the variable lease payments are based occur. Variable lease payments, including contingent rent, which is paid by a tenant when the tenant's sales exceed an agreed upon minimum amount, are recognized once tenant sales exceed contractual tenant lease thresholds and is calculated by multiplying the sales in excess of the minimum amount by a percentage defined in the lease.

The Company's leases also contain provisions for tenants to reimburse the Company for real estate taxes, insurance and maintenance and other property operating expenses. Such reimbursements are included in rental revenue and amounts paid directly by tenants are recorded on a net basis, as applicable.

Rental revenue also includes lease termination income collected from tenants to allow for the tenant to vacate their space prior to their scheduled termination dates, as well as amortization of above and below-market leases. During the year ended December 31, 2021, the Company recognized termination income of $0.3 million. The Company did not recognize any termination income during the years ended December 31, 2020 and 2019.

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Accounting for Lease Concessions Related to the Effects of the COVID-19 Pandemic

The FASB issued a question-and-answer document, *Accounting for Lease Concessions Related to the Effects of the COVID-19 Pandemic* for concessions related to the effects of COVID-19 that provide a deferral of payments with no substantive changes to the consideration of the original contract, which allows an entity to elect to not analyze each contract to determine whether enforceable rights and obligations for concessions exist in the contract and to elect to apply or not apply the lease modification guidance in Accounting Standards Codification ("ASC") Topic 842, Leases ("ASC 842"), to those contracts (the "COVID-19 Lease Concessions Relief"). During the years ended December 31, 2021 and 2020, the Company has not granted any concessions.

Fee Income from Unconsolidated Joint Venture

The Company provides various services to our unconsolidated joint venture entity in exchange for market-based fees. Total asset and property management and acquisition fees earned in connection with this entity was $0.3 million for the year ended December 31, 2021. No such fee income was earned for the years ended December 31, 2020 and 2019, respectively.

Real Estate Investments

The Company records acquired real estate at cost when such acquisitions qualify as asset acquisitions and makes assessments as to the useful lives of depreciable assets. The Company considers the period of future benefit of the asset to determine the appropriate useful lives. Depreciation is computed using a straight-line method over the estimated useful life of 35 years for buildings, five to 15 years for building fixtures and improvements and the remaining lease term for intangible lease assets.

Allocation of Purchase Price of Real Estate Acquisitions

For acquisitions that qualify as asset acquisitions, the Company allocates the purchase price of acquired properties to tangible and identifiable intangible assets and liabilities acquired based on their relative fair values. Tangible assets include land, buildings, fixtures and improvements on an as-if vacant basis. The Company utilizes various estimates, processes and information to determine the as-if vacant property value. Identifiable intangible assets and liabilities include amounts allocated to acquired leases for above-market and below-market lease rates and the value of in-place leases. In estimating fair values for purposes of allocating purchase price, the Company utilizes a number of sources, including independent appraisals that may be obtained in connection with the acquisition or financing of the respective property and other market data. The Company also considers information obtained about each property as a result of its pre-acquisition due diligence, as well as subsequent marketing and leasing activities, in estimating the fair value of the tangible and intangible assets acquired and intangible liabilities assumed.

The aggregate value of intangible assets related to in-place leases is primarily the difference between the property valued with existing in-place leases adjusted to market rental rates and the property valued as if vacant. Factors considered by the Company in its analysis of the in-place leases include an estimate of carrying costs during the expected lease-up period for each property, taking into account current market conditions and costs to execute similar leases. In estimating carrying costs, the Company includes real estate taxes, insurance and other operating expenses and estimates of lost rentals at market rates during the expected lease-up period, which typically ranges from six to 18 months. The Company also estimates costs to execute similar

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leases, including leasing commissions, legal and other related expenses. The value of in-place leases is amortized over the remaining non-cancelable term of the respective leases at acquisition. If a tenant terminates its lease, then the unamortized portion of the in-place lease value is charged to expense.

Above-market and below-market in-place lease values for owned properties are recorded based on the present value (using an interest rate which reflects the risks associated with the leases acquired) of the difference between the contractual amounts to be paid pursuant to the in-place leases and management's estimate of fair market lease rates for the corresponding in-place leases, measured over a period equal to the remaining non-cancelable term of the lease, including any bargain renewal periods. A bargain renewal period is provision in a lease which allows a lessee, at their option, to renew a lease at a rate that is sufficiently lower than fair market lease rates at the date such option is exercisable such that exercise of the option appears, at the inception of the lease, to be reasonably certain. Above-market leases are amortized as a reduction to rental revenue over the remaining terms of the respective leases. Below-market leases are amortized as an increase to rental revenue over the remaining terms of the respective leases, including any bargain renewal periods.

The determination of the fair values of the real estate assets and liabilities acquired requires the use of significant assumptions with regard to the current market rental rates, rental growth rates, capitalization and discount rates, interest rates and other variables. The use of alternative estimates may result in a different allocation of the Company's purchase price, which could materially impact the Company's results of operations.

Following the Mergers, Realty Income performed a purchase price allocation assessing the value of the business. See Note 5 – Fair Value Measures for further discussion on this purchase price allocation. In accordance with ASC Topic 805, Business Combinations, adjustments to the allocated purchase price may be made within one year of the closing date of the Mergers as acquisition date uncertainties are resolved.

Investment in Unconsolidated Entity

The Company accounts for its investment in the unconsolidated joint venture arrangement using the equity method of accounting as the Company has the ability to exercise significant influence, but not control, over the operating and financing policies of the investment. The equity method of accounting requires the investment to be initially recorded at cost and subsequently adjusted for the Company's share of equity in the joint venture's earnings and distributions. The Company records its proportionate share of net income (loss) from the unconsolidated joint venture in equity in income of unconsolidated entity in the consolidated statements of operations. See Note 3 – Real Estate Investments and Related Intangibles for further discussion on the Company's investment in the unconsolidated joint venture.

The Company is required to determine whether an event or change in circumstances has occurred that may have a significant adverse effect on the fair value of its investment in the unconsolidated joint venture. If an event or change in circumstance has occurred, the Company is required to evaluate its investment in the unconsolidated joint venture for potential impairment and determine if the carrying value of its investment exceeds its fair value. An impairment charge is recorded when an impairment is deemed to be other-than-temporary. To determine whether an impairment is other-than-temporary, the Company considers whether it has the intent and ability to hold the investment until the carrying value is fully recovered. The evaluation of an investment

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in an unconsolidated joint venture for potential impairment requires the Company's management to exercise significant judgment and to make certain assumptions. The use of different judgments and assumptions could result in different conclusions. No impairments of the unconsolidated joint venture were identified during the year ended December 31, 2021. Prior to the Distribution, the Company did not own any investments in an unconsolidated joint venture.

Property and Equipment

Property and equipment, which typically include computer hardware and software, furniture and fixtures, among other items, are stated at cost less accumulated depreciation. Property and equipment are depreciated on a straight-line method over the estimated useful lives of the assets, which range from three to seven years. The Company reassesses the useful lives of its property and equipment and adjusts the future monthly depreciation expense based on the new useful life, as applicable. If the Company disposes of an asset, the asset and related accumulated depreciation are written off upon disposal.

Impairments

Real Estate Assets

The Company performs impairment review procedures, primarily through continuous monitoring of events and changes in circumstances that could indicate the carrying value of its real estate assets may not be recoverable. Impairment indicators that the Company considers include, but are not limited to, decrease in a property's net operating cash flows, bankruptcy or other credit concerns of a property's major tenant or tenants, such as history of late payments, rental concessions and other factors, as well as significant decreases in a property's revenues due to lease terminations, vacancies or reduced lease rates. When impairment indicators are identified or if a property is considered to have a more likely than not probability of being disposed of within the next 12 to 24 months, the Company assesses the recoverability of the assets by determining whether the carrying value of the assets will be recovered through the undiscounted future cash flows expected from the use of the assets and their eventual disposition. U.S. GAAP requires us to utilize the Company's expected holding period of our properties when assessing recoverability. In the event that such expected undiscounted future cash flows do not exceed the carrying value, the Company will adjust the real estate assets to their respective fair values and recognize any impairment loss. Generally, fair value is determined using a discounted cash flow analysis and recent comparable sales or leasing transactions. The assumptions and uncertainties utilized in the evaluation of the impairment of real estate assets are discussed in Note 5 – Fair Value Measures.

Building, Fixtures and Improvements

Property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. If this review indicates that the carrying value of the asset is not recoverable, the Company records an impairment loss, measured at fair value based on estimated discounted cash flows or market appraisals. The evaluation of property and equipment for potential impairment requires the Company's management to exercise significant judgment and to make certain assumptions. The use of different judgments and assumptions could result in different conclusions. No impairments of property and equipment were identified during the years ended December 31, 2021, 2020 and 2019.

Right of Use Assets

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The Company's impairment assessment for ROU assets is consistent with the impairment analysis for the Company's other long-lived assets. No impairments of ROU assets were identified during the years ended December 31, 2021, 2020 and 2019. See Note 5 – Fair Value Measures for further discussion.

Cash and Cash Equivalents

Cash and cash equivalents include cash in bank accounts, as well as investments in highly-liquid funds with original maturities of three months or less. The Company deposits cash with high quality financial institutions. These deposits are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to an insurance limit of $250,000. At times, the Company's cash and cash equivalents may exceed federally insured levels. Although the Company bears risk on amounts in excess of those insured by the FDIC, it has not experienced and does not anticipate any losses due to the high quality of the institutions where the deposits are held.

Restricted cash

The Company did not have any restricted cash balances as of December 31, 2021. The Company had $3.9 million and $3.7 million in restricted cash as of December 31, 2020 and 2019, respectively. Restricted cash primarily consists of impounds and security deposits related to mortgages payable. In accordance with certain debt agreements that were outstanding as of December 31, 2020, rent from certain of the Company's tenants is deposited directly into a lockbox account, from which the monthly debt service payments are disbursed to the lender and the excess funds are then disbursed to the Company. Included in restricted cash at December 31, 2020 was $3.4 million in impounds related to mortgages payable and $0.5 million in security deposits related to mortgages payable. Included in restricted cash at December 31, 2019 was $3.2 million in impounds related to mortgages payable and $0.5 million in security deposits related to mortgages payable. Restricted cash is included in Other Assets, net on the Company's consolidated and combined balance sheets.

Deferred Financing Costs

Deferred financing costs represent commitment fees, legal fees and other costs associated with obtaining commitments for financing. Deferred financing costs, other than those associated with the Revolving Facility (as defined in Note 6 – Debt, Net), are presented on the consolidated balance sheets as a direct deduction from the carrying amount of the related debt liability rather than as an asset. Deferred financing costs related to the Revolving Facility are included in other assets in the accompanying consolidated balance sheets. These costs are amortized to interest expense over the terms of the respective financing agreements using the effective interest method. Unamortized deferred financing costs are written off when the associated debt is refinanced or repaid before maturity. Costs incurred in connection with potential financial transactions that are not completed are expensed in the period in which it is determined the financing will not be completed.

Derivative Instruments

The Company may use derivative financial instruments, including interest rate swaps, caps, collars, treasury locks, options and forwards to hedge all or a portion of the interest rate risk associated with its borrowings. The Company's interest rate management objectives are intended to limit the impact of interest rate fluctuations on earnings and cash flows and to manage the Company's overall borrowing costs. To accomplish this objective, the Company intends to use interest rate swaps as part of its cash flow hedging strategy. The Company does not intend to

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utilize derivatives for trading or speculative purposes or for purposes other than interest rate risk management. The use of derivative financial instruments carries certain risks, including the risk that the counterparties to these contractual arrangements are not able to perform under the agreements. To mitigate this risk, the Company only enters into derivative financial instruments with counterparties with high credit ratings and with major financial institutions with which the Company may also have other financial relationships. The Company does not anticipate that any of the counterparties will fail to meet their obligations.

The Company records all derivatives on the consolidated balance sheets at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary under U.S. GAAP to apply hedge accounting. Derivatives designated and qualifying as a hedge of 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 designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges.

The accounting for subsequent changes in the fair value of these derivatives depends on whether each has been designated and qualifies for hedge accounting treatment. If the Company elects not to apply hedge accounting treatment, any changes in the fair value of these derivative instruments is recognized immediately in other income, net in the consolidated statements of operations and consolidated statements of comprehensive income (loss). If the derivative is designated and qualifies for hedge accounting treatment, the change in fair value of the derivative is recorded in other comprehensive income (loss). Unrealized gains and losses in other comprehensive income (loss) are reclassified to interest expense when the related hedged items impact earnings.

Loss Contingencies

The Company records a liability in the consolidated and combined statements for loss contingencies when a loss is known or considered probable and the amount is reasonably estimable. If the reasonable estimate of a known or probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a material loss is reasonably possible but not known or probable, and is reasonably estimable, the estimated loss or range of loss is disclosed.

Income Taxes

The Company intends to qualify and elect to be taxed as a REIT for U.S. federal income tax purposes under Sections 856 through 860 of the Internal Revenue Code, as amended (the “Code”), commencing with the taxable year ended December 31, 2021. To qualify as a REIT, the Company must meet a number of organizational and operational requirements, including a requirement that it distribute annually at least 90% of its REIT taxable income, subject to certain adjustments and excluding any net capital gain to its stockholders. We believe we are organized and operating in such a manner as to qualify and elect to be taxed as a REIT for the taxable year ended December 31, 2021. However, Orion OP is still subject to certain state and local income, franchise and property taxes in the various jurisdictions in which it operates. The Company may also be subject to federal income taxes on certain income and excise taxes on its undistributed income.

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During the year ended December 31, 2021, the Company conducted all of its business in the United States and Puerto Rico and will file income tax returns in the U.S. federal jurisdiction, Puerto Rico, and various state and local jurisdictions.

The Company provides for income taxes in accordance with current authoritative accounting and tax guidance. The tax provision or benefit related to significant or unusual items is recognized in the quarter in which those items occur. In addition, the effect of changes in enacted tax laws, rates or tax status is recognized in the quarter in which the change occurs. The accounting estimates used to compute the provision for or benefit from income taxes may change as new events occur, additional information is obtained or the tax environment changes.

During the year ended December 31, 2021, the Company recognized state and local income and franchise tax expense of $0.2 million, which is included in provision for income taxes in the accompanying consolidated statements of operations.

The Company had no unrecognized tax benefits as of or during the year ended December 31, 2021. Any interest and penalties related to unrecognized tax benefits would be recognized in provision for income taxes in the accompanying consolidated statements of operations.

For periods presented prior to the Merger Effective Time, Realty Income Office Assets was owned by Realty Income, a Maryland corporation which had elected to be taxed as a REIT, under the Code, as amended. Under the REIT operating structure, Realty Income was permitted to deduct dividends paid to its stockholders in determining its taxable income. Assuming Realty Income's dividends equaled or exceeded its taxable net income, it was generally not required to pay federal corporate income taxes on such income. Accordingly, no provision was made for federal income taxes in the accompanying consolidated and combined financial statements of the Company for such prior periods.

The properties in the consolidated and combined financial statements which comprised Realty Income Office Assets were previously owned directly or indirectly by limited partnerships or limited liability companies of Realty Income and, as a result, the allocated share of income for periods presented prior to the Merger Effective Time are included in the consolidated income tax return of Realty Income.

Segment Reporting

The Company operates in one business segment: direct ownership and operation of commercial real estate.

Recent Accounting Pronouncements

In July 2021, the FASB issued ASU 2021-05 establishing Topic 842, Lessors - Certain Leases with Variable Lease Payments. ASU 2021-05 further clarifies ASC 842 classification guidance as it relates to a lessor's accounting for certain leases with variable lease payments. This guidance requires a lessor to classify a lease with variable payments that do not depend on an index or rate as an operating lease if either a sales-type lease or direct financing lease classification would trigger a day-one loss. This guidance is effective for reporting periods beginning after December 15, 2021, with early adoption permitted. We are currently evaluating the impact of the adoption of ASU 2021-05 on our consolidated and combined statements.

In March 2020, the FASB issued ASU 2020-04 establishing Topic 848, Reference Rate Reform. ASU 2020-04 contains practical expedients for reference rate reform related activities

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that impact debt, leases, derivatives and other contracts. The guidance is optional and is effective between March 12, 2020 and December 31, 2022. The guidance may be elected over time as reference rate reform activities occur. We are currently evaluating the impact that the expected market transition from the London Interbank Offered Rate, commonly referred to as LIBOR, to alternative references rates will have on our financial statements as well as the applicability of the aforementioned expedients and exceptions provided in ASU 2020-04.

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Orion Office REIT, Real Estate Investments and Related Intangibles	12 Months Ended
	Dec. 31, 2021
Real Estate [Abstract]	
Real Estate Investments and Related Intangibles	

Note 3 – Real Estate Investments and Related Intangibles

Property Acquisitions

During the years ended December 31, 2021, 2020 and 2019, the Company had no acquisitions.

Intangible Lease Assets

Intangible lease assets consisted of the following (amounts in thousands, except weighted-average useful life):

	Weighted-Average Useful Life (Years)	December 31,
Intangible lease assets:		
In-place leases, net of accumulated amortization of $65,247 and $71,633, respectively	4.8	$ 272
Leasing commissions, net of accumulated amortization of $456	13.4	10
Above-market lease assets, net of accumulated amortization of $6,239 and $7,166, respectively	5.0	15
Total intangible lease assets, net		$ 298
Intangible lease liabilities:		
Below-market leases, net of accumulated amortization of $14,459 and $13,482, respectively	7.5	$ 20

The aggregate amount of amortization of above-market and below-market leases included as a net increase to rental revenue was $1.0 mil
million for the years ended December 31, 2021, 2020 and 2019, respectively. The aggregate amount of in-place leases, leasing commissions
amortized and included in depreciation and amortization expense was $23.1 million for the year ended December 31, 2021, and $7.9 million an
ended December 31, 2020 and 2019, respectively.

The following table provides the projected amortization expense and adjustments to rental revenue related to the intangible lease assets and
years as of December 31, 2021 (amounts in thousands):

	2022	2023	2024	2
In-place leases:				
Total projected to be included in amortization expense	$ 94,659	$ 73,859	$ 49,213	$
Leasing commissions:				
Total projected to be included in amortization expense	$ 850	$ 850	$ 841	$
Above-market lease assets and deferred lease incentives:				
Total projected to be deducted from rental revenue	$ 5,171	$ 4,791	$ 2,998	$
Below-market lease liabilities:				
Total projected to be added to rental revenue	$ 6,443	$ 6,091	$ 3,786	$

Consolidated Joint Venture

The Company had an interest in one consolidated joint venture that owned one property as of December 31, 2021. As of December 31, 2
venture had total assets of $27.4 million, of which $26.1 million were real estate investments, net of accumulated depreciation and amortizatio
is the managing member of the joint venture. However, in accordance with the joint venture agreement, the Company has the ability to control t
policies of the consolidated joint venture and the joint venture partner must obtain the Company's approval for any major transactions. The Con
partner are subject to the provisions of the joint venture agreement, which includes provisions for when additional contributions may be required to

Investment in Unconsolidated Entity

The following is a summary of the Company's investment in one unconsolidated entity, Arch Street Joint Venture, as of December 31, 20
December 31, 2021 (dollar amounts in thousands):

Investment	Ownership % [(1)]	Number of Properties	Carrying Amount of Investment
	December 31, 2021		December 31, 2021
Arch Street Joint Venture [(3)] [(4)]	20%	6	$ 18,631

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(1) The Company's ownership interest reflects its legal ownership interest. Legal ownership may, at times, not equal the Company's economic interest in the listed properties becau joint venture agreements regarding capital contributions, distributions of cash flow based on capital account balances and allocations of profits and losses. As a result, the Comp distinct from its legal ownership interest) in certain of the properties could fluctuate from time to time and may not wholly align with its legal ownership interests.

(2) The interest in the Arch Street Joint Venture was acquired by Realty Income as part of the Mergers, and was transferred to the Company upon the consummation of the Distri equity in income reflects operations following the Merger Effective Time.

(3) During year ended December 31, 2021, the Arch Street Joint Venture acquired one property from a third party for a purchase price of $30.5 million.

(4) The total carrying amount of the Company's investment in the unconsolidated joint venture was greater than the underlying equity in net assets by $2.1 million as of Decembe to a step up in the fair value of the investment in the unconsolidated joint venture in connection with the Mergers. The step up in fair value was allocated to the Company's inve venture and is amortized in accordance with the Company's depreciation policy.

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Orion Office REIT, Receivables and Other Assets	12 Months Ended
	Dec. 31, 2021
Receivables [Abstract]	
Receivables and Other Assets	(see below)

Note 4 – Receivables and Other Assets:

Accounts receivable, net consisted of the following as of December 31, 2021 and 2020 (in thousands):

	December 31, 2021
Straight-line rent receivable, net	$ 7,722
Accounts receivable, net	10,194
Total	$ 17,916

Other assets, net consisted of the following as of December 31, 2021 and 2020 (in thousands):

	December 31, 2021
Deferred costs, net [(1)]	6,246
Prepaid expenses	3,730
Right-of-use assets, net [(2)]	30,958
Investment in unconsolidated entity	18,631
Restricted cash	—
Other assets, net	936
Total	$ 60,501

---

(1) Amortization expense for deferred costs related to the revolving credit facility totaled $0.3 million for the year ended December 31, 2021 as compared to no deferred costs for t
Accumulated amortization for deferred costs related to the revolving credit facility was $0.3 million at December 31, 2021.

(2)Amortization expense for below market right-of-use asset was less than $0.1 million. Includes right-of-use finance leas
right-of-use operating leases of $10.2 million, and a below-market right-of-use asset of $7.1 million, net of less than $0.1
accumulated amortization as of the year ended December 31, 2021.

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Orion Office REIT, Fair Value Measures	12 Months Ended Dec. 31, 2021
Fair Value Disclosures [Abstract]	
Fair Value Measures	

Note 5 – Fair Value Measures

The Company determines fair value based on quoted prices when available or through the use of alternative approaches, such as discounti using market interest rates commensurate with the credit quality and duration of the investment. U.S. GAAP guidance defines three levels of measure fair value:

Level 1 – Quoted prices in active markets for identical assets and liabilities that the reporting entity has the ability to access at the measureme

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset and liability or can be corroborated with substantially the entire contractual term of the asset or liability.

Level 3 – Unobservable inputs reflect the entity's own assumptions about the assumptions that market participants would use in the pricing are consequently not based on market activity, but rather through particular valuation techniques.

The determination of where an asset or liability falls in the hierarchy requires significant judgment and considers factors specific to the as where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair va the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Comp disclosures each quarter and depending on various factors, it is possible that an asset or liability may be classified differently from quarter to qua inputs may result in a reclassification for certain assets. The Company does not expect that changes in classifications between levels will be frequ

Items Measured at Fair Value on a Recurring Basis

The following tables present information about the Company's assets and liabilities measured at fair value on a recurring basis as of Decemb the level in the fair value hierarchy within which those instruments fall (in thousands):

	Level 1	Level 2	Level 3
Assets:			
Derivative assets	$ —	$ 299	$ —

Derivative Assets – The Company's derivative financial instruments relate to interest rate swaps. The valuation of derivative instruments is det cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the pe observable market-based inputs, including interest rate curves and implied volatilities. In addition, credit valuation adjustments are incorporated in for the Company's potential nonperformance risk and the performance risk of the counterparties.

Although the Company determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hie adjustments associated with those derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of defa counterparties. However, as of December 31, 2021, the Company assessed the significance of the impact of the credit valuation adjustments on derivative positions and determined that the credit valuation adjustments are not significant to the overall valuation of the Company's derivatives determined that its derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

Items Measured at Fair Value on a Non-Recurring Basis

Certain financial and nonfinancial assets and liabilities are measured at fair value on a non-recurring basis and are subject to fair va circumstances, such as when there is evidence of impairment.

Real Estate and Other Investments – The Company performs quarterly impairment review procedures for real estate investments, leasehold and equipment, right of use assets and its investment in the unconsolidated entity, primarily through continuous monitoring of events and changes indicate the carrying value of such assets may not be recoverable.

As part of the Company's impairment review procedures, net real estate assets representing ten properties were deemed to be impaired resul of $49.9 million during the year ended December 31, 2021 that relate to certain non-core assets which were identified by management for potenti

During the year ended December 31, 2020, the Company analyzed a unique triggering event related to one property that had a near term lease mortgage loan maturity. The estimated future undiscounted cash flows of this property indicated that carrying amounts were not expected to be rec the fair value, an impairment charge of $18.7 million was recorded for the year ended December 31, 2020. The fair value measurement for th by applying a sales price based on market comparable sales provided by a third party. This input is categorized as level two on the valuation hi identified the impact of the COVID-19 pandemic as an impairment triggering event. However, after performing review procedures, the Company carrying values of properties impacted by the COVID-19 pandemic during the year ended December 31, 2020.

There were no impairment charges recorded during the year ended December 31, 2019.

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The following table summarizes our provisions for impairment during the periods indicated below (dollars in thousands):

		Year Ended I
		2021
Number of properties		10
Carrying value of impaired properties	$	109,197
Provisions for impairment		(49,859)
Estimated fair value	$	59,338

The Company estimates fair values using Level 2 and Level 3 inputs and uses a combined income and market approach, specifically using di and/or recent comparable sales transactions. The evaluation of real estate assets for potential impairment requires the Company's management to e and make certain key assumptions, including, but not limited to, the following: (1) capitalization rate; (2) discount rates; (3) number of year property operating expenses; and (5) re-leasing assumptions including number of months to re-lease, market rental revenue and required tena inherent uncertainties in making these estimates such as market conditions and performance and sustainability of the Company's tenants. For the for the real estate assets during the year ended December 31, 2021, the fair value measurement for its impaired properties was primarily determin based on market data and, where applicable, the Company used a weighted-average discount rate of 8.9%.

Real Estate and Other Investments – Separation Fair Value Assessment – Following the Mergers, Realty Income performed a purchase p value of the assets acquired and liabilities assumed at the date of acquisition of VEREIT. The assessment of fair value is preliminary and is ba available to Realty Income management at the time the consolidated and combined statements were prepared. Measurement period adjustments, i period in which they are determined, as if they had been completed at the acquisition date. The finalization of Realty Income's purchase accoun in changes in the valuation of real estate assets and liabilities up to one year after the date of the Mergers, and these changes could be material.

Fair Value of Financial Instruments

The fair value of short-term financial instruments such as cash and cash equivalents, restricted cash, accounts receivable, and accounts payabl value in the accompanying consolidated balance sheets due to their short-term nature. The fair values of the Company's financial instrument amounts in thousands):

	Level	Carrying Amount at December 31, 2021	Fair Value at December 31, 2021	Carrying Amount at December 31, 2020
Liabilities [(1)]:				
Bridge facility, net	2	355,000	355,000	$ —
Credit facility term loan, net	2	175,000	175,000	—
Credit facility revolver	2	90,000	90,000	—
Mortgages payable assumed in connection with acquisitions	2	—	—	36,476
Total		$ 620,000	$ 620,000	$ 36,476

(1) Current and prior period liabilities' carrying and fair values exclude net deferred financing costs.

Debt – The fair value is estimated by an independent third party using a discounted cash flow analysis, based on management's estimates of c market interest rates, representing level 2 on the fair value hierarchy.

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Orion Office REIT, Debt, Net	12 Months Ended
	Dec. 31, 2021

Debt Disclosure [Abstract]

Debt, Net

Note 6 – Debt, Net

As of December 31, 2021, the Company had $616.8 million of debt outstanding, including net deferred financing costs, with a weighted-aver years and a weighted-average interest rate of 2.77%. The following table summarizes the carrying value of debt as of December 31, 2021 and D debt activity for the year ended December 31, 2021 (in thousands):

	Balance as of December 31, 2020	Year Ended December 31, 2021 Debt Issuances	Repayments, Extinguishment and Assumptions	Accretion and Amortization
Mortgages payable:				
Outstanding balance	$ 36,476	$ —	$ (36,476)	$ –
Premium, net	576	—	(516)	(6
Mortgages payable, net	37,052	—	(36,992)	(6
Bridge facility:				
Outstanding balance	—	355,000	—	–
Deferred costs	—	(888)	—	24
Bridge facility, net	—	354,112	—	24
Credit facility term loan:				
Outstanding balance	—	175,000	—	–
Deferred costs	—	(2,695)	—	18
Credit facility term loan, net	—	172,305	—	18
Credit facility revolver:				
Outstanding balance	—	90,000	—	–
Credit facility revolver, net	—	90,000	—	–
Total debt	$ 37,052	$ 616,417	$ (36,992)	$ 37

Credit Agreement

In connection with the Separation and the Distribution, on November 12, 2021, the Company, as parent, and Orion Office REIT LP ("Orion into (i) a credit agreement (the "Revolver/Term Loan Credit Agreement") providing for a three-year, $425 million senior revolving credit facility including a $25 million letter of credit sub-facility, and a two-year, $175.0 million senior term loan facility (the "Term Loan Facility," and together the "Revolver/Term Loan Facilities") with Wells Fargo Bank, National Association, as administrative agent, and the lenders and issuing banks pa agreement (the "Bridge Credit Agreement," and together with the Revolver/Term Loan Credit Agreement, the "Credit Agreements") providing fo senior bridge term loan facility (the "Bridge Facility," and together with the Revolver/Term Loan Facilities, the "Facilities") with Wells Fargo Ban administrative agent, and the lenders party thereto.

On November 12, 2021, Orion OP borrowed $90.0 million under the Revolving Facility, and each of the Term Loan Facility and the Bridg Approximately $595.0 million of the net proceeds of the Facilities was distributed to Realty Income in accordance with the Separation and Distrib retained the remaining net proceeds of such borrowings as working capital that will be used for the general corporate purposes of the Company subsidiaries. As of December 31, 2021, the Company had approximately $620.0 million of total consolidated debt outstanding and $335.0 milli Revolving Facility.

The Bridge Facility is subject to one 6-month extension option at the election of Orion OP. The exercise of such extension option requires t fee and the satisfaction of certain other customary conditions. The Bridge Facility was refinanced with a $355.0 million mortgage loan during Fe Subsequent Events below).

The interest rate applicable to the loans under the Facilities may, at the election of Orion OP, be determined on the basis of LIBOR or a ba an applicable margin. Under the Revolver/Term Loan Facilities, the applicable margin is (1) in the case of the Revolving Facility, 2.50% for L base rate loans and (2) in the case of the Term Loan Facility, 2.50% for LIBOR loans and 1.50% for base rate loans. Under the Bridge Facility LIBOR loans was initially 2.50% with scheduled increases over time to a maximum of 3.50% and the applicable margin on base rate loans was ini increases over time to a maximum of 2.50%, in each case, based on the number of days elapsed after November 12, 2021. Loans under the Rev

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may be prepaid, and unused commitments under the Revolver/Term Loan Facilities may be reduced, at any time, in whole or in part, without pre
LIBOR breakage costs).

To the extent that amounts under the Revolving Facility remain unused, Orion OP is required to pay a quarterly commitment fee on the unus
Facility in an amount equal to 0.25% per annum of the unused portion of the Revolving Facility.

The Revolver/Term Loan Facilities are guaranteed pursuant to a Guaranty (the "Revolver/Term Loan Guaranty") and the Bridge Facility w
Guaranty (the "Bridge Guaranty"), in each case, by the Company and, subject to certain exceptions, substantially all of Orion OP's existing and fu
substantially all of its subsidiaries that directly or indirectly own unencumbered real properties), other than certain joint ventures and subsidiar
subject to certain other indebtedness (such subsidiaries of Orion OP, the "Subsidiary Guarantors").

The Revolver/Term Loan Facilities are secured by, among other things, first priority pledges of the equity interests in the Subsidiary Guarant

The Revolver/Term Loan Facilities require that Orion OP comply with various covenants, including, without limitation, covenants re
exceptions, liens, investments, mergers, asset sales and the payment of certain dividends. In addition, the Revolver/Term Loan Facilities require t
financial covenants, including a:

- ratio of total debt to total asset value of not more than 0.60 to 1.00;
- ratio of adjusted EBITDA to fixed charges of not less than 1.50 to 1.00;
- ratio of secured debt to total asset value of not more than 0.45 to 1.00;
- ratio of unsecured debt to unencumbered asset value of not more than 0.60 to 1.00; and
- ratio of net operating income from all unencumbered real properties to unsecured interest expense of not less than 2.00 to 1.00.

As of December 31, 2021, Orion OP was in compliance with these financial covenants.

The Revolver/Term Loan Facilities include customary representations and warranties of the Company and Orion OP, which must be true
respects as a condition to future extensions of credit under the Revolver/Term Loan Facilities. The Revolver/Term Loan Facilities also include c
the occurrence of which, following any applicable grace period, would permit the lenders to, among other things, declare the principal, accrued i
of Orion OP under the Revolver/Term Loan Facilities to be immediately due and payable and foreclose on the collateral securing the Revolver/Te

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Orion Office REIT, Derivative and Hedging Activities	12 Months Ended
	Dec. 31, 2021
Derivative Instruments and Hedging Activities Disclosure [Abstract]	
Derivative and Hedging Activities	

Note 7 – Derivatives and Hedging Activities

Cash Flow Hedges of Interest Rate Risk

As of December 31, 2021, the Company had interest rate swap agreements with an aggregate notional amount of $175.0 million, which we
hedges under U.S. GAAP. The interest rate swap agreements were effective on December 1, 2021 and mature on November 12, 2023. As of Decem
had no interest rate swap agreements.

The table below presents the fair value of the Company's derivative financial instrument designated as a cash flow hedge as well as its class
consolidated balance sheets as of December 31, 2021 (in thousands):

Derivatives Designated as Hedging Instruments	Balance Sheet Location
Interest rate swaps	Other assets, net

During the year ended December 31, 2021, the Company recorded unrealized gains of $0.2 million for changes in the fair value of its cash
other comprehensive income. There were no similar amounts recorded during the years ended December 31, 2020 and 2019, respectively.

The Company reclassified previous losses of $0.1 million for the year ended December 31, 2021 from accumulated other comprehensive
expense as a result of the hedged transactions impacting earnings. There were no similar amounts recorded during the years ended December 31, 2

During the next twelve months, the Company estimates that an additional $0.4 million will be reclassified from other comprehensive inco
interest expense.

Derivatives Not Designated as Hedging Instruments

As of December 31, 2021 and December 31, 2020, the Company had no interest rate swaps that were not designated as qualifying hedging re

Tabular Disclosure of Offsetting Derivatives

The table below details a gross presentation, the effects of offsetting and a net presentation of the Company's derivatives as of December 3
2020 (in thousands). The net amounts of derivative assets or liabilities can be reconciled to the tabular disclosure of fair value.

	Offsetting of Derivative Assets and Liabilities						
	Gross Amounts of Recognized Assets	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Consolidated Balance Sheets	Net Amounts of Assets Presented in the Consolidated Balance Sheets	Net Amounts of Liabilities Presented in the Consolidated Balance Sheets	Financial Instruments	Cas
December 31, 2021	$ 299	$ —	$ —	$ 299	$ —	$ —	$
December 31, 2020	$ —	$ —	$ —	$ —	$ —	$ —	$

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Orion Office REIT, Statement of Cash Flow Disclosures	12 Months Ended
	Dec. 31, 2021
Supplemental Cash Flow Elements [Abstract]	
Supplemental Cash Flow Disclosures	**Note 8 – Supplemental Cash Flow Disclosures** Supplemental cash flow information was as follows for the years ended December 31, 2021, 2020 and 2019 (in thousands):

	Year Ended Decembe	
	2021	2020
Supplemental disclosures:		
Cash paid for interest	$ 2,412	$ 3,4
Cash paid for income taxes	$ 98	$
Non-cash investing and financing activities:		
Accrued capital expenditures and leasing costs	$ 286	$
Non-cash assets and liabilities contributed by parent company	$ 1,142,002	$
Establishment of right-of-use assets and lease liabilities	$ 989	$

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Orion Office REIT, Accounts Payable and Accrued Expenses	12 Months Ended
	Dec. 31, 2021
Payables and Accruals [Abstract]	
Accounts Payable and Accrued Expenses	**Note 9 – Accounts Payable and Accrued Expenses** Accounts payable and accrued expenses consisted of the following as of December 31, 2021 and December 31, 2020 (in thousands):

	December 31, 2021
Accrued interest	$ 1,093
Accrued real estate and other taxes	10,322
Accrued transaction costs	129
Accounts payable	1,805
Accrued other	4,030
Total	$ 17,379

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Orion Office REIT, Commitment and Contingencies	12 Months Ended
	Dec. 31, 2021
Commitments and Contingencies Disclosure [Abstract]	
Commitments and Contingencies	**Note 10 – Commitments and Contingencies** ***Leasing*** As part of its ordinary re-leasing activities, the Company has agreed and anticipates that it will continue to agree to provide rent concessions to tenants and incur leasing costs with respect to its properties, including tenant improvement allowances, landlord agreements to pay for certain improvements, as well as leasing commissions. These rent concession and leasing cost commitments could be significant. For example, during November 2021, in connection with the 11-year extension of an investment grade tenant at the Company's largest property measured by annualized base rent, the Company agreed to $11.1 million of future rent concessions and to fund up to $22.9 million of tenant improvement allowances, the full amount of which was funded as loan reserves as part of the closing of the CMBS Loan in February 2022. ***Litigation*** The Company is party to various legal proceedings which it believes are routine in nature and incidental to the operation of its business. The Company does not believe that any of these outstanding claims against it are expected to have a material adverse effect upon its consolidated and combined position or results of operations. ***Environmental Matters*** In connection with the ownership and operation of real estate, the Company may potentially be liable for costs and damages related to environmental matters. The Company has not been notified by any governmental authority of any non-compliance, liability or other claim, and is not aware of any other environmental condition, in each case, that it believes will have a material adverse effect upon its consolidated and combined position or results of operations.

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Orion Office REIT, Leases	12 Months Ended Dec. 31, 2021

Leases [Abstract]

Leases

Note 11 – Leases

Lessor

As of December 31, 2021, the Company is the lessor for its 92 office properties. The Company’s operating leases have non-cancelable lea
years to 16.26 years as of December 31, 2021 and 0.30 years to 13.12 years as of December 31, 2020, respectively. Certain leases with tenants i
terminate the lease agreements or to purchase the underlying assets. Lease agreements may also contain rent increases that are based on an index
price index or LIBOR).

The following table presents future minimum operating lease payments due to the Company over the next five years and thereafter as
thousands).

	Ope
2022	$
2023	
2024	
2025	
2026	
Thereafter	
Total	$

Lessee

The Company is the lessee under operating lease arrangements and corporate office leases, which meet the criteria under U.S. GAAP fo
December 31, 2021, the Company’s operating leases had remaining lease terms ranging from 0.9 years to 63 years, which includes options to exte
arrangements, the Company pays variable costs, including property operating expenses and common area maintenance. The weighted-average di
the lease liability for the Company’s operating leases was 3.14% as of December 31, 2021. As the Company’s leases do not provide an implicit
estimated incremental borrowing rate based on the information available at the lease guidance adoption date or the Merger Effective Time, as ap
present value of lease payments.

Operating lease costs for the year ended December 31, 2021 were $0.3 million. Operating lease costs for each of the years ended Decemb
$0.1 million. No cash paid for operating lease liabilities was capitalized.

The following table reflects the maturity analysis of payments due from the Company over the next five years and thereafter for ground
obligations as of December 31, 2021 (in thousands).

2022
2023
2024
2025
2026
Thereafter
Total
Less: imputed interest
Total

The following table reflects the maturity analysis of payments due from the Company over the next five years and thereafter for ground lease
31, 2020 (in thousands).

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2021
2022
2023
2024
2025
Thereafter
Total
Less: imputed interest
Total

Leases

Note 11 – Leases

Lessor

As of December 31, 2021, the Company is the lessor for its 92 office properties. The Company's operating leases have non-cancelable lea
years to 16.26 years as of December 31, 2021 and 0.30 years to 13.12 years as of December 31, 2020, respectively. Certain leases with tenants i
terminate the lease agreements or to purchase the underlying assets. Lease agreements may also contain rent increases that are based on an index
price index or LIBOR).

The following table presents future minimum operating lease payments due to the Company over the next five years and thereafter as
thousands).

	Ope
2022	$
2023	
2024	
2025	
2026	
Thereafter	
Total	$

Lessee

The Company is the lessee under operating lease arrangements and corporate office leases, which meet the criteria under U.S. GAAP fo
December 31, 2021, the Company's operating leases had remaining lease terms ranging from 0.9 years to 63 years, which includes options to exte
arrangements, the Company pays variable costs, including property operating expenses and common area maintenance. The weighted-average di
the lease liability for the Company's operating leases was 3.14% as of December 31, 2021. As the Company's leases do not provide an implicit
estimated incremental borrowing rate based on the information available at the lease guidance adoption date or the Merger Effective Time, as ap
present value of lease payments.

Operating lease costs for the year ended December 31, 2021 were $0.3 million. Operating lease costs for each of the years ended Decemb
$0.1 million. No cash paid for operating lease liabilities was capitalized.

The following table reflects the maturity analysis of payments due from the Company over the next five years and thereafter for ground
obligations as of December 31, 2021 (in thousands).

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2022
2023
2024
2025
2026
Thereafter
Total
Less: imputed interest
Total

The following table reflects the maturity analysis of payments due from the Company over the next five years and thereafter for ground lease
31, 2020 (in thousands).

2021
2022
2023
2024
2025
Thereafter
Total
Less: imputed interest
Total

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Orion Office REIT, Stockholder’s Equity	12 Months Ended Dec. 31, 2021
Equity [Abstract]	
Stockholder's Equity	

Note 12 – Stockholder’s Equity

Common Stock

The Company was initially capitalized on July 15, 2021 with the issuance of 100,000 shares of common stock ($0.01 par value per share) to Realty Income for a total of $1,000.

On November 10, 2021, the Company issued 56,525,650 additional shares of common stock to Realty Income, such that Realty Income owned 56,625,650 shares of the Company’s common stock. Also on November 10, 2021, in connection with the filing of the Company’s Articles of Amendment, the Company changed the par value of its common stock from $0.01 per share to $0.001 per share. On November 12, 2021, Realty Income effected the Distribution.

Stock Warrants

On November 12, 2021, in connection with the Distribution, Orion OP entered into an Amended and Restated Limited Liability Company Agreement (the “LLCA”) of OAP/VER Venture, LLC (the “Arch Street Joint Venture”), by and between Orion OP and OAP Holdings LLC (the “Arch Street Partner”), an affiliate of Arch Street Capital Partners, pursuant to which the Arch Street Partner consented to the transfer of the equity interests of the Arch Street Joint Venture previously held by VEREIT Real Estate, L.P. to Orion OP.

Also on November 12, 2021, in connection with the entry into the LLCA, the Company granted certain affiliates of the Arch Street Partner warrants to purchase up to 1,120,000 shares of the Company’s common stock (the “Arch Street Warrants”). The Arch Street Warrants entitle the respective holders to purchase shares of the Company’s common stock at a price per share equal to $22.42, at any time. The Arch Street Warrants may be exercised, in whole or in part, through a cashless exercise, in which case the holder would receive upon such exercise the net number of shares of Company common stock determined according to the formula set forth in the Arch Street Warrants. The Arch Street Warrants expire on the earlier of (a) 10 years after issuance and (b) the later of the termination of the Arch Street Joint Venture and seven years after issuance.

The Company has agreed that, prior to six months following the Company’s eligibility to use Form S-3 for the registration of securities of the Company, the Company will file with the SEC a registration statement on Form S-3 (the “Registration Statement”) for the registration, under the Securities Act, of the shares of the Company’s common stock issuable upon exercise of the Arch Street Warrants. The Company will use its commercially reasonable efforts to cause the Registration Statement to become effective and to maintain the effectiveness of the Registration Statement, and a current prospectus relating thereto, until the earlier of (a) the expiration of the Arch Street Warrants, or (b) the shares issuable upon such exercise shall become freely tradable under United States federal securities laws by anyone who is not an affiliate (as such term is defined in Rule 144 under the Securities Act (or any successor rule)) of us. The holders of the Arch Street Warrants will also remain subject to the ownership limitations pursuant to the Company’s organizational documents.

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The Arch Street Warrants were measured at fair value on their grant date at an amount of $3.3 million and are classified as equity in the Company's consolidated and combined balance sheets. The corresponding cost of $3.3 million was recognized as an expense for the year ended December 31, 2021, which is included in Transaction costs in the Company's consolidated and combined statements of operations.

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Orion Office REIT, Equity Based Compensation	12 Months Ended Dec. 31, 2021
Share-based Payment Arrangement [Abstract]	
Equity Based Compensation	**Note 13 - Equity Based Compensation** The Company has an equity-based incentive award plan (the "Equity Plan") for officers, employees, non-employee directors and consultants who provide services to the Company. Awards under the Equity Plan are accounted for under U.S. GAAP as share-based payments. The expense for such awards is recognized over the vesting period or when the requirements for exercise of the award have been met. Under the Equity Plan, the Company may grant various types of awards, including restricted stock units that will vest if the recipient maintains employment with the Company over the requisite service period (the "Time-Based Restricted Stock Units"). The fair value of the Time-Based Restricted Stock Units granted to non-executive directors and employees under the Equity Plan is generally determined using the closing stock price on the grant date and is expensed over the requisite service period on a straight-line basis. Time-Based Restricted Stock Units do not provide for any rights of a common stockholder prior to the vesting of such restricted stock units. Equity-based compensation expense related to Orion Time-Based Restricted Stock Units for the year ended December 31, 2021, was $0.1 million. As of December 31, 2021, total unrecognized compensation expense related to these awards was approximately $0.5 million, with an aggregate weighted-average remaining term of 2.2 years. Equity-based compensation expense for the year ended December 31, 2021, related to Realty Income time-based restricted stock units and stock options granted in connection with the Mergers, was $0.1 million. As of December 31, 2021, total unrecognized compensation expense related to these awards was approximately $0.6 million, with an aggregate weighted-average remaining term of 1.7 years.

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Orion Office REIT, Net Income (Loss) Per Share	12 Months Ended Dec. 31, 2021
Earnings Per Share [Abstract]	
Net Income (Loss) Per Share	

Note 14 - Net Income (Loss) Per Share

The financial statements reflect the common shares as if they were outstanding for the entire period presented, and are as of the date of Separ
computation of basic and diluted EPS is as follows for the years ended December 31, 2021, 2020 and 2019 (in thousands, except share and per sh

		Year Ended Decemb		
		2021		2020
Net (loss) income	$	(47,464)	$	(1,8
(Income) loss attributable to non-controlling interests		(17)		
Net (loss) income available to common stockholders used in basic and diluted net income per share		(47,481)		(1,8
Weighted average number of Common Stock outstanding - basic		56,625,650		56,625,(
Effect of dilutive securities [(1)]		—		
Weighted average number of common shares - diluted		56,625,650		56,625,(
Basic and diluted net (loss) income per share attributable to common stockholders	$	(0.84)	$	(0

(1) As of December 31, 2021, 2020 and 2019, there were no adjustments to the weighted average common shares outstanding used in the diluted calculation given there were no po

The following were excluded from diluted net (loss) income per share attributable to common stockholders, as the effect would have been an

	Year Ended Decemb	
	2021	2020
Weighted average unvested Time-Based Restricted Stock Units [(1)]	—	
Weighted average stock warrants	1,120,000	

(1) Net of assumed repurchases in accordance with the treasury stock method.

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Orion Office REIT, Subsequent Events	12 Months Ended Dec. 31, 2021
Subsequent Events [Abstract]	
Subsequent Events	

Note 15 – Subsequent Events

Debt

On February 10, 2022, certain indirect subsidiaries of the Company (the "Mortgage Borrowers") entered into a credit agreement with Wells Fargo Bank, National Association (the "Lender"), to obtain a $355.0 million fixed rate mortgage loan (the "CMBS Loan"), which is secured by the Mortgage Borrower's fee simple or ground lease interest in 19 properties owned directly by the Company (collectively, the "Mortgaged Properties"). The CMBS Loan bears interest at a fixed rate of 4.971% per annum and matures on February 11, 2027.

The CMBS Loan requires monthly payments of interest only, and all principal is due at maturity. The proceeds of the CMBS Loan were used to repay the Bridge Facility. Upon closing of the CMBS Loan, the Mortgage Borrowers funded $35.5 million of loan reserves primarily for future rent concessions and tenant improvement allowances under the leases with respect to the 19 Mortgaged Properties. These amounts, as well as the transaction expenses incurred in connection with the CMBS Loan, were funded with cash on hand and borrowings under the Company's Revolving Facility.

The CMBS Loan is secured by, among other things, first priority mortgages and deeds of trust granted by the Mortgage Borrowers and encumbering the Mortgaged Properties.

The CMBS Loan is generally not freely prepayable by the Mortgage Borrowers without payment of certain prepayment premiums and costs. The CMBS Loan may be prepaid in whole, but not in part, except as provided in the CMBS Loan agreement, at any time following the Prepayment Lockout Release Date (as defined in the CMBS Loan agreement) (generally two years after the Loan has been fully securitized), subject to the payment of a yield maintenance premium and the satisfaction of other terms and conditions set forth in the CMBS Loan agreement. Further, releases of individual properties are permitted in connection with an arms length third party sale upon repayment of the Release Price (as defined in the CMBS Loan agreement)

for the applicable individual property and subject to payment of the applicable yield maintenance premium and the satisfaction of other terms and conditions set forth in the CMBS Loan agreement.

The CMBS Loan agreement also contains customary cash management provisions, including certain trigger events (such as failure of the Mortgage Borrowers to satisfy a minimum debt yield) which allow the Lender to retain any excess cash flow as additional collateral for the Loan, until such trigger event is cured.

In connection with the CMBS Loan agreement, the Company (as the guarantor) delivered a customary non-recourse carveout guaranty to the Lender (the "Guaranty"), under which the Company guaranteed the obligations and liabilities of the Mortgage Borrowers to the Lender with respect to certain non-recourse carveout events and the circumstances under which the CMBS Loan will be fully recourse to the Mortgage Borrowers, and which includes requirements for the Company to maintain a net worth of no less than $355 million and liquid assets of no less than $10 million, in each case, exclusive of the values of the collateral for the CMBS Loan.

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The Mortgage Borrowers and the Company also provided a customary environmental indemnity agreement, pursuant to which the Mortgage Borrowers and the Company agreed to protect, defend, indemnify, release and hold harmless the Lender from and against certain environmental liabilities relating to the Mortgaged Properties.

The loan documents evidencing the CMBS Loan include customary representations, warranties and covenants of the Mortgage Borrowers and the Company. The loan documents also include customary events of default, the occurrence of which, following any applicable grace period, would permit the Lender to, among other things, declare the principal, accrued interest and other obligations of the Mortgage Borrowers under the loan documents to be immediately due and payable and foreclose on the Mortgaged Properties.

Distributions

On March 22, 2022, the Company's Board of Directors declared a quarterly dividend of $0.10 per share for the first quarter of 2022, payable on April 15, 2022, to stockholders of record as of March 31, 2022.

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Schedule III - Real Estate and Accumulated Depreciation

12 Months Ended

Dec. 31, 2021

SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate and Accumulated Depreciation Disclosure [Abstract]

Schedule III - Real Estate and Accumulated Depreciation

Schedule III – Real Estate and Accumulated Depreciation

Property	Encumbrances at December 31, 2021	Initial Costs [1] Land	Initial Costs [1] Buildings, Fixtures and Improvements	Adjustments Subsequent to Acquisition [2]	Gross Amount Carried at December 31, 2021 [3] [4]	Accumulated Depreciation [3]
Vacant - El Centro, CA	$ —	$ 520	$ 2,186	$ —	$ 2,706	$ (1,06
Software & Services - Dublin, OH	—	2,400	17,044	—	19,444	(7,3
Food, Beverage & Tobacco - St. Charles, MO	—	3,675	13,828	—	17,503	(5,88
Telecommunication Services - Augusta, GA	—	—	11,128	—	11,128	(4,7
Telecommunication Services - Brownsville, TX	—	1,740	11,570	—	13,311	(4,92
Telecommunication Services - Salem, OR	—	1,722	10,074	—	11,796	(4,0
Insurance - Cedar Falls, IA	—	634	6,331	—	6,965	(2,3
Financial Institutions - Harleysville, PA	—	1,486	16,591	(13,185)	4,892	—
Financial Institutions - Mount Pleasant, SC	—	10,803	25,511	—	36,314	(6,5
Government & Public Services - Brownsville, TX	—	321	6,803	28	7,152	(1,76
Government & Public Services - Caldwell, ID	—	666	2,929	(867)	2,728	—
Government & Public Services - Dallas, TX	—	399	9,748	(4)	10,143	(2,5
Government & Public Services - Eagle Pass, TX	—	146	2,086	(67)	2,165	(5
Government & Public Services - Eagle Pass, TX	—	68	812	(52)	827	(2
Government & Public Services - Knoxville, TN	—	761	9,042	130	9,932	(2,3
Government & Public Services - Malone, NY	—	824	9,486	—	10,309	(2,5
Government & Public Services - Minneapolis, MN	—	1,046	8,588	—	9,634	(2,1
Government & Public Services - New Port Richey, FL	—	780	10,111	(175)	10,716	(2,5
Government & Public Services - Paris, TX	—	274	5,391	(2)	5,664	(1,38
Government & Public Services - Parkersburg, WV	—	494	12,901	1	13,397	(3,2
Government & Public Services - Redding, CA	—	676	20,553	(173)	21,056	(5,2
Government & Public Services - Sioux City, IA	—	77	4,761	(5)	4,833	(1,2
Health Care Equipment & Services - Bedford, TX	—	1,608	56,219	—	57,827	(14,38
Transportation - Uniontown, OH	—	2,238	53,114	—	55,352	(13,58
Health Care Equipment & Services - St. Louis, MO	—	—	38,799	(36)	38,763	(9,90
Vacant - Sierra Vista, AZ	—	369	9,338	(5,892)	3,815	—
Vacant - Tucson, AZ	—	3,800	6,554	(42)	10,312	(28
Transportation - Memphis, TN	—	3,570	16,601	—	20,171	(4,30
Transportation - Columbus, OH	—	—	19,637	—	19,637	(4,7
Food & Staples Retailing - Deerfield, IL	—	4,093	11,512	(7,752)	7,852	—
Food & Staples Retailing - Deerfield, IL	—	4,262	11,988	(8,073)	8,177	—
Food & Staples Retailing - Deerfield, IL	—	4,082	11,483	(7,733)	7,833	—
Food & Staples Retailing - Deerfield, IL	—	4,089	11,503	(7,746)	7,846	—
Food & Staples Retailing - Deerfield, IL	—	2,586	7,274	(4,899)	4,962	—
Food & Staples Retailing - Deerfield, IL	—	3,181	8,947	(6,025)	6,103	—
Capital Goods - Cedar Rapids, IA	—	1,000	12,981	—	13,981	(3,0

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Property	Encumbrances at December 31, 2021	Initial Costs [1]		Adjustments Subsequent to Acquisition [2]	Gross Amount Carried at December 31, 2021 [3] [4]	Accumulated Depreciation [3]
		Land	Buildings, Fixtures and Improvements			
Consumer Durables & Apparel - Providence, RI	$ —	$ 2,550	$ 21,779	$ —	$ 24,329	$ (4,9
Vacant - Buffalo Grove, IL	—	3,130	17,353	(15,483)	5,000	-
Materials - East Windsor, NJ	—	240	13,446	(6)	13,680	(2,9
Media & Entertainment - East Syracuse, NY	—	880	15,817	—	16,697	(3,4
Commercial & Professional Services - Schaumburg, IL	—	3,313	6,532	—	9,845	(3
Capital Goods - Blair, NE	—	558	1,210	—	1,768	
Consumer Durables & Apparel - Englewood, CO	—	3,354	14,714	—	18,068	(7
Financial Institutions - Hopewell, NJ	—	19,325	57,846	—	77,171	(28
Financial Institutions - Warwick, RI	—	1,358	3,983	—	5,340	(2
Government & Public Services - Cocoa, FL	—	450	949	—	1,399	
Government & Public Services - Fort Worth, TX	—	572	3,985	—	4,557	(2
Government & Public Services - Grangeville, ID	—	1,385	3,436	—	4,821	(2
Government & Public Services - Plattsburgh, NY	—	1,136	2,487	—	3,622	(1
Government & Public Services - Ponce, PR	—	457	2,832	—	3,288	(1
Health Care Equipment & Services - Indianapolis, IN	—	1,430	4,386	—	5,816	(2
Health Care Equipment & Services - Irving, TX	—	9,267	19,852	—	29,120	(9
Health Care Equipment & Services - Waukegan, IL	—	636	4,136	—	4,772	(2
Telecommunication Services - Nashville, TN	—	2,588	9,587	86	12,261	(4
Telecommunication Services - Richardson, TX	—	1,187	21,037	—	22,224	(10
Insurance - Buffalo, NY	—	4,710	36,740	—	41,450	(17
Health Care Equipment & Services - Fresno, CA	—	4,454	17,292	—	21,746	(8
Insurance - Oklahoma City, OK	—	3,393	22,998	—	26,391	(11
Health Care Equipment & Services - Phoenix, AZ	—	4,786	21,346	—	26,132	(11
Health Care Equipment & Services - Plano, TX	—	9,834	35,893	—	45,727	(17
Insurance - Urbana, MD	—	4,028	19,888	—	23,916	(10
Software & Services - Amherst, NY	—	3,561	3,186	—	6,747	(2
Retailing - Santee, CA	—	—	9,859	—	9,859	(5
Capital Goods - Annandale, NJ	—	847	3,657	—	4,503	(2
Capital Goods - Duluth, GA	—	3,684	14,786	—	18,470	(7
Materials - Glen Burnie, MD	—	3,095	11,465	—	14,561	(5
Energy - Longmont, CO	—	2,106	12,543	—	14,649	(6
Pharmaceuticals, Biotechnology & Life Sciences - Malvern, PA	—	3,853	25,296	—	29,149	(12
Capital Goods - Malvern, PA	—	2,607	10,844	—	13,451	(5
Pharmaceuticals, Biotechnology & Life Sciences - Parsippany, NJ	—	9,537	9,174	—	18,711	(5
Health Care Equipment & Services - San Antonio, TX	—	2,125	15,424	—	17,550	(7

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Property	Encumbrances at December 31, 2021	Initial Costs [1] Land	Initial Costs [1] Buildings, Fixtures and Improvements	Adjustments Subsequent to Acquisition [2]	Gross Amount Carried at December 31, 2021 [3] [4]	Accumulated Depreciation [3]
Software & Services - Bedford, MA	—	22,381	26,029	4	48,414	(14
Commercial & Professional Services - Dublin, OH	—	1,287	4,688	—	5,975	(2
Commercial & Professional Services - Lawrence, KS	$ —	$ 3,576	$ 2,996	$ —	$ 6,572	$ (1
Commercial & Professional Services - Lawrence, KS	—	3,334	3,450	—	6,783	(2
Software & Services - Lincoln, NE	—	—	6,587	—	6,587	(3
Media & Entertainment - Milwaukee, WI	—	2,727	18,083	—	20,810	(8
Health Care Equipment & Services - Nashville, TN	—	1,165	11,749	—	12,914	(5
Capital Goods - Sterling, VA	—	10,515	25,393	—	35,908	(12
Capital Goods - Tulsa, OK	—	1,904	1,238	—	3,142	
Consumer Services - Tulsa, OK	—	6,865	34,716	—	41,581	(16
Health Care Equipment & Services - Berkeley, MO	—	—	9,163	—	9,163	(5
Retailing - Kennesaw, GA	—	—	11,141	—	11,141	(6
Health Care Equipment & Services - Northbrook, IL	—	3,529	10,909	—	14,439	(5
Retailing - The Woodlands, TX	—	2,550	17,481	—	20,031	(8
General Service Administration - Covington, KY	—	4,087	56,990	3	61,081	(27
Consumer Durables & Apparel - Denver, CO	—	5,707	36,047	602	42,356	(17
Vacant - Englewood, CO	—	2,291	2,989	16	5,296	(1
Vacant - Richardson, TX	—	2,047	12,733	—	14,780	(6
Vacant - Ridley Park, PA	—	—	143	—	143	
Vacant - Schaumburg, IL	—	1,573	787	—	2,360	
Materials - The Woodlands, TX	—	5,776	14,234	225	20,233	(7
	$ —	$ 262,140	$ 1,296,728	$ (77,122)	$ 1,481,745	$ (128,10

(1) Initial costs exclude subsequent impairment charges.

(2) Consists of capital expenditures and real estate development costs, net of condemnations, easements, impairment charges and other adjustments.

(3) Gross intangible lease assets of $370.0 million and the associated accumulated amortization of $71.9 million are not reflected in the table above.

(4) The aggregate cost for Federal income tax purposes of land, buildings, fixtures and improvements as of December 31, 2021 was approximately $2.3 billion.

(5) Depreciation is computed using the straight-line method over the estimated useful lives of up to 35 years for buildings and five to 15 years for building fixtures and impro

The following is a reconciliation of the gross real estate activity for the years ended December 31, 2021, 2020 and 2019 (in thousands):

	Year Ended	
	2021	**20**
Balance, beginning of year	$ 634,019	$
Additions:		
Acquisitions/improvements	927,001	
Deductions/Other		
Sold or disposed of	(657)	
Impairments	(77,636)	
Other	(982)	
Balance, end of year	$ 1,481,745	$

The following is a reconciliation of the accumulated depreciation for the years ended December 31, 2021, 2020 and 2019 (in thousands):

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	Year Ended I	
	2021	20
Balance, beginning of year	$ 136,143	$
Additions:		
Depreciation expense	20,805	
Deductions/Other		
Sold or disposed of	(657)	
Impairments	(27,947)	
Other	(235)	
Balance, end of year	$ 128,109	$

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VEREIT Office Assets, Organization and Summary of Significant Accounting Policies	12 Months Ended
	Dec. 31, 2021
Entity Information [Line Items]	
Organization	**Note 1 – Organization** ***Organization*** Orion Office REIT Inc. (“the Company”, “Orion”, “we” or “us”) was incorporated in the state of Maryland on July 1, 2021 and was capitalized on July 15, 2021. On April 29, 2021, Realty Income Corporation (“Realty Income”) entered into an Agreement and Plan of Merger (as amended, the “Merger Agreement”) with VEREIT, Inc. (“VEREIT”), its operating partnership, VEREIT Operating Partnership, L.P. (“VEREIT OP”), Rams MD Subsidiary I, Inc., a wholly owned subsidiary of Realty Income (“Merger Sub 1”), and Rams Acquisition Sub II, LLC, a wholly owned subsidiary of Realty Income (“Merger Sub 2”). On November 1, 2021, pursuant to the Merger Agreement, Merger Sub 2 merged with and into VEREIT OP, with VEREIT OP continuing as the surviving partnership, and immediately thereafter, VEREIT merged with and into Merger Sub 1, with Merger Sub 1 continuing as the surviving corporation (together, the “Mergers”, and such effective time of the Mergers, the “Merger Effective Time”). Upon the Merger Effective Time, as part of the Mergers, Realty Income acquired certain office real properties and related assets previously owned by subsidiaries of VEREIT (collectively, “VEREIT Office Assets”). Following the Merger Effective Time, in accordance with the Merger Agreement, Realty Income contributed the portion of the combined business comprising certain office real properties and related assets previously owned by subsidiaries of Realty Income (collectively, “Realty Income Office Assets”) and VEREIT Office Assets (the “Separation”) to the Company and its operating partnership, Orion Office REIT LP (“Orion OP”). On November 12, 2021, following the Separation, in accordance with the Merger Agreement and that certain Separation and Distribution Agreement, Realty Income effected a special distribution to its stockholders (including the former holders of VEREIT common stock and certain former VEREIT OP common unitholders prior to the Mergers) of all of the outstanding shares of common stock of the Company (the “Distribution”). Approximately $595.0 million was distributed to Realty Income in accordance with the Separation and Distribution Agreement. In connection with the Separation and the Distribution, the Company entered into certain agreements with Realty Income to govern the ongoing relationships between the Company and Realty Income and to provide mechanisms for an orderly transition to the Company’s status as an independent, publicly traded company, including the Separation and Distribution Agreement and a transition services agreement to provide certain administrative and other services between the parties for a limited time. Following the Distribution, the Company became independent and publicly traded and intends to qualify and elect to be taxed as a REIT, commencing with the Company’s initial taxable year ending December 31, 2021. The Company’s common stock, par value $0.001 per share, trades on the New York Stock Exchange (the “NYSE”) under the symbol “ONL”. At December 31, 2021, the Company owned and operated 92 office properties and related assets previously owned by Realty Income and VEREIT, totaling approximately 10.5 million

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leasable square feet located within 29 states and Puerto Rico. In addition, the Company owns an equity interest in an unconsolidated joint venture with an affiliate of Arch Street Capital Partners, which, as of December 31, 2021 owned a portfolio consisting of six office properties totaling approximately 1.0 million leasable square feet located within six states.

VEREIT Office Assets
Entity Information [Line Items]
Organization

Note 1 – Organization and Summary of Significant Accounting Policies

Organization

On April 29, 2021, Realty Income Corporation ("Realty Income") entered into an Agreement and Plan of Merger (as amended, the "Merger Agreement") with VEREIT, Inc. ("VEREIT"), its operating partnership, VEREIT Operating Partnership, L.P. ("VEREIT OP"), Rams MD Subsidiary I, Inc., a wholly owned subsidiary of Realty Income ("Merger Sub 1"), and Rams Acquisition Sub II, LLC, a wholly owned subsidiary of Realty Income ("Merger Sub 2"). On November 1, 2021, pursuant to the Merger Agreement, Merger Sub 2 merged with and into VEREIT OP, with VEREIT OP continuing as the surviving partnership, and immediately thereafter, VEREIT merged with and into Merger Sub 1, with Merger Sub 1 continuing as the surviving corporation (together, the "Mergers", and such effective time of the Mergers, the "Merger Effective Time"). Upon the Merger Effective Time, as part of the Mergers, Realty Income acquired certain office real properties and related assets previously owned by subsidiaries of VEREIT (collectively, "VEREIT Office Assets"). Following the Merger Effective Time, in accordance with the Merger Agreement, Realty Income contributed the portion of the combined business comprising certain office real properties and related assets previously owned by subsidiaries of Realty Income (collectively, "Realty Income Office Assets") and the VEREIT Office Assets (the "Separation") to Orion Office REIT Inc. (the "Company") and its operating partnership, Orion Office REIT LP ("Orion OP"). On November 12, 2021, following the Separation, in accordance with the Merger Agreement and that certain Separation and Distribution Agreement, Realty Income effected a special distribution to its stockholders (including the former holders of VEREIT common stock and certain former VEREIT OP common unitholders prior to the Mergers) of all of the outstanding shares of common stock of the Company (the "Distribution"). Following the Distribution, Orion operates as a separate, publicly-traded company and intends to qualify and elect to be taxed as a REIT, commencing with the Company's initial taxable year ended December 31, 2021. VEREIT Office Assets includes the combined accounts related to certain of the office properties of VEREIT, historically operated through subsidiaries of VEREIT, and contains certain corporate costs.

As of October 31, 2021, VEREIT Office Assets had one reportable segment which owned 52 properties, including one property owned by a consolidated joint venture, totaling approximately 7.6 million leasable square feet located in 25 states in the United States and Puerto Rico, and an investment in one unconsolidated joint venture that owns five office properties totaling approximately 0.8 million leasable square feet located within five states. As of October 31, 2021, VEREIT Office Assets had not conducted any business as a separate legal entity and had no other material assets or liabilities.

Summary of Significant Accounting Policies

Principles of Combination and Basis of Accounting and Presentation

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The accompanying combined and consolidated financial statements were prepared in accordance with generally accepted accounting principles in the United States ("GAAP") and include the accounts of VEREIT Office Assets on a combined and consolidated basis as the ownership interests were under common control and ownership of VEREIT, including a consolidated joint venture. Any applicable intercompany accounts and transactions have been eliminated in consolidation and combination. The portion of the consolidated joint venture not previously owned by VEREIT, is presented as non-controlling interest in VEREIT Office Assets' combined and consolidated balances sheets and statements of operations. The results of operations for the ten months ended October 31, 2021 are not necessarily indicative of the results for the entire year.

For legal entities being evaluated for consolidation, VEREIT Office Assets must first determine whether the interests that it holds and fees it receives qualify as variable interests in the entity. A variable interest is an investment or other interest that will absorb portions of an entity's expected losses or receive portions of the entity's expected residual returns. VEREIT Office Assets' evaluation includes consideration of fees paid to VEREIT Office Assets where VEREIT's management, on behalf of VEREIT Office Assets, acts as a decision maker or service provider to the entity being evaluated. If VEREIT Office Assets determines that it holds a variable interest in an entity, it evaluates whether that entity is a variable interest entity ("VIE"). VIEs are entities where investors lack sufficient equity at risk for the entity to finance its activities without additional subordinated financial support or where equity investors, as a group, lack one of the following characteristics: (a) the power to direct the activities that most significantly impact the entity's economic performance, (b) the obligation to absorb the expected losses of the entity, or (c) the right to receive the expected returns of the entity. VEREIT Office Assets consolidates entities that are not VIEs if it has a majority voting interest or other rights that result in effectively controlling the entity.

VEREIT Office Assets then qualitatively assesses whether it is (or is not) the primary beneficiary of a VIE, which is generally defined as the party who has a controlling financial interest in the VIE. Consideration of various factors include, but are not limited to, VEREIT Office Assets' ability to direct the activities that most significantly impact the entity's economic performance and its obligation to absorb losses from or right to receive benefits of the VIE that could potentially be significant to the VIE. VEREIT Office Assets consolidates any VIEs when the Company is determined to be the primary beneficiary of the VIE and the difference between consolidating the VIE and accounting for it using the equity method could be material to VEREIT Office Assets' combined and consolidated financial statements. VEREIT Office Assets continually evaluates the need to consolidate these VIEs based on standards set forth in GAAP.

These combined and consolidated financial statements were derived from the books and records of VEREIT and were carved out from VEREIT at a carrying value reflective of historical cost in such VEREIT records. VEREIT Office Assets' historical balance sheets reflect amounts for goodwill based on its proportion of the cost basis of the real estate assets as of December 31, 2018. VEREIT Office Assets' historical financial results reflect charges for certain corporate costs and, we believe such charges are reasonable. Costs of the services that were charged to VEREIT Office Assets were based on either actual costs incurred or a proportion of costs estimated to be applicable to this entity, based on VEREIT Office Assets' pro rata share of VEREIT's annualized rental income. Annualized rental income is rental revenue on a straight-line basis, which includes the effect of rent escalations and any tenant concessions, such as free rent, and excludes any adjustments to rental income due to changes in the collectability assessment, contingent rent,

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such as percentage rent, and operating expense reimbursements. The historical combined and consolidated financial information presented may therefore not be indicative of the results of operations, financial position or cash flows that would have been obtained if there had been an independent, stand-alone public company during the periods presented or of Orion's future performance as an independent, stand-alone company.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Real Estate Investments

Real estate and related assets acquired are recorded at cost and accumulated depreciation and amortization are assessed based on the period of future benefit of the asset. Depreciation and amortization are computed using a straight-line method over the estimated useful life of 40 years for buildings and building improvements, 15 years for land improvements and the remaining lease term for tenant improvements and intangible lease assets.

VEREIT management performed quarterly impairment review procedures, primarily through continuous monitoring of events and changes in circumstances that could indicate the carrying value of its real estate assets may not be recoverable. Impairment indicators that VEREIT management considered included, but were not limited to, decrease in operating income, bankruptcy or other credit concerns of a property's major tenant or tenants or a significant decrease in a property's revenues due to lease terminations, vacancies or reduced lease rates.

When impairment indicators are identified or if a property is considered to have a more likely than not probability of being disposed of within the next 12 to 24 months, VEREIT management assessed the recoverability of the assets by determining whether the carrying value of the assets will be recovered through the undiscounted future cash flows expected from the use of the assets and their eventual disposition. GAAP required VEREIT Office Assets to utilize the expected holding period of its properties when assessing recoverability. In the event that such expected undiscounted future cash flows did not exceed the carrying value, the real estate assets have been adjusted to their respective fair values and an impairment loss has been recognized. There are inherent uncertainties in making estimates of expected future cash flows such as market conditions and performance and sustainability of the tenants.

Investment in Unconsolidated Joint Venture

As of October 31, 2021 and December 31, 2020, VEREIT Office Assets owned a 20% ownership interest in an unconsolidated joint venture, the Arch Street Joint Venture, that owned five and four properties, respectively, with total real estate investments, at cost, of $196.2 million and $169.3 million, respectively, and total debt outstanding of $118.4 million and $102.6 million, respectively, which was non-recourse to VEREIT Office Assets.

VEREIT Office Assets accounted for its investment in the unconsolidated joint venture using the equity method of accounting as VEREIT Office Assets had the ability to exercise significant influence, but not control, over operating and financing policies of the joint venture. The equity method of accounting requires the investment to be initially recorded at cost and

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subsequently adjusted for VEREIT Office Assets' share of equity in the joint venture's earnings and distributions. VEREIT Office Assets recorded its proportionate share of net income (loss) from the unconsolidated joint venture in equity in income of unconsolidated joint venture in the combined and consolidated statements of operations.

VEREIT Office Assets was required to determine whether an event or change in circumstances had occurred that may have had a significant adverse effect on the fair value of its investment in the unconsolidated joint venture. If an event or change in circumstance had occurred, VEREIT Office Assets' management was required to evaluate its investment in the unconsolidated joint venture for potential impairment and determine if the carrying value of its investment exceeded its fair value. An impairment charge is recorded when an impairment is deemed to be other-than-temporary. To determine whether an impairment is other-than-temporary, VEREIT Office Assets' management considered whether it had the ability and intent to hold the investment until the carrying value is fully recovered. The evaluation of an investment in an unconsolidated joint venture for potential impairment required VEREIT Office Assets' management to exercise significant judgment and to make certain assumptions. The use of different judgments and assumptions could result in different conclusions. No impairments were identified during the ten months ended October 31, 2021 and the year ended December 31, 2020.

Goodwill Impairment

VEREIT evaluated goodwill for impairment annually or more frequently when an event occurred or circumstances changed that indicated the carrying value may not be recoverable. To determine whether it was necessary to perform a quantitative goodwill impairment test, VEREIT first assessed qualitative factors, including, but not limited to macro-economic conditions such as deterioration in the entity's operating environment or industry or market considerations; entity-specific events such as increasing costs, declining financial performance, or loss of key personnel; or other events such as an expectation that a reporting unit will be sold or sustained decrease in VEREIT's stock price on either an absolute basis or relative to peers. If an entity believes, as a result of its qualitative assessment, that it is more-likely-than-not (i.e. greater than 50% chance) that the fair value of a reporting unit is less than its carrying amount, the quantitative impairment test is required. Otherwise, no quantitative testing is required. If it is determined, as a result of the qualitative assessment, that it is more-likely-than-not that the fair value is less than the carrying amount, the provisions of guidance require that the fair value be compared to the carrying value. Goodwill is considered impaired if the carrying value exceeds the fair value. No impairments of VEREIT's goodwill were recorded during the ten months ended October 31, 2021 and the years ended December 31, 2020 and 2019. The results of the VEREIT impairment tests carry over to VEREIT Office Assets, therefore no impairments were recorded in the accompanying combined and consolidated statements of operations.

Cash and Cash Equivalents

VEREIT Office Assets considers all highly liquid instruments with maturities when purchased of three months or less to be cash equivalents. VEREIT Office Assets considers investments in highly liquid money market accounts to be cash equivalents.

Restricted Cash

As of October 31, 2021 and December 31, 2020, restricted cash included $8,000 and $3.0 million, respectively, in lender reserves. Reserves relate to lease expirations, as well as maintenance, structural and debt service reserves.

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Rent and Tenant Receivables and Other Assets, Net

Rent and tenant receivables and other assets, net primarily includes amounts to be collected in future periods related to the recognition of rental income on a straight-line basis over the lease term and cost recoveries due from tenants. Prepaid expenses as of the balance sheet date relate to future periods and will be expensed or reclassified to another account during the period to which the costs relate. Any amounts with no future economic benefit are charged to earnings when identified.

Deferred Financing Costs

Deferred financing costs represent commitment fees, legal fees and other costs associated with obtaining commitments for financing. Deferred financing costs are presented on the combined and consolidated balance sheet as a direct deduction from the carrying amount of the related debt liability. These costs are amortized to interest expense over the terms of the respective financing agreements using the straight-line method, which approximates the effective interest method. Unamortized deferred financing costs are written off when the associated debt is refinanced or repaid before maturity. Costs incurred in connection with potential financial transactions that are not completed are expensed in the period in which it is determined the financing will not be completed.

Leases - Lessor

At the inception of a new lease arrangement, including new leases that arise from amendments, the terms and conditions are assessed to determine the proper lease classification. When the terms of a lease effectively transfer control of the underlying asset, the lease is classified as a sales-type lease. When a lease does not effectively transfer control of the underlying asset to the lessee, but a guarantee is obtained for the value of the asset from a third party, the lease is classified as a direct financing lease. All other leases are classified as operating leases. As of October 31, 2021 and December 31, 2020, no leases were classified as sales-type or direct financing leases.

For operating leases with minimum scheduled rent increases, rental revenue is recognized on a straight-line basis, including the effect of any free rent periods, over the lease term when collectability of lease payments is probable. Variable lease payments are recognized as rental revenue in the period when the changes in facts and circumstances on which the variable lease payments are based occur.

VEREIT Office Assets adopted Accounting Standards Codification Topic 842, Leases effective as of January 1, 2019. Two separate lease components were identified as follows: (i) land lease component and (ii) single property lease component comprised of building, land improvements and tenant improvements. The leases also contain provisions for tenants to reimburse VEREIT Office Assets for real estate taxes and insurance, which are considered noncomponents of the lease, and maintenance and other property operating expenses, which are considered to be non-lease components. VEREIT Office Assets elected the practical expedient to combine lease and non-lease components and the non-lease components will be included with the single property lease component as the predominant component.

VEREIT Office Assets continually reviews receivables related to rent, straight-line rent and property operating expense reimbursements and determines collectability by taking into consideration the tenant’s payment history, the financial condition of the tenant, business conditions in the industry in which the tenant operates and economic conditions in the area

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in which the property is located. The review includes a binary assessment of whether or not substantially all of the amounts due under a tenant's lease agreement are probable of collection. For leases that are deemed probable of collection, revenue continues to be recorded on a straight-line basis over the lease term. For leases that are deemed not probable of collection, revenue is recorded as cash is received. All changes in the collectability assessment for an operating lease are recognized as an adjustment to rental income.

During the year ended December 31, 2020, there was a global outbreak of a new strain of coronavirus, COVID-19. The global and domestic response to the COVID-19 outbreak continues to evolve. Federal, state, and local authorities have responded in a variety of ways, including temporary closure of or imposed limitations on the operations of certain non-essential businesses. Since the COVID-19 outbreak began, each of VEREIT Office Assets' tenants has almost entirely continued to meet its payment obligations under its respective lease. In consideration of each tenant's payment history, among other factors, there have been no changes in the collectability assessment for any of VEREIT Office Assets' operating leases. Though the COVID-19 outbreak did not have a material impact on VEREIT Office Assets' results of operations, cash flows or financial condition for the ten months ended October 31, 2021 and year ended December 31, 2020, it could negatively impact tenant operations at VEREIT Office Assets' properties in the future, which could result in a material impact to VEREIT Office Assets' future results of operations, cash flows and financial condition.

Leases - Lessee

To account for leases for which VEREIT Office Assets is the lessee, contracts must be analyzed upon inception to determine if the arrangement is, or contains, a lease. A lease conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease classification tests and measurement procedures are performed at the lease commencement date.

The lease liability is initially measured as the present value of the lease payments over the lease term, discounted using the interest rate implicit in the lease, if that rate is readily determinable; otherwise, the lessee's incremental borrowing rate is used. The incremental borrowing rate is determined based on the estimated rate of interest that the lessee would pay to borrow on a collateralized basis over a similar term at an amount equal to the lease payments in a similar economic environment. The lease term is the noncancelable period of the lease and includes any renewal and termination options VEREIT Office Assets is reasonably certain to exercise. The lease liability balance is amortized using the effective interest method. The lease liability is remeasured when the contract is modified, upon the resolution of a contingency such that variable payments become fixed or if the assessment of exercising an extension, termination or purchase option changes.

The operating lease right-of-use ("ROU") asset balance is initially measured as the lease liability amount, adjusted for any lease payments made prior to the commencement date, initial direct costs, estimated costs to dismantle, remove, or restore the underlying asset and incentives received.

Income Taxes

As of October 31, 2021, VEREIT Office Assets was owned by VEREIT, which had elected to be taxed as a REIT for U.S. federal income tax purposes under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended, commencing with the taxable year ended December

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31, 2011. VEREIT believed it was organized and operating in such a manner as to qualify to be taxed as a REIT for the taxable year ending December 31, 2021. As a REIT, VEREIT was generally not subject to federal income tax on taxable income that it distributed to its stockholders so long as it distributed annually at least 90% of its REIT taxable income (computed without regard to the deduction for dividends paid and excluding net capital gains). Accordingly, no provision has been made for federal income taxes in the accompanying combined and consolidated financial statements of VEREIT Office Assets.

During each of the ten months ended October 31, 2021 and years ended December 31, 2020 and 2019, VEREIT Office Assets recognized state and local income and franchise tax expense of approximately $0.5 million and $0.6 million, respectively. Amounts are included in provision for income taxes in the accompanying combined and consolidated statements of operations.

VEREIT Office Assets had no unrecognized tax benefits as of or during the ten months ended October 31, 2021 and years ended December 31, 2020 and 2019. Any interest and penalties related to unrecognized tax benefits would be recognized in provision for income taxes in the accompanying combined and consolidated statements of operations. As of October 31, 2021, VEREIT Office Assets had no material uncertain income tax positions.

Recent Accounting Pronouncements

In July 2021, the FASB issued ASU 2021-05 establishing Topic 842, Lessors - Certain Leases with Variable Lease Payments. ASU 2021-05 further clarifies ASC 842 classification guidance as it relates to a lessor’s accounting for certain leases with variable lease payments. This guidance requires a lessor to classify a lease with variable payments that do not depend on an index or rate as an operating lease if either a sales-type lease or direct financing lease classification would trigger a day-one loss. This guidance is effective for reporting periods beginning after December 15, 2021, with early adoption permitted. We are currently evaluating the impact of the adoption of ASU 2021-05 on our consolidated and combined statements.

In March 2020, the FASB issued ASU 2020-04 establishing Topic 848, Reference Rate Reform. ASU 2020-04 contains practical expedients for reference rate reform related activities that impact debt, leases, derivatives and other contracts. The guidance is optional and is effective between March 12, 2020 and December 31, 2022. The guidance may be elected over time as reference rate reform activities occur. We are currently evaluating the impact that the expected market transition from the London Interbank Offered Rate, commonly referred to as LIBOR, to alternative references rates will have on our financial statements as well as the applicability of the aforementioned expedients and exceptions provided in ASU 2020-04.

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VEREIT Office Assets, Real Estate Investments and Related Intangibles	12 Months Ended
	Dec. 31, 2021
Entity Information [Line Items]	
Real Estate Investments and Related Intangibles	

Note 3 – Real Estate Investments and Related Intangibles

Property Acquisitions

During the years ended December 31, 2021, 2020 and 2019, the Company had no acquisitions.

Intangible Lease Assets

Intangible lease assets consisted of the following (amounts in thousands, except weighted-average useful life):

	Weighted-Average Useful Life (Years)	December 31,
Intangible lease assets:		
In-place leases, net of accumulated amortization of $65,247 and $71,633, respectively	4.8	$ 272
Leasing commissions, net of accumulated amortization of $456	13.4	10
Above-market lease assets, net of accumulated amortization of $6,239 and $7,166, respectively	5.0	15
Total intangible lease assets, net		$ 298
Intangible lease liabilities:		
Below-market leases, net of accumulated amortization of $14,459 and $13,482, respectively	7.5	$ 20

The aggregate amount of amortization of above-market and below-market leases included as a net increase to rental revenue was $1.0 mil million for the years ended December 31, 2021, 2020 and 2019, respectively. The aggregate amount of in-place leases, leasing commissions amortized and included in depreciation and amortization expense was $23.1 million for the year ended December 31, 2021, and $7.9 million an ended December 31, 2020 and 2019, respectively.

The following table provides the projected amortization expense and adjustments to rental revenue related to the intangible lease assets and years as of December 31, 2021 (amounts in thousands):

	2022	2023	2024	2
In-place leases:				
Total projected to be included in amortization expense	$ 94,659	$ 73,859	$ 49,213	$
Leasing commissions:				
Total projected to be included in amortization expense	$ 850	$ 850	$ 841	$
Above-market lease assets and deferred lease incentives:				
Total projected to be deducted from rental revenue	$ 5,171	$ 4,791	$ 2,998	$
Below-market lease liabilities:				
Total projected to be added to rental revenue	$ 6,443	$ 6,091	$ 3,786	$

Consolidated Joint Venture

The Company had an interest in one consolidated joint venture that owned one property as of December 31, 2021. As of December 31, 2 venture had total assets of $27.4 million, of which $26.1 million were real estate investments, net of accumulated depreciation and amortizatio is the managing member of the joint venture. However, in accordance with the joint venture agreement, the Company has the ability to control policies of the consolidated joint venture and the joint venture partner must obtain the Company's approval for any major transactions. The Co partner are subject to the provisions of the joint venture agreement, which includes provisions for when additional contributions may be required to

Investment in Unconsolidated Entity

The following is a summary of the Company's investment in one unconsolidated entity, Arch Street Joint Venture, as of December 31, 2 December 31, 2021 (dollar amounts in thousands):

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Investment	Ownership % [1]	Number of Properties	Carrying Amount of Investment
	December 31, 2021		December 31, 2021
Arch Street Joint Venture [3] [4]	20%	6	$ 18,631

(1) The Company's ownership interest reflects its legal ownership interest. Legal ownership may, at times, not equal the Company's economic interest in the listed properties becau joint venture agreements regarding capital contributions, distributions of cash flow based on capital account balances and allocations of profits and losses. As a result, the Comp distinct from its legal ownership interest) in certain of the properties could fluctuate from time to time and may not wholly align with its legal ownership interests.

(2) The interest in the Arch Street Joint Venture was acquired by Realty Income as part of the Mergers, and was transferred to the Company upon the consummation of the Distri equity in income reflects operations following the Merger Effective Time.

(3) During year ended December 31, 2021, the Arch Street Joint Venture acquired one property from a third party for a purchase price of $30.5 million.

(4) The total carrying amount of the Company's investment in the unconsolidated joint venture was greater than the underlying equity in net assets by $2.1 million as of Decembe to a step up in the fair value of the investment in the unconsolidated joint venture in connection with the Mergers. The step up in fair value was allocated to the Company's inve venture and is amortized in accordance with the Company's depreciation policy.

VEREIT Office Assets
Entity Information [Line Items]
Real Estate Investments and Related Intangibles

Note 2 – Real Estate Investments and Related Intangibles

Property Dispositions

During the year ended December 31, 2020, VEREIT Office Assets disposed of three properties, selling them to the unconsolidated joint ventu price of $135.5 million. The dispositions resulted in proceeds of $116.4 million after closing costs and VEREIT Office Assets recorded a net gai the dispositions, which is included in gain on disposition of real estate assets, net in the accompanying combined and consolidated statements of c

Intangible Lease Assets

Intangible lease assets consisted of the following (amounts in thousands, except weighted-average useful life):

	Weighted-Average Useful Life (Years)	October 31
Intangible lease assets:		
In-place leases, net of accumulated amortization of $119,604 and $118,093, respectively	10.1	$ 2
Leasing commissions, net of accumulated amortization of $5,679 and $4,211, respectively	9.1	
Above-market lease assets and deferred lease incentives, net of accumulated amortization of $14,793 and $12,974, respectively	9.8	
Total intangible lease assets, net		$ 4
Intangible lease liabilities:		
Below-market leases, net of accumulated amortization of $18,504 and $17,553, respectively	10.3	$

The aggregate amount of amortization of above-market and below-market leases and deferred lease incentives included as a net decrease to ren the ten months ended October 31, 2021 and $67,000 for the year ended December 31, 2020. The aggregate amount included as a net increase to r for the year ended December 31, 2019. The aggregate amount of in-place leases, leasing commissions and other lease intangibles amortized and i amortization expense was $13.0 million for the ten months ended October 31, 2021, and $17.8 million and $19.2 million for the years ended De respectively.

The following table provides the projected amortization expense and adjustments to rental revenue related to the intangible lease assets and years as of October 31, 2021 (amounts in thousands):

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	Remainder of 2021	2022	2023
In-place leases:			
Total projected to be included in amortization expense	$ 2,191	$ 10,475	$ 9,142
Leasing commissions:			
Total projected to be included in amortization expense	$ 288	$ 1,692	$ 1,290
Above-market lease assets and deferred lease incentives:			
Total projected to be deducted from rental revenue	$ 373	$ 2,223	$ 2,186
Below-market lease liabilities:			
Total projected to be included in rental revenue	$ 345	$ 2,003	$ 1,878

Consolidated Joint Venture

VEREIT Office Assets had an interest in one consolidated joint venture that owned one property as of October 31, 2021 and December 3
2021 and December 31, 2020, the consolidated joint venture had total assets of $30.7 million and $33.0 million, respectively, of which $27.7
respectively, were real estate investments, net of accumulated depreciation and amortization at each of the respective dates. The property was s
payable, which was non-recourse to VEREIT Office Assets and had a net balance of $14.8 million as of December 31, 2020. During the ten mont
VEREIT, on behalf of VEREIT Office Assets, repaid the balance in full and there were no amounts outstanding as of October 31, 2021. The
managing member of the joint venture. However, in accordance with the joint venture agreement, VEREIT Office Assets had the ability to cont
policies of the consolidated joint venture and the joint venture partner must obtain VEREIT Office Assets' approval for any major transactions.
the joint venture partner were subject to the provisions of the joint venture agreement, which included provisions for when additional contributio
certain cash shortfalls.

Impairments

VEREIT management performed quarterly impairment review procedures for real estate investments, leasehold improvements and propert
of use assets, primarily through continuous monitoring of events and changes in circumstances that could indicate the carrying value of its re
recoverable.

As part of VEREIT management's quarterly impairment review procedures, net real estate assets representing four properties of VEREIT
to be impaired resulting in impairment charges of $28.1 million during the ten months ended October 31, 2021. During the year ended Decemb
assets related to two properties were deemed to be impaired resulting in impairment charges of $9.3 million. During the year ended December 31
related to two properties were deemed to be impaired resulting in impairment charges of $3.5 million. The impairment charges related to properties
identified for potential sale or were determined, based on discussions with the current tenants, would not be re-leased by the tenant and VEREI
property would not be leased to another tenant at a rental rate that supported the book value.

VEREIT estimated fair values using Level 3 inputs and used a combined income and market approach, specifically using discounted cas
comparable sales transactions. The evaluation of real estate assets for potential impairment required VEREIT's management to exercise significant
key assumptions, including, but not limited to, the following: (1) capitalization rate; (2) discount rates; (3) number of years property will be h
expenses; and (5) re-leasing assumptions including number of months to re-lease, market rental revenue and required tenant improvements. Ther
in making these estimates such as market conditions and performance and sustainability of VEREIT Office Assets' tenants. For VEREIT's in
estate assets during the ten months ended October 31, 2021, VEREIT used a weighted-average discount rate of 9.0% and a weighted-average c
For VEREIT's impairment tests for the real estate assets during the year ended December 31, 2020, VEREIT used a weighted-average discount ra
average capitalization rate of 8.4%. For VEREIT's impairment tests for the real estate assets during the year ended December 31, 2019, discount r
were not applicable as VEREIT determined the fair value of the real estate assets of VEREIT Office Assets based on sale scenarios and the pro
within 12 months of the impairment analysis.

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VEREIT Office Assets, Mortgage Notes Payable, Net	12 Months Ended Dec. 31, 2021
Entity Information [Line Items]	
Mortgage Notes Payable, Net	

Note 6 – Debt, Net

As of December 31, 2021, the Company had $616.8 million of debt outstanding, including net deferred financing costs, with a weighted-aver
years and a weighted-average interest rate of 2.77%. The following table summarizes the carrying value of debt as of December 31, 2021 and D
debt activity for the year ended December 31, 2021 (in thousands):

	Balance as of December 31, 2020	Year Ended December 31, 2021		
		Debt Issuances	Repayments, Extinguishment and Assumptions	Accretion and Amortization
Mortgages payable:				
Outstanding balance	$ 36,476	$ —	$ (36,476)	$ –
Premium, net	576	—	(516)	(6
Mortgages payable, net	37,052	—	(36,992)	(6
Bridge facility:				
Outstanding balance	—	355,000	—	–
Deferred costs	—	(888)	—	24
Bridge facility, net	—	354,112	—	24
Credit facility term loan:				
Outstanding balance	—	175,000	—	–
Deferred costs	—	(2,695)	—	18
Credit facility term loan, net	—	172,305	—	18
Credit facility revolver:				
Outstanding balance	—	90,000	—	–
Credit facility revolver, net	—	90,000	—	–
Total debt	$ 37,052	$ 616,417	$ (36,992)	$ 37

Credit Agreement

In connection with the Separation and the Distribution, on November 12, 2021, the Company, as parent, and Orion Office REIT LP ("Orion
into (i) a credit agreement (the "Revolver/Term Loan Credit Agreement") providing for a three-year, $425 million senior revolving credit facility
including a $25 million letter of credit sub-facility, and a two-year, $175.0 million senior term loan facility (the "Term Loan Facility," and together
the "Revolver/Term Loan Facilities") with Wells Fargo Bank, National Association, as administrative agent, and the lenders and issuing banks pa
agreement (the "Bridge Credit Agreement," and together with the Revolver/Term Loan Credit Agreement, the "Credit Agreements") providing fo
senior bridge term loan facility (the "Bridge Facility," and together with the Revolver/Term Loan Facilities, the "Facilities") with Wells Fargo Ban
administrative agent, and the lenders party thereto.

On November 12, 2021, Orion OP borrowed $90.0 million under the Revolving Facility, and each of the Term Loan Facility and the Bridg
Approximately $595.0 million of the net proceeds of the Facilities was distributed to Realty Income in accordance with the Separation and Distrib
retained the remaining net proceeds of such borrowings as working capital that will be used for the general corporate purposes of the Company
subsidiaries. As of December 31, 2021, the Company had approximately $620.0 million of total consolidated debt outstanding and $335.0 milli
Revolving Facility.

The Bridge Facility is subject to one 6-month extension option at the election of Orion OP. The exercise of such extension option requires t
fee and the satisfaction of certain other customary conditions. The Bridge Facility was refinanced with a $355.0 million mortgage loan during Fe
Subsequent Events below).

The interest rate applicable to the loans under the Facilities may, at the election of Orion OP, be determined on the basis of LIBOR or a ba
an applicable margin. Under the Revolver/Term Loan Facilities, the applicable margin is (1) in the case of the Revolving Facility, 2.50% for L
base rate loans and (2) in the case of the Term Loan Facility, 2.50% for LIBOR loans and 1.50% for base rate loans. Under the Bridge Facility
LIBOR loans was initially 2.50% with scheduled increases over time to a maximum of 3.50% and the applicable margin on base rate loans was ini

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increases over time to a maximum of 2.50%, in each case, based on the number of days elapsed after November 12, 2021. Loans under the Rev
may be prepaid, and unused commitments under the Revolver/Term Loan Facilities may be reduced, at any time, in whole or in part, without prer
LIBOR breakage costs).

To the extent that amounts under the Revolving Facility remain unused, Orion OP is required to pay a quarterly commitment fee on the unus
Facility in an amount equal to 0.25% per annum of the unused portion of the Revolving Facility.

The Revolver/Term Loan Facilities are guaranteed pursuant to a Guaranty (the "Revolver/Term Loan Guaranty") and the Bridge Facility w
Guaranty (the "Bridge Guaranty"), in each case, by the Company and, subject to certain exceptions, substantially all of Orion OP's existing and fu
substantially all of its subsidiaries that directly or indirectly own unencumbered real properties), other than certain joint ventures and subsidiar
subject to certain other indebtedness (such subsidiaries of Orion OP, the "Subsidiary Guarantors").

The Revolver/Term Loan Facilities are secured by, among other things, first priority pledges of the equity interests in the Subsidiary Guarant

The Revolver/Term Loan Facilities require that Orion OP comply with various covenants, including, without limitation, covenants res
exceptions, liens, investments, mergers, asset sales and the payment of certain dividends. In addition, the Revolver/Term Loan Facilities require t
financial covenants, including a:

- ratio of total debt to total asset value of not more than 0.60 to 1.00;
- ratio of adjusted EBITDA to fixed charges of not less than 1.50 to 1.00;
- ratio of secured debt to total asset value of not more than 0.45 to 1.00;
- ratio of unsecured debt to unencumbered asset value of not more than 0.60 to 1.00; and
- ratio of net operating income from all unencumbered real properties to unsecured interest expense of not less than 2.00 to 1.00.

As of December 31, 2021, Orion OP was in compliance with these financial covenants.

The Revolver/Term Loan Facilities include customary representations and warranties of the Company and Orion OP, which must be true
respects as a condition to future extensions of credit under the Revolver/Term Loan Facilities. The Revolver/Term Loan Facilities also include c
the occurrence of which, following any applicable grace period, would permit the lenders to, among other things, declare the principal, accrued in
of Orion OP under the Revolver/Term Loan Facilities to be immediately due and payable and foreclose on the collateral securing the Revolver/Te

VEREIT Office Assets
Entity Information [Line Items]
Mortgage Notes Payable, Net

Note 3 – Mortgage Notes Payable, Net

As of October 31, 2021, VEREIT Office Assets had no mortgage notes payable as all amounts were repaid in conjunction with the Separation

As of December 31, 2020, VEREIT Office Assets had mortgage notes payable, net of $217.6 million, including net premiums of less than $0
financing costs of $0.3 million, with a weighted-average interest rate of 4.64%. The weighted-average interest rate for fixed rate loans was compu
effect until the anticipated repayment date and the weighted-average interest rate for the variable rate loan was computed using the interest rate i
2020.

As of December 31, 2020, the mortgage notes were secured by 12 properties with a net carrying value of $368.4 million. As of December 3
value of the mortgage notes payable was $222.5 million and was estimated by discounting the expected cash flows based on estimated borrowi
measurement date. VEREIT Office Assets classified the mortgage notes payable as Level 2 under the fair value hierarchy, which includes using i
can be corroborated with observable market data for substantially the entire contractual term.

The mortgage loan agreements required the maintenance of certain financial ratios. Failure to maintain such ratios could have resulted in res
associated with the establishment of certain lender reserves. At December 31, 2020, there were no cash restrictions due to failure to maintain finan

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VEREIT Office Assets, Commitment and Contingencies	12 Months Ended Dec. 31, 2021
Entity Information [Line Items]	
Commitments and Contingencies	**Note 10 – Commitments and Contingencies** ***Leasing*** As part of its ordinary re-leasing activities, the Company has agreed and anticipates that it will continue to agree to provide rent concessions to tenants and incur leasing costs with respect to its properties, including tenant improvement allowances, landlord agreements to pay for certain improvements, as well as leasing commissions. These rent concession and leasing cost commitments could be significant. For example, during November 2021, in connection with the 11-year extension of an investment grade tenant at the Company's largest property measured by annualized base rent, the Company agreed to $11.1 million of future rent concessions and to fund up to $22.9 million of tenant improvement allowances, the full amount of which was funded as loan reserves as part of the closing of the CMBS Loan in February 2022. ***Litigation*** The Company is party to various legal proceedings which it believes are routine in nature and incidental to the operation of its business. The Company does not believe that any of these outstanding claims against it are expected to have a material adverse effect upon its consolidated and combined position or results of operations. ***Environmental Matters*** In connection with the ownership and operation of real estate, the Company may potentially be liable for costs and damages related to environmental matters. The Company has not been notified by any governmental authority of any non-compliance, liability or other claim, and is not aware of any other environmental condition, in each case, that it believes will have a material adverse effect upon its consolidated and combined position or results of operations.
VEREIT Office Assets	
Entity Information [Line Items]	
Commitments and Contingencies	**Note 4 – Commitments and Contingencies** ***Litigation*** VEREIT Office Assets is party to various legal proceedings which it believes are routine in nature and incidental to the operation of its business. VEREIT Office Assets does not believe that any of these outstanding claims against it are expected to have a material adverse effect upon its consolidated financial position or results of operations. ***Environmental Matters*** In connection with the ownership and operation of real estate, VEREIT Office Assets may potentially be liable for costs and damages related to environmental matters. VEREIT Office

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Assets has not been notified by any governmental authority of any non-compliance, liability or other claim, and is not aware of any other environmental condition, in each case, that it believes will have a material adverse effect upon its results of operations.

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VEREIT Office Assets, Leases	12 Months Ended Dec. 31, 2021
Entity Information [Line Items]	
Leases	

Note 11 – Leases

Lessor

As of December 31, 2021, the Company is the lessor for its 92 office properties. The Company's operating leases have non-cancelable lea years to 16.26 years as of December 31, 2021 and 0.30 years to 13.12 years as of December 31, 2020, respectively. Certain leases with tenants i terminate the lease agreements or to purchase the underlying assets. Lease agreements may also contain rent increases that are based on an index price index or LIBOR).

The following table presents future minimum operating lease payments due to the Company over the next five years and thereafter as thousands).

	Ope
2022	$
2023	
2024	
2025	
2026	
Thereafter	
Total	$

Lessee

The Company is the lessee under operating lease arrangements and corporate office leases, which meet the criteria under U.S. GAAP fo December 31, 2021, the Company's operating leases had remaining lease terms ranging from 0.9 years to 63 years, which includes options to ext arrangements, the Company pays variable costs, including property operating expenses and common area maintenance. The weighted-average di the lease liability for the Company's operating leases was 3.14% as of December 31, 2021. As the Company's leases do not provide an implicit estimated incremental borrowing rate based on the information available at the lease guidance adoption date or the Merger Effective Time, as ap present value of lease payments.

Operating lease costs for the year ended December 31, 2021 were $0.3 million. Operating lease costs for each of the years ended Decemb $0.1 million. No cash paid for operating lease liabilities was capitalized.

The following table reflects the maturity analysis of payments due from the Company over the next five years and thereafter for ground obligations as of December 31, 2021 (in thousands).

2022
2023
2024
2025
2026
Thereafter
Total
Less: imputed interest
Total

The following table reflects the maturity analysis of payments due from the Company over the next five years and thereafter for ground lease 31, 2020 (in thousands).

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2021
2022
2023
2024
2025
Thereafter
Total
Less: imputed interest
Total

Leases

Note 11 – Leases

Lessor

As of December 31, 2021, the Company is the lessor for its 92 office properties. The Company's operating leases have non-cancelable lea years to 16.26 years as of December 31, 2021 and 0.30 years to 13.12 years as of December 31, 2020, respectively. Certain leases with tenants i terminate the lease agreements or to purchase the underlying assets. Lease agreements may also contain rent increases that are based on an index price index or LIBOR).

The following table presents future minimum operating lease payments due to the Company over the next five years and thereafter as thousands).

	Ope
2022	$
2023	
2024	
2025	
2026	
Thereafter	
Total	$

Lessee

The Company is the lessee under operating lease arrangements and corporate office leases, which meet the criteria under U.S. GAAP fo December 31, 2021, the Company's operating leases had remaining lease terms ranging from 0.9 years to 63 years, which includes options to exte arrangements, the Company pays variable costs, including property operating expenses and common area maintenance. The weighted-average di the lease liability for the Company's operating leases was 3.14% as of December 31, 2021. As the Company's leases do not provide an implicit estimated incremental borrowing rate based on the information available at the lease guidance adoption date or the Merger Effective Time, as ap present value of lease payments.

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The following table reflects the maturity analysis of payments due from the Company over the next five years and thereafter for ground obligations as of December 31, 2021 (in thousands).

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2022
2023
2024
2025
2026
Thereafter
Total
Less: imputed interest
Total

The following table reflects the maturity analysis of payments due from the Company over the next five years and thereafter for ground lease
31, 2020 (in thousands).

2021
2022
2023
2024
2025
Thereafter
Total
Less: imputed interest
Total

VEREIT Office Assets

Entity Information [Line Items]

Leases

Note 5 – Leases

Lessor

As of October 31, 2021, VEREIT Office Assets is the lessor for its 52 office properties. VEREIT Office Assets' operating leases have non-car
from 0.17 years to 11.59 years as of October 31, 2021. Certain leases with tenants include options to extend or terminate the lease agreements or
assets. Lease agreements may also contain rent increases that are based on an index or rate (e.g., the consumer price index or LIBOR). VEREIT
residual value risk is not a primary risk because of the long-lived nature of the assets.

The components of rental revenue from VEREIT Office Assets' operating leases were as follows (in thousands):

	Ten Months Ended	Year End
	2021	2020
Fixed:		
Cash rent	$ 109,582	$ 132,4
Straight-line rent	(4,889)	(86
Lease intangible amortization	(29)	(6
Property operating cost reimbursements	3,270	3,7
Total fixed	107,934	135,2
Variable [(1)]	26,806	35,0
Total rental revenue	$ 134,740	$ 170,3

(1) Includes costs reimbursed related to property operating expenses, common area maintenance and percentage rent.

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The following table presents future minimum operating lease payments due to VEREIT Office Assets over the next five years and thereafter
thousands).

	Ope
November 1, 2021 - December 31, 2021	$
2022	
2023	
2024	
2025	
2026	
Thereafter	
Total	$

Lessee

VEREIT Office Assets is the lessee under one ground lease arrangement, which meets the criteria of an operating lease. As of October 31, 20
lease has a remaining lease term of 35.8 years, which includes options to extend. Under the ground lease arrangement, VEREIT Office Assets pa
property operating expenses and common area maintenance. The discount rate for VEREIT Office Assets' operating lease was 5.17% as of Oct
Office Assets' lease does not provide an implicit rate, VEREIT Office Assets used an estimated incremental borrowing rate based on the informati
date in determining the present value of lease payments.

Operating lease costs for the ten months ended October 31, 2021 was $246,000. Operating lease costs for each of the years ended Decemb
$328,000. No cash paid for operating lease liabilities was capitalized.

The following table reflects the maturity analysis of payments due from VEREIT Office Assets over the next five years and thereafter for gr
October 31, 2021 (in thousands).

November 1, 2021 - December 31, 2021
2022
2023
2024
2025
2026
Thereafter
Total
Less: imputed interest
Total

Leases

Note 5 – Leases

Lessor

As of October 31, 2021, VEREIT Office Assets is the lessor for its 52 office properties. VEREIT Office Assets' operating leases have non-can
from 0.17 years to 11.59 years as of October 31, 2021. Certain leases with tenants include options to extend or terminate the lease agreements or
assets. Lease agreements may also contain rent increases that are based on an index or rate (e.g., the consumer price index or LIBOR). VEREIT
residual value risk is not a primary risk because of the long-lived nature of the assets.

The components of rental revenue from VEREIT Office Assets' operating leases were as follows (in thousands):

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	Ten Months Ended		Year End
	2021		2020
Fixed:			
Cash rent	$	109,582	$ 132,40
Straight-line rent		(4,889)	(86
Lease intangible amortization		(29)	(6
Property operating cost reimbursements		3,270	3,79
Total fixed		107,934	135,26
Variable [1]		26,806	35,04
Total rental revenue	$	134,740	$ 170,30

(1) Includes costs reimbursed related to property operating expenses, common area maintenance and percentage rent.

The following table presents future minimum operating lease payments due to VEREIT Office Assets over the next five years and thereafter thousands).

	Ope
November 1, 2021 - December 31, 2021	$
2022	
2023	
2024	
2025	
2026	
Thereafter	
Total	$

Lessee

VEREIT Office Assets is the lessee under one ground lease arrangement, which meets the criteria of an operating lease. As of October 31, 20 lease has a remaining lease term of 35.8 years, which includes options to extend. Under the ground lease arrangement, VEREIT Office Assets pa property operating expenses and common area maintenance. The discount rate for VEREIT Office Assets' operating lease was 5.17% as of Oct Office Assets' lease does not provide an implicit rate, VEREIT Office Assets used an estimated incremental borrowing rate based on the informati date in determining the present value of lease payments.

Operating lease costs for the ten months ended October 31, 2021 was $246,000. Operating lease costs for each of the years ended Decem $328,000. No cash paid for operating lease liabilities was capitalized.

The following table reflects the maturity analysis of payments due from VEREIT Office Assets over the next five years and thereafter for gr October 31, 2021 (in thousands).

November 1, 2021 - December 31, 2021	
2022	
2023	
2024	
2025	
2026	
Thereafter	
Total	
Less: imputed interest	
Total	

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VEREIT Office Assets, Subsequent Events	12 Months Ended Dec. 31, 2021
Entity Information [Line Items]	
Subsequent Events	

Note 15 – Subsequent Events

Debt

On February 10, 2022, certain indirect subsidiaries of the Company (the "Mortgage Borrowers") entered into a credit agreement with Wells Fargo Bank, National Association (the "Lender"), to obtain a $355.0 million fixed rate mortgage loan (the "CMBS Loan"), which is secured by the Mortgage Borrower's fee simple or ground lease interest in 19 properties owned directly by the Company (collectively, the "Mortgaged Properties"). The CMBS Loan bears interest at a fixed rate of 4.971% per annum and matures on February 11, 2027.

The CMBS Loan requires monthly payments of interest only, and all principal is due at maturity. The proceeds of the CMBS Loan were used to repay the Bridge Facility. Upon closing of the CMBS Loan, the Mortgage Borrowers funded $35.5 million of loan reserves primarily for future rent concessions and tenant improvement allowances under the leases with respect to the 19 Mortgaged Properties. These amounts, as well as the transaction expenses incurred in connection with the CMBS Loan, were funded with cash on hand and borrowings under the Company's Revolving Facility.

The CMBS Loan is secured by, among other things, first priority mortgages and deeds of trust granted by the Mortgage Borrowers and encumbering the Mortgaged Properties.

The CMBS Loan is generally not freely prepayable by the Mortgage Borrowers without payment of certain prepayment premiums and costs. The CMBS Loan may be prepaid in whole, but not in part, except as provided in the CMBS Loan agreement, at any time following the Prepayment Lockout Release Date (as defined in the CMBS Loan agreement) (generally two years after the Loan has been fully securitized), subject to the payment of a yield maintenance premium and the satisfaction of other terms and conditions set forth in the CMBS Loan agreement. Further, releases of individual properties are permitted in connection with an arms length third party sale upon repayment of the Release Price (as defined in the CMBS Loan agreement)

for the applicable individual property and subject to payment of the applicable yield maintenance premium and the satisfaction of other terms and conditions set forth in the CMBS Loan agreement.

The CMBS Loan agreement also contains customary cash management provisions, including certain trigger events (such as failure of the Mortgage Borrowers to satisfy a minimum debt yield) which allow the Lender to retain any excess cash flow as additional collateral for the Loan, until such trigger event is cured.

In connection with the CMBS Loan agreement, the Company (as the guarantor) delivered a customary non-recourse carveout guaranty to the Lender (the "Guaranty"), under which the Company guaranteed the obligations and liabilities of the Mortgage Borrowers to the Lender with respect to certain non-recourse carveout events and the circumstances under which the CMBS Loan will be fully recourse to the Mortgage Borrowers, and which includes requirements for the Company to maintain a net worth of no less than $355 million and liquid assets of no less than $10 million, in each case, exclusive of the values of the collateral for the CMBS Loan.

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The Mortgage Borrowers and the Company also provided a customary environmental indemnity agreement, pursuant to which the Mortgage Borrowers and the Company agreed to protect, defend, indemnify, release and hold harmless the Lender from and against certain environmental liabilities relating to the Mortgaged Properties.

The loan documents evidencing the CMBS Loan include customary representations, warranties and covenants of the Mortgage Borrowers and the Company. The loan documents also include customary events of default, the occurrence of which, following any applicable grace period, would permit the Lender to, among other things, declare the principal, accrued interest and other obligations of the Mortgage Borrowers under the loan documents to be immediately due and payable and foreclose on the Mortgaged Properties.

Distributions

On March 22, 2022, the Company's Board of Directors declared a quarterly dividend of $0.10 per share for the first quarter of 2022, payable on April 15, 2022, to stockholders of record as of March 31, 2022.

VEREIT Office Assets
Entity Information [Line Items]
Subsequent Events

Note 6 – Subsequent Events

VEREIT Office Assets evaluated subsequent events and no items have come to the attention of management that require recognition or disclosure, except as set forth below.

On November 1, 2021, the Mergers were completed. Following the Merger Effective Time, the Separation was completed. On November 12, 2021, following the Separation, the Distribution was completed.

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Orion Office REIT, Summary of Significant Accounting Policies (Policies)	12 Months Ended Dec. 31, 2021
Accounting Policies [Abstract]	
Basis of Accounting Principles of Consolidation and Combination and Basis of Presentation	***Basis of Accounting*** The consolidated and combined statements of the Company presented herein include the accounts of the Company and its consolidated subsidiaries. All intercompany transactions have been eliminated upon consolidation. The financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). ***Principles of Consolidation and Combination and Basis of Presentation*** The consolidated and combined statements of the Company include the accounts of Realty Income Office Assets presented on a combined basis for the period from January 1, 2021 to October 31, 2021 and all prior periods presented as the ownership interests were under common control and ownership of Realty Income during the respective periods. From and after the Merger Effective Time, the consolidated and combined financial statements include the accounts of the Company and its consolidated subsidiaries and a consolidated joint venture. The portion of the consolidated joint venture not owned by the Company is presented as non-controlling interest in the Company's consolidated balance sheets, statements of operations, statements of comprehensive income (loss) and statements of changes in equity. For periods presented prior to the date of the Distribution, the historical consolidated and combined results for the Company reflect charges for certain legal, accounting and other costs related to the Distribution, which were incurred and paid by Realty Income on the Company's behalf, and are reflected as capital contributions. For legal entities being evaluated for consolidation, the Company must first determine whether the interests that it holds and fees it receives qualify as variable interests in the entity. A variable interest is an investment or other interest that will absorb portions of an entity's expected losses or receive portions of the entity's expected residual returns. The Company's evaluation includes consideration of fees paid to the Company where the Company acts as a decision maker or service provider to the entity being evaluated. If the Company determines that it holds a variable interest in an entity, it evaluates whether that entity is a variable interest entity ("VIE"). VIEs are entities where investors lack sufficient equity at risk for the entity to finance its activities without additional subordinated financial support or where equity investors, as a group, lack one of the following characteristics: (a) the power to direct the activities that most significantly impact the entity's economic performance, (b) the obligation to absorb the expected losses of the entity, or (c) the right to receive the expected returns of the entity. The Company consolidates entities that are not VIEs if it has a majority voting interest or other rights that result in effectively controlling the entity. The Company then qualitatively assesses whether it is (or is not) the primary beneficiary of a VIE, which is generally defined as the party who has a controlling financial interest in the VIE. Consideration of various factors include, but are not limited to, the Company's ability to direct the activities that most significantly impact the entity's economic performance and its obligation to

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[Per Share Data](#)

[Transaction Costs](#)

[Use of Estimates](#)

[Leases - Lessor](#)

[Leases - Lessee](#)

absorb losses from or right to receive benefits of the VIE that could potentially be significant to the VIE. The Company continually evaluates the need to consolidate VIEs based on standards set forth in U.S. GAAP.

Per Share Data

Income (loss) per basic share of Common Stock is calculated by dividing net income (loss) by the weighted-average number of shares of Common Stock issued and outstanding during such period. Diluted income (loss) per share of Common Stock considers the effect of potentially dilutive shares of Common Stock outstanding during the period.

Transaction Costs

Transaction costs are expensed as incurred. Such costs are comprised of the legal and professional fees associated with the formation and organization of the Company, the Mergers and the Distribution and are included in transaction costs in the accompanying consolidated statement of operations. Such costs also include expenses related to the fair value of the warrants issued to affiliates of the Arch Street Partner.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management makes significant estimates regarding real estate investment impairments.

Leases

Lessor

At the inception of a new lease arrangement for which the Company is the lessor, including new leases that arise from amendments, the Company assesses the terms and conditions to determine the proper lease classification. When the terms of a lease effectively transfer control of the underlying asset, the lease is classified as a sales-type lease. When a lease does not effectively transfer control of the underlying asset to the lessee, but the Company obtains a guarantee for the value of the asset from a third party, the Company classifies the lease as a direct financing lease. All other leases are classified as operating leases. As of December 31, 2021, none of the Company's leases were classified as sales-type leases or direct financing leases.

Lessee

To account for leases for which the Company is the lessee, contracts must be analyzed upon inception to determine if the arrangement is, or contains, a lease. A lease conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease classification tests and measurement procedures are performed at the lease commencement date.

The lease liability is initially measured as the present value of the lease payments over the lease term, discounted using the interest rate implicit in the lease, if that rate is readily determinable; otherwise, the lessee's incremental borrowing rate is used. The incremental borrowing rate is determined based on the estimated rate of interest that the lessee would pay to borrow on a collateralized basis over a similar term at an amount equal to the lease payments in a similar economic environment. The lease term is the noncancelable period of the lease and

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includes any renewal and termination options the Company is reasonably certain to exercise. The lease liability balance is amortized using the effective interest method. The lease liability is remeasured when the contract is modified, upon the resolution of a contingency such that variable payments become fixed or if the assessment of exercising an extension, termination or purchase option changes.

The operating lease right-of-use ("ROU") asset balance is initially measured as the lease liability amount, adjusted for any lease payments made prior to the commencement date, initial direct costs, estimated costs to dismantle, remove, or restore the underlying asset and incentives received.

Revenue Recognition

Revenue Recognition

Rental Revenue

The Company continually reviews receivables related to rent, straight-line rent and property operating expense reimbursements and determines collectability by taking into consideration the tenant's payment history, the financial condition of the tenant, business conditions in the industry in which the tenant operates and economic conditions in the area in which the property is located. The review includes a binary assessment of whether or not substantially all of the amounts due under a tenant's lease agreement are probable of collection. For leases that are deemed probable of collection, revenue continues to be recorded on a straight-line basis over the lease term and the Company recognizes a general allowance on a portfolio-wide basis. For leases that are deemed not probable of collection, revenue is recorded as cash is received and the Company reduces rental revenue for any straight-line rent receivables. The Company recognizes all changes in the collectability assessment for an operating lease as an adjustment to rental revenue. During the year ended December 31, 2021, the Company did not record a general allowance or any reductions to rental revenue for amounts not probable of collection.

For operating leases with minimum scheduled rent increases, the Company recognizes rental revenue on a straight-line basis, including the effect of any free rent periods, over the lease term when collectability of lease payments is probable. Variable lease payments are recognized as rental revenue in the period when the changes in facts and circumstances on which the variable lease payments are based occur. Variable lease payments, including contingent rent, which is paid by a tenant when the tenant's sales exceed an agreed upon minimum amount, are recognized once tenant sales exceed contractual tenant lease thresholds and is calculated by multiplying the sales in excess of the minimum amount by a percentage defined in the lease.

The Company's leases also contain provisions for tenants to reimburse the Company for real estate taxes, insurance and maintenance and other property operating expenses. Such reimbursements are included in rental revenue and amounts paid directly by tenants are recorded on a net basis, as applicable.

Rental revenue also includes lease termination income collected from tenants to allow for the tenant to vacate their space prior to their scheduled termination dates, as well as amortization of above and below-market leases. During the year ended December 31, 2021, the Company recognized termination income of $0.3 million. The Company did not recognize any termination income during the years ended December 31, 2020 and 2019.

Accounting for Lease Concessions Related to the Effects of the COVID-19 Pandemic

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The FASB issued a question-and-answer document, *Accounting for Lease Concessions Related to the Effects of the COVID-19 Pandemic* for concessions related to the effects of COVID-19 that provide a deferral of payments with no substantive changes to the consideration of the original contract, which allows an entity to elect to not analyze each contract to determine whether enforceable rights and obligations for concessions exist in the contract and to elect to apply or not apply the lease modification guidance in Accounting Standards Codification ("ASC") Topic 842, Leases ("ASC 842"), to those contracts (the "COVID-19 Lease Concessions Relief"). During the years ended December 31, 2021 and 2020, the Company has not granted any concessions.

Fee Income from Unconsolidated Joint Venture

The Company provides various services to our unconsolidated joint venture entity in exchange for market-based fees. Total asset and property management and acquisition fees earned in connection with this entity was $0.3 million for the year ended December 31, 2021. No such fee income was earned for the years ended December 31, 2020 and 2019, respectively.

Real Estate Investments
Allocation of Purchase Price of Real Estate Acquisitions

Real Estate Investments

The Company records acquired real estate at cost when such acquisitions qualify as asset acquisitions and makes assessments as to the useful lives of depreciable assets. The Company considers the period of future benefit of the asset to determine the appropriate useful lives. Depreciation is computed using a straight-line method over the estimated useful life of 35 years for buildings, five to 15 years for building fixtures and improvements and the remaining lease term for intangible lease assets.

Allocation of Purchase Price of Real Estate Acquisitions

For acquisitions that qualify as asset acquisitions, the Company allocates the purchase price of acquired properties to tangible and identifiable intangible assets and liabilities acquired based on their relative fair values. Tangible assets include land, buildings, fixtures and improvements on an as-if vacant basis. The Company utilizes various estimates, processes and information to determine the as-if vacant property value. Identifiable intangible assets and liabilities include amounts allocated to acquired leases for above-market and below-market lease rates and the value of in-place leases. In estimating fair values for purposes of allocating purchase price, the Company utilizes a number of sources, including independent appraisals that may be obtained in connection with the acquisition or financing of the respective property and other market data. The Company also considers information obtained about each property as a result of its pre-acquisition due diligence, as well as subsequent marketing and leasing activities, in estimating the fair value of the tangible and intangible assets acquired and intangible liabilities assumed.

The aggregate value of intangible assets related to in-place leases is primarily the difference between the property valued with existing in-place leases adjusted to market rental rates and the property valued as if vacant. Factors considered by the Company in its analysis of the in-place leases include an estimate of carrying costs during the expected lease-up period for each property, taking into account current market conditions and costs to execute similar leases. In estimating carrying costs, the Company includes real estate taxes, insurance and other operating expenses and estimates of lost rentals at market rates during the expected lease-up period, which typically ranges from six to 18 months. The Company also estimates costs to execute similar leases, including leasing commissions, legal and other related expenses. The value of in-place

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leases is amortized over the remaining non-cancelable term of the respective leases at acquisition. If a tenant terminates its lease, then the unamortized portion of the in-place lease value is charged to expense.

Above-market and below-market in-place lease values for owned properties are recorded based on the present value (using an interest rate which reflects the risks associated with the leases acquired) of the difference between the contractual amounts to be paid pursuant to the in-place leases and management's estimate of fair market lease rates for the corresponding in-place leases, measured over a period equal to the remaining non-cancelable term of the lease, including any bargain renewal periods. A bargain renewal period is provision in a lease which allows a lessee, at their option, to renew a lease at a rate that is sufficiently lower than fair market lease rates at the date such option is exercisable such that exercise of the option appears, at the inception of the lease, to be reasonably certain. Above-market leases are amortized as a reduction to rental revenue over the remaining terms of the respective leases. Below-market leases are amortized as an increase to rental revenue over the remaining terms of the respective leases, including any bargain renewal periods.

The determination of the fair values of the real estate assets and liabilities acquired requires the use of significant assumptions with regard to the current market rental rates, rental growth rates, capitalization and discount rates, interest rates and other variables. The use of alternative estimates may result in a different allocation of the Company's purchase price, which could materially impact the Company's results of operations.

Following the Mergers, Realty Income performed a purchase price allocation assessing the value of the business. See Note 5 – Fair Value Measures for further discussion on this purchase price allocation. In accordance with ASC Topic 805, Business Combinations, adjustments to the allocated purchase price may be made within one year of the closing date of the Mergers as acquisition date uncertainties are resolved.

Investment in Unconsolidated Entity

Investment in Unconsolidated Entity

The Company accounts for its investment in the unconsolidated joint venture arrangement using the equity method of accounting as the Company has the ability to exercise significant influence, but not control, over the operating and financing policies of the investment. The equity method of accounting requires the investment to be initially recorded at cost and subsequently adjusted for the Company's share of equity in the joint venture's earnings and distributions. The Company records its proportionate share of net income (loss) from the unconsolidated joint venture in equity in income of unconsolidated entity in the consolidated statements of operations. See Note 3 – Real Estate Investments and Related Intangibles for further discussion on the Company's investment in the unconsolidated joint venture.

The Company is required to determine whether an event or change in circumstances has occurred that may have a significant adverse effect on the fair value of its investment in the unconsolidated joint venture. If an event or change in circumstance has occurred, the Company is required to evaluate its investment in the unconsolidated joint venture for potential impairment and determine if the carrying value of its investment exceeds its fair value. An impairment charge is recorded when an impairment is deemed to be other-than-temporary. To determine whether an impairment is other-than-temporary, the Company considers whether it has the intent and ability to hold the investment until the carrying value is fully recovered. The evaluation of an investment in an unconsolidated joint venture for potential impairment requires the Company's management

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to exercise significant judgment and to make certain assumptions. The use of different judgments and assumptions could result in different conclusions. No impairments of the unconsolidated joint venture were identified during the year ended December 31, 2021. Prior to the Distribution, the Company did not own any investments in an unconsolidated joint venture.

Property and Equipment

Property and Equipment

Property and equipment, which typically include computer hardware and software, furniture and fixtures, among other items, are stated at cost less accumulated depreciation. Property and equipment are depreciated on a straight-line method over the estimated useful lives of the assets, which range from three to seven years. The Company reassesses the useful lives of its property and equipment and adjusts the future monthly depreciation expense based on the new useful life, as applicable. If the Company disposes of an asset, the asset and related accumulated depreciation are written off upon disposal.

Impairments

Impairments

Real Estate Assets

The Company performs impairment review procedures, primarily through continuous monitoring of events and changes in circumstances that could indicate the carrying value of its real estate assets may not be recoverable. Impairment indicators that the Company considers include, but are not limited to, decrease in a property's net operating cash flows, bankruptcy or other credit concerns of a property's major tenant or tenants, such as history of late payments, rental concessions and other factors, as well as significant decreases in a property's revenues due to lease terminations, vacancies or reduced lease rates. When impairment indicators are identified or if a property is considered to have a more likely than not probability of being disposed of within the next 12 to 24 months, the Company assesses the recoverability of the assets by determining whether the carrying value of the assets will be recovered through the undiscounted future cash flows expected from the use of the assets and their eventual disposition. U.S. GAAP requires us to utilize the Company's expected holding period of our properties when assessing recoverability. In the event that such expected undiscounted future cash flows do not exceed the carrying value, the Company will adjust the real estate assets to their respective fair values and recognize any impairment loss. Generally, fair value is determined using a discounted cash flow analysis and recent comparable sales or leasing transactions. The assumptions and uncertainties utilized in the evaluation of the impairment of real estate assets are discussed in Note 5 – Fair Value Measures.

Building, Fixtures and Improvements

Property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. If this review indicates that the carrying value of the asset is not recoverable, the Company records an impairment loss, measured at fair value based on estimated discounted cash flows or market appraisals. The evaluation of property and equipment for potential impairment requires the Company's management to exercise significant judgment and to make certain assumptions. The use of different judgments and assumptions could result in different conclusions. No impairments of property and equipment were identified during the years ended December 31, 2021, 2020 and 2019.

Right of Use Assets

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The Company's impairment assessment for ROU assets is consistent with the impairment analysis for the Company's other long-lived assets. No impairments of ROU assets were identified during the years ended December 31, 2021, 2020 and 2019. See Note 5 – Fair Value Measures for further discussion.

Cash and Cash Equivalents

Cash and Cash Equivalents

Cash and cash equivalents include cash in bank accounts, as well as investments in highly-liquid funds with original maturities of three months or less. The Company deposits cash with high quality financial institutions. These deposits are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to an insurance limit of $250,000. At times, the Company's cash and cash equivalents may exceed federally insured levels. Although the Company bears risk on amounts in excess of those insured by the FDIC, it has not experienced and does not anticipate any losses due to the high quality of the institutions where the deposits are held.

Restricted Cash

Restricted cash

The Company did not have any restricted cash balances as of December 31, 2021. The Company had $3.9 million and $3.7 million in restricted cash as of December 31, 2020 and 2019, respectively. Restricted cash primarily consists of impounds and security deposits related to mortgages payable. In accordance with certain debt agreements that were outstanding as of December 31, 2020, rent from certain of the Company's tenants is deposited directly into a lockbox account, from which the monthly debt service payments are disbursed to the lender and the excess funds are then disbursed to the Company. Included in restricted cash at December 31, 2020 was $3.4 million in impounds related to mortgages payable and $0.5 million in security deposits related to mortgages payable. Included in restricted cash at December 31, 2019 was $3.2 million in impounds related to mortgages payable and $0.5 million in security deposits related to mortgages payable. Restricted cash is included in Other Assets, net on the Company's consolidated and combined balance sheets.

Deferred Financing Costs

Deferred Financing CostsDeferred financing costs represent commitment fees, legal fees and other costs associated with obtaining commitments for financing. Deferred financing costs, other than those associated with the Revolving Facility (as defined in Note 6 – Debt, Net), are presented on the consolidated balance sheets as a direct deduction from the carrying amount of the related debt liability rather than as an asset. Deferred financing costs related to the Revolving Facility are included in other assets in the accompanying consolidated balance sheets. These costs are amortized to interest expense over the terms of the respective financing agreements using the effective interest method. Unamortized deferred financing costs are written off when the associated debt is refinanced or repaid before maturity. Costs incurred in connection with potential financial transactions that are not completed are expensed in the period in which it is determined the financing will not be completed.

Derivative Instruments

Derivative Instruments

The Company may use derivative financial instruments, including interest rate swaps, caps, collars, treasury locks, options and forwards to hedge all or a portion of the interest rate risk associated with its borrowings. The Company's interest rate management objectives are intended to limit the impact of interest rate fluctuations on earnings and cash flows and to manage the Company's overall borrowing costs. To accomplish this objective, the Company intends to use interest rate swaps as part of its cash flow hedging strategy. The Company does not intend to utilize derivatives for trading or speculative purposes or for purposes other than interest rate

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risk management. The use of derivative financial instruments carries certain risks, including the risk that the counterparties to these contractual arrangements are not able to perform under the agreements. To mitigate this risk, the Company only enters into derivative financial instruments with counterparties with high credit ratings and with major financial institutions with which the Company may also have other financial relationships. The Company does not anticipate that any of the counterparties will fail to meet their obligations.

The Company records all derivatives on the consolidated balance sheets at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary under U.S. GAAP to apply hedge accounting. Derivatives designated and qualifying as a hedge of 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 designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges.

The accounting for subsequent changes in the fair value of these derivatives depends on whether each has been designated and qualifies for hedge accounting treatment. If the Company elects not to apply hedge accounting treatment, any changes in the fair value of these derivative instruments is recognized immediately in other income, net in the consolidated statements of operations and consolidated statements of comprehensive income (loss). If the derivative is designated and qualifies for hedge accounting treatment, the change in fair value of the derivative is recorded in other comprehensive income (loss). Unrealized gains and losses in other comprehensive income (loss) are reclassified to interest expense when the related hedged items impact earnings.

Loss Contingencies

Loss ContingenciesThe Company records a liability in the consolidated and combined statements for loss contingencies when a loss is known or considered probable and the amount is reasonably estimable. If the reasonable estimate of a known or probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a material loss is reasonably possible but not known or probable, and is reasonably estimable, the estimated loss or range of loss is disclosed.

Income Taxes

Income Taxes

The Company intends to qualify and elect to be taxed as a REIT for U.S. federal income tax purposes under Sections 856 through 860 of the Internal Revenue Code, as amended (the "Code"), commencing with the taxable year ended December 31, 2021. To qualify as a REIT, the Company must meet a number of organizational and operational requirements, including a requirement that it distribute annually at least 90% of its REIT taxable income, subject to certain adjustments and excluding any net capital gain to its stockholders. We believe we are organized and operating in such a manner as to qualify and elect to be taxed as a REIT for the taxable year ended December 31, 2021. However, Orion OP is still subject to certain state and local income, franchise and property taxes in the various jurisdictions in which it operates. The Company may also be subject to federal income taxes on certain income and excise taxes on its undistributed income.

During the year ended December 31, 2021, the Company conducted all of its business in the United States and Puerto Rico and will file income tax returns in the U.S. federal jurisdiction, Puerto Rico, and various state and local jurisdictions.

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The Company provides for income taxes in accordance with current authoritative accounting and tax guidance. The tax provision or benefit related to significant or unusual items is recognized in the quarter in which those items occur. In addition, the effect of changes in enacted tax laws, rates or tax status is recognized in the quarter in which the change occurs. The accounting estimates used to compute the provision for or benefit from income taxes may change as new events occur, additional information is obtained or the tax environment changes.

During the year ended December 31, 2021, the Company recognized state and local income and franchise tax expense of $0.2 million, which is included in provision for income taxes in the accompanying consolidated statements of operations.

The Company had no unrecognized tax benefits as of or during the year ended December 31, 2021. Any interest and penalties related to unrecognized tax benefits would be recognized in provision for income taxes in the accompanying consolidated statements of operations.

For periods presented prior to the Merger Effective Time, Realty Income Office Assets was owned by Realty Income, a Maryland corporation which had elected to be taxed as a REIT, under the Code, as amended. Under the REIT operating structure, Realty Income was permitted to deduct dividends paid to its stockholders in determining its taxable income. Assuming Realty Income's dividends equaled or exceeded its taxable net income, it was generally not required to pay federal corporate income taxes on such income. Accordingly, no provision was made for federal income taxes in the accompanying consolidated and combined financial statements of the Company for such prior periods.

The properties in the consolidated and combined financial statements which comprised Realty Income Office Assets were previously owned directly or indirectly by limited partnerships or limited liability companies of Realty Income and, as a result, the allocated share of income for periods presented prior to the Merger Effective Time are included in the consolidated income tax return of Realty Income.

Segment Reporting

Segment Reporting

The Company operates in one business segment: direct ownership and operation of commercial real estate.

Recent Accounting Pronouncements

Recent Accounting Pronouncements

In July 2021, the FASB issued ASU 2021-05 establishing Topic 842, Lessors - Certain Leases with Variable Lease Payments. ASU 2021-05 further clarifies ASC 842 classification guidance as it relates to a lessor's accounting for certain leases with variable lease payments. This guidance requires a lessor to classify a lease with variable payments that do not depend on an index or rate as an operating lease if either a sales-type lease or direct financing lease classification would trigger a day-one loss. This guidance is effective for reporting periods beginning after December 15, 2021, with early adoption permitted. We are currently evaluating the impact of the adoption of ASU 2021-05 on our consolidated and combined statements.

In March 2020, the FASB issued ASU 2020-04 establishing Topic 848, Reference Rate Reform. ASU 2020-04 contains practical expedients for reference rate reform related activities that impact debt, leases, derivatives and other contracts. The guidance is optional and is effective between March 12, 2020 and December 31, 2022. The guidance may be elected over time as reference rate reform activities occur. We are currently evaluating the impact that the expected market transition from the London Interbank Offered Rate, commonly referred to as LIBOR, to

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alternative references rates will have on our financial statements as well as the applicability of the aforementioned expedients and exceptions provided in ASU 2020-04.

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VEREIT Office Assets, Organization and Summary of Significant Accounting Policies (Policies)	12 Months Ended
	Dec. 31, 2021
Entity Information [Line Items]	
Basis of Presentation	

Basis of Accounting

The consolidated and combined statements of the Company presented herein include the accounts of the Company and its consolidated subsidiaries. All intercompany transactions have been eliminated upon consolidation. The financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States ("U.S. GAAP").

Principles of Consolidation and Combination and Basis of Presentation

The consolidated and combined statements of the Company include the accounts of Realty Income Office Assets presented on a combined basis for the period from January 1, 2021 to October 31, 2021 and all prior periods presented as the ownership interests were under common control and ownership of Realty Income during the respective periods. From and after the Merger Effective Time, the consolidated and combined financial statements include the accounts of the Company and its consolidated subsidiaries and a consolidated joint venture. The portion of the consolidated joint venture not owned by the Company is presented as non-controlling interest in the Company's consolidated balance sheets, statements of operations, statements of comprehensive income (loss) and statements of changes in equity.

For periods presented prior to the date of the Distribution, the historical consolidated and combined results for the Company reflect charges for certain legal, accounting and other costs related to the Distribution, which were incurred and paid by Realty Income on the Company's behalf, and are reflected as capital contributions.

For legal entities being evaluated for consolidation, the Company must first determine whether the interests that it holds and fees it receives qualify as variable interests in the entity. A variable interest is an investment or other interest that will absorb portions of an entity's expected losses or receive portions of the entity's expected residual returns. The Company's evaluation includes consideration of fees paid to the Company where the Company acts as a decision maker or service provider to the entity being evaluated. If the Company determines that it holds a variable interest in an entity, it evaluates whether that entity is a variable interest entity ("VIE"). VIEs are entities where investors lack sufficient equity at risk for the entity to finance its activities without additional subordinated financial support or where equity investors, as a group, lack one of the following characteristics: (a) the power to direct the activities that most significantly impact the entity's economic performance, (b) the obligation to absorb the expected losses of the entity, or (c) the right to receive the expected returns of the entity. The Company consolidates entities that are not VIEs if it has a majority voting interest or other rights that result in effectively controlling the entity.

The Company then qualitatively assesses whether it is (or is not) the primary beneficiary of a VIE, which is generally defined as the party who has a controlling financial interest in the VIE. Consideration of various factors include, but are not limited to, the Company's ability to direct the

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activities that most significantly impact the entity's economic performance and its obligation to absorb losses from or right to receive benefits of the VIE that could potentially be significant to the VIE. The Company continually evaluates the need to consolidate VIEs based on standards set forth in U.S. GAAP.

Use of Estimates

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management makes significant estimates regarding real estate investment impairments.

Real Estate Investments

Real Estate Investments

The Company records acquired real estate at cost when such acquisitions qualify as asset acquisitions and makes assessments as to the useful lives of depreciable assets. The Company considers the period of future benefit of the asset to determine the appropriate useful lives. Depreciation is computed using a straight-line method over the estimated useful life of 35 years for buildings, five to 15 years for building fixtures and improvements and the remaining lease term for intangible lease assets.

Allocation of Purchase Price of Real Estate Acquisitions

For acquisitions that qualify as asset acquisitions, the Company allocates the purchase price of acquired properties to tangible and identifiable intangible assets and liabilities acquired based on their relative fair values. Tangible assets include land, buildings, fixtures and improvements on an as-if vacant basis. The Company utilizes various estimates, processes and information to determine the as-if vacant property value. Identifiable intangible assets and liabilities include amounts allocated to acquired leases for above-market and below-market lease rates and the value of in-place leases. In estimating fair values for purposes of allocating purchase price, the Company utilizes a number of sources, including independent appraisals that may be obtained in connection with the acquisition or financing of the respective property and other market data. The Company also considers information obtained about each property as a result of its pre-acquisition due diligence, as well as subsequent marketing and leasing activities, in estimating the fair value of the tangible and intangible assets acquired and intangible liabilities assumed.

The aggregate value of intangible assets related to in-place leases is primarily the difference between the property valued with existing in-place leases adjusted to market rental rates and the property valued as if vacant. Factors considered by the Company in its analysis of the in-place leases include an estimate of carrying costs during the expected lease-up period for each property, taking into account current market conditions and costs to execute similar leases. In estimating carrying costs, the Company includes real estate taxes, insurance and other operating expenses and estimates of lost rentals at market rates during the expected lease-up period, which typically ranges from six to 18 months. The Company also estimates costs to execute similar leases, including leasing commissions, legal and other related expenses. The value of in-place leases is amortized over the remaining non-cancelable term of the respective leases at acquisition. If a tenant terminates its lease, then the unamortized portion of the in-place lease value is charged to expense.

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Above-market and below-market in-place lease values for owned properties are recorded based on the present value (using an interest rate which reflects the risks associated with the leases acquired) of the difference between the contractual amounts to be paid pursuant to the in-place leases and management's estimate of fair market lease rates for the corresponding in-place leases, measured over a period equal to the remaining non-cancelable term of the lease, including any bargain renewal periods. A bargain renewal period is provision in a lease which allows a lessee, at their option, to renew a lease at a rate that is sufficiently lower than fair market lease rates at the date such option is exercisable such that exercise of the option appears, at the inception of the lease, to be reasonably certain. Above-market leases are amortized as a reduction to rental revenue over the remaining terms of the respective leases. Below-market leases are amortized as an increase to rental revenue over the remaining terms of the respective leases, including any bargain renewal periods.

The determination of the fair values of the real estate assets and liabilities acquired requires the use of significant assumptions with regard to the current market rental rates, rental growth rates, capitalization and discount rates, interest rates and other variables. The use of alternative estimates may result in a different allocation of the Company's purchase price, which could materially impact the Company's results of operations.

Following the Mergers, Realty Income performed a purchase price allocation assessing the value of the business. See Note 5 – Fair Value Measures for further discussion on this purchase price allocation. In accordance with ASC Topic 805, Business Combinations, adjustments to the allocated purchase price may be made within one year of the closing date of the Mergers as acquisition date uncertainties are resolved.

Investment in Unconsolidated Joint Venture

Investment in Unconsolidated Entity

The Company accounts for its investment in the unconsolidated joint venture arrangement using the equity method of accounting as the Company has the ability to exercise significant influence, but not control, over the operating and financing policies of the investment. The equity method of accounting requires the investment to be initially recorded at cost and subsequently adjusted for the Company's share of equity in the joint venture's earnings and distributions. The Company records its proportionate share of net income (loss) from the unconsolidated joint venture in equity in income of unconsolidated entity in the consolidated statements of operations. See Note 3 – Real Estate Investments and Related Intangibles for further discussion on the Company's investment in the unconsolidated joint venture.

The Company is required to determine whether an event or change in circumstances has occurred that may have a significant adverse effect on the fair value of its investment in the unconsolidated joint venture. If an event or change in circumstance has occurred, the Company is required to evaluate its investment in the unconsolidated joint venture for potential impairment and determine if the carrying value of its investment exceeds its fair value. An impairment charge is recorded when an impairment is deemed to be other-than-temporary. To determine whether an impairment is other-than-temporary, the Company considers whether it has the intent and ability to hold the investment until the carrying value is fully recovered. The evaluation of an investment in an unconsolidated joint venture for potential impairment requires the Company's management to exercise significant judgment and to make certain assumptions. The use of different judgments and assumptions could result in different conclusions. No impairments of the unconsolidated joint venture were identified during the year ended December 31, 2021. Prior to the Distribution, the Company did not own any investments in an unconsolidated joint venture.

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Cash and Cash Equivalents

Cash and Cash Equivalents

Cash and cash equivalents include cash in bank accounts, as well as investments in highly-liquid funds with original maturities of three months or less. The Company deposits cash with high quality financial institutions. These deposits are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to an insurance limit of $250,000. At times, the Company's cash and cash equivalents may exceed federally insured levels. Although the Company bears risk on amounts in excess of those insured by the FDIC, it has not experienced and does not anticipate any losses due to the high quality of the institutions where the deposits are held.

Restricted Cash

Restricted cash

The Company did not have any restricted cash balances as of December 31, 2021. The Company had $3.9 million and $3.7 million in restricted cash as of December 31, 2020 and 2019, respectively. Restricted cash primarily consists of impounds and security deposits related to mortgages payable. In accordance with certain debt agreements that were outstanding as of December 31, 2020, rent from certain of the Company's tenants is deposited directly into a lockbox account, from which the monthly debt service payments are disbursed to the lender and the excess funds are then disbursed to the Company. Included in restricted cash at December 31, 2020 was $3.4 million in impounds related to mortgages payable and $0.5 million in security deposits related to mortgages payable. Included in restricted cash at December 31, 2019 was $3.2 million in impounds related to mortgages payable and $0.5 million in security deposits related to mortgages payable. Restricted cash is included in Other Assets, net on the Company's consolidated and combined balance sheets.

Deferred Financing Costs

Deferred Financing CostsDeferred financing costs represent commitment fees, legal fees and other costs associated with obtaining commitments for financing. Deferred financing costs, other than those associated with the Revolving Facility (as defined in Note 6 – Debt, Net), are presented on the consolidated balance sheets as a direct deduction from the carrying amount of the related debt liability rather than as an asset. Deferred financing costs related to the Revolving Facility are included in other assets in the accompanying consolidated balance sheets. These costs are amortized to interest expense over the terms of the respective financing agreements using the effective interest method. Unamortized deferred financing costs are written off when the associated debt is refinanced or repaid before maturity. Costs incurred in connection with potential financial transactions that are not completed are expensed in the period in which it is determined the financing will not be completed.

Leases - Lessor

Leases

Lessor

At the inception of a new lease arrangement for which the Company is the lessor, including new leases that arise from amendments, the Company assesses the terms and conditions to determine the proper lease classification. When the terms of a lease effectively transfer control of the underlying asset, the lease is classified as a sales-type lease. When a lease does not effectively transfer control of the underlying asset to the lessee, but the Company obtains a guarantee for the value of the asset from a third party, the Company classifies the lease as a direct financing lease. All other leases are classified as operating leases. As of December 31, 2021, none of the Company's leases were classified as sales-type leases or direct financing leases.

Leases - Lessee

Lessee

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To account for leases for which the Company is the lessee, contracts must be analyzed upon inception to determine if the arrangement is, or contains, a lease. A lease conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease classification tests and measurement procedures are performed at the lease commencement date.

The lease liability is initially measured as the present value of the lease payments over the lease term, discounted using the interest rate implicit in the lease, if that rate is readily determinable; otherwise, the lessee's incremental borrowing rate is used. The incremental borrowing rate is determined based on the estimated rate of interest that the lessee would pay to borrow on a collateralized basis over a similar term at an amount equal to the lease payments in a similar economic environment. The lease term is the noncancelable period of the lease and includes any renewal and termination options the Company is reasonably certain to exercise. The lease liability balance is amortized using the effective interest method. The lease liability is remeasured when the contract is modified, upon the resolution of a contingency such that variable payments become fixed or if the assessment of exercising an extension, termination or purchase option changes.

The operating lease right-of-use ("ROU") asset balance is initially measured as the lease liability amount, adjusted for any lease payments made prior to the commencement date, initial direct costs, estimated costs to dismantle, remove, or restore the underlying asset and incentives received.

Income Taxes

Income Taxes

The Company intends to qualify and elect to be taxed as a REIT for U.S. federal income tax purposes under Sections 856 through 860 of the Internal Revenue Code, as amended (the "Code"), commencing with the taxable year ended December 31, 2021. To qualify as a REIT, the Company must meet a number of organizational and operational requirements, including a requirement that it distribute annually at least 90% of its REIT taxable income, subject to certain adjustments and excluding any net capital gain to its stockholders. We believe we are organized and operating in such a manner as to qualify and elect to be taxed as a REIT for the taxable year ended December 31, 2021. However, Orion OP is still subject to certain state and local income, franchise and property taxes in the various jurisdictions in which it operates. The Company may also be subject to federal income taxes on certain income and excise taxes on its undistributed income.

During the year ended December 31, 2021, the Company conducted all of its business in the United States and Puerto Rico and will file income tax returns in the U.S. federal jurisdiction, Puerto Rico, and various state and local jurisdictions.

The Company provides for income taxes in accordance with current authoritative accounting and tax guidance. The tax provision or benefit related to significant or unusual items is recognized in the quarter in which those items occur. In addition, the effect of changes in enacted tax laws, rates or tax status is recognized in the quarter in which the change occurs. The accounting estimates used to compute the provision for or benefit from income taxes may change as new events occur, additional information is obtained or the tax environment changes.

During the year ended December 31, 2021, the Company recognized state and local income and franchise tax expense of $0.2 million, which is included in provision for income taxes in the accompanying consolidated statements of operations.

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The Company had no unrecognized tax benefits as of or during the year ended December 31, 2021. Any interest and penalties related to unrecognized tax benefits would be recognized in provision for income taxes in the accompanying consolidated statements of operations.

For periods presented prior to the Merger Effective Time, Realty Income Office Assets was owned by Realty Income, a Maryland corporation which had elected to be taxed as a REIT, under the Code, as amended. Under the REIT operating structure, Realty Income was permitted to deduct dividends paid to its stockholders in determining its taxable income. Assuming Realty Income's dividends equaled or exceeded its taxable net income, it was generally not required to pay federal corporate income taxes on such income. Accordingly, no provision was made for federal income taxes in the accompanying consolidated and combined financial statements of the Company for such prior periods.

The properties in the consolidated and combined financial statements which comprised Realty Income Office Assets were previously owned directly or indirectly by limited partnerships or limited liability companies of Realty Income and, as a result, the allocated share of income for periods presented prior to the Merger Effective Time are included in the consolidated income tax return of Realty Income.

Recent Accounting Pronouncements

Recent Accounting Pronouncements

In July 2021, the FASB issued ASU 2021-05 establishing Topic 842, Lessors - Certain Leases with Variable Lease Payments. ASU 2021-05 further clarifies ASC 842 classification guidance as it relates to a lessor's accounting for certain leases with variable lease payments. This guidance requires a lessor to classify a lease with variable payments that do not depend on an index or rate as an operating lease if either a sales-type lease or direct financing lease classification would trigger a day-one loss. This guidance is effective for reporting periods beginning after December 15, 2021, with early adoption permitted. We are currently evaluating the impact of the adoption of ASU 2021-05 on our consolidated and combined statements.

In March 2020, the FASB issued ASU 2020-04 establishing Topic 848, Reference Rate Reform. ASU 2020-04 contains practical expedients for reference rate reform related activities that impact debt, leases, derivatives and other contracts. The guidance is optional and is effective between March 12, 2020 and December 31, 2022. The guidance may be elected over time as reference rate reform activities occur. We are currently evaluating the impact that the expected market transition from the London Interbank Offered Rate, commonly referred to as LIBOR, to alternative references rates will have on our financial statements as well as the applicability of the aforementioned expedients and exceptions provided in ASU 2020-04.

VEREIT Office Assets

Entity Information [Line Items]

Basis of Presentation

The accompanying combined and consolidated financial statements were prepared in accordance with generally accepted accounting principles in the United States ("GAAP") and include the accounts of VEREIT Office Assets on a combined and consolidated basis as the ownership interests were under common control and ownership of VEREIT, including a consolidated joint venture. Any applicable intercompany accounts and transactions have been eliminated in consolidation and combination. The portion of the consolidated joint venture not previously owned by VEREIT, is presented as non-controlling interest in VEREIT Office Assets' combined and consolidated balances sheets and

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statements of operations. The results of operations for the ten months ended October 31, 2021 are not necessarily indicative of the results for the entire year.

Principles of Combination

For legal entities being evaluated for consolidation, VEREIT Office Assets must first determine whether the interests that it holds and fees it receives qualify as variable interests in the entity. A variable interest is an investment or other interest that will absorb portions of an entity's expected losses or receive portions of the entity's expected residual returns. VEREIT Office Assets' evaluation includes consideration of fees paid to VEREIT Office Assets where VEREIT's management, on behalf of VEREIT Office Assets, acts as a decision maker or service provider to the entity being evaluated. If VEREIT Office Assets determines that it holds a variable interest in an entity, it evaluates whether that entity is a variable interest entity ("VIE"). VIEs are entities where investors lack sufficient equity at risk for the entity to finance its activities without additional subordinated financial support or where equity investors, as a group, lack one of the following characteristics: (a) the power to direct the activities that most significantly impact the entity's economic performance, (b) the obligation to absorb the expected losses of the entity, or (c) the right to receive the expected returns of the entity. VEREIT Office Assets consolidates entities that are not VIEs if it has a majority voting interest or other rights that result in effectively controlling the entity.

VEREIT Office Assets then qualitatively assesses whether it is (or is not) the primary beneficiary of a VIE, which is generally defined as the party who has a controlling financial interest in the VIE. Consideration of various factors include, but are not limited to, VEREIT Office Assets' ability to direct the activities that most significantly impact the entity's economic performance and its obligation to absorb losses from or right to receive benefits of the VIE that could potentially be significant to the VIE. VEREIT Office Assets consolidates any VIEs when the Company is determined to be the primary beneficiary of the VIE and the difference between consolidating the VIE and accounting for it using the equity method could be material to VEREIT Office Assets' combined and consolidated financial statements. VEREIT Office Assets continually evaluates the need to consolidate these VIEs based on standards set forth in GAAP.

These combined and consolidated financial statements were derived from the books and records of VEREIT and were carved out from VEREIT at a carrying value reflective of historical cost in such VEREIT records. VEREIT Office Assets' historical balance sheets reflect amounts for goodwill based on its proportion of the cost basis of the real estate assets as of December 31, 2018. VEREIT Office Assets' historical financial results reflect charges for certain corporate costs and, we believe such charges are reasonable. Costs of the services that were charged to VEREIT Office Assets were based on either actual costs incurred or a proportion of costs estimated to be applicable to this entity, based on VEREIT Office Assets' pro rata share of VEREIT's annualized rental income. Annualized rental income is rental revenue on a straight-line basis, which includes the effect of rent escalations and any tenant concessions, such as free rent, and excludes any adjustments to rental income due to changes in the collectability assessment, contingent rent, such as percentage rent, and operating expense reimbursements. The historical combined and consolidated financial information presented may therefore not be indicative of the results of operations, financial position or cash flows that would have been obtained if there had been an independent, stand-alone public company during the periods presented or of Orion's future performance as an independent, stand-alone company.

Use of Estimates

Use of Estimates

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The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Real Estate Investments

Real Estate Investments

Real estate and related assets acquired are recorded at cost and accumulated depreciation and amortization are assessed based on the period of future benefit of the asset. Depreciation and amortization are computed using a straight-line method over the estimated useful life of 40 years for buildings and building improvements, 15 years for land improvements and the remaining lease term for tenant improvements and intangible lease assets.

VEREIT management performed quarterly impairment review procedures, primarily through continuous monitoring of events and changes in circumstances that could indicate the carrying value of its real estate assets may not be recoverable. Impairment indicators that VEREIT management considered included, but were not limited to, decrease in operating income, bankruptcy or other credit concerns of a property's major tenant or tenants or a significant decrease in a property's revenues due to lease terminations, vacancies or reduced lease rates.
When impairment indicators are identified or if a property is considered to have a more likely than not probability of being disposed of within the next 12 to 24 months, VEREIT management assessed the recoverability of the assets by determining whether the carrying value of the assets will be recovered through the undiscounted future cash flows expected from the use of the assets and their eventual disposition. GAAP required VEREIT Office Assets to utilize the expected holding period of its properties when assessing recoverability. In the event that such expected undiscounted future cash flows did not exceed the carrying value, the real estate assets have been adjusted to their respective fair values and an impairment loss has been recognized. There are inherent uncertainties in making estimates of expected future cash flows such as market conditions and performance and sustainability of the tenants.

Investment in Unconsolidated Joint Venture

Investment in Unconsolidated Joint Venture

As of October 31, 2021 and December 31, 2020, VEREIT Office Assets owned a 20% ownership interest in an unconsolidated joint venture, the Arch Street Joint Venture, that owned five and four properties, respectively, with total real estate investments, at cost, of $196.2 million and $169.3 million, respectively, and total debt outstanding of $118.4 million and $102.6 million, respectively, which was non-recourse to VEREIT Office Assets.

VEREIT Office Assets accounted for its investment in the unconsolidated joint venture using the equity method of accounting as VEREIT Office Assets had the ability to exercise significant influence, but not control, over operating and financing policies of the joint venture. The equity method of accounting requires the investment to be initially recorded at cost and subsequently adjusted for VEREIT Office Assets' share of equity in the joint venture's earnings and distributions. VEREIT Office Assets recorded its proportionate share of net income (loss) from the unconsolidated joint venture in equity in income of unconsolidated joint venture in the combined and consolidated statements of operations.

VEREIT Office Assets was required to determine whether an event or change in circumstances had occurred that may have had a significant adverse effect on the fair value of its

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investment in the unconsolidated joint venture. If an event or change in circumstance had occurred, VEREIT Office Assets' management was required to evaluate its investment in the unconsolidated joint venture for potential impairment and determine if the carrying value of its investment exceeded its fair value. An impairment charge is recorded when an impairment is deemed to be other-than-temporary. To determine whether an impairment is other-than-temporary, VEREIT Office Assets' management considered whether it had the ability and intent to hold the investment until the carrying value is fully recovered. The evaluation of an investment in an unconsolidated joint venture for potential impairment required VEREIT Office Assets' management to exercise significant judgment and to make certain assumptions. The use of different judgments and assumptions could result in different conclusions. No impairments were identified during the ten months ended October 31, 2021 and the year ended December 31, 2020.

Goodwill Impairment

Goodwill Impairment

VEREIT evaluated goodwill for impairment annually or more frequently when an event occurred or circumstances changed that indicated the carrying value may not be recoverable. To determine whether it was necessary to perform a quantitative goodwill impairment test, VEREIT first assessed qualitative factors, including, but not limited to macro-economic conditions such as deterioration in the entity's operating environment or industry or market considerations; entity-specific events such as increasing costs, declining financial performance, or loss of key personnel; or other events such as an expectation that a reporting unit will be sold or sustained decrease in VEREIT's stock price on either an absolute basis or relative to peers. If an entity believes, as a result of its qualitative assessment, that it is more-likely-than-not (i.e. greater than 50% chance) that the fair value of a reporting unit is less than its carrying amount, the quantitative impairment test is required. Otherwise, no quantitative testing is required. If it is determined, as a result of the qualitative assessment, that it is more-likely-than-not that the fair value is less than the carrying amount, the provisions of guidance require that the fair value be compared to the carrying value. Goodwill is considered impaired if the carrying value exceeds the fair value. No impairments of VEREIT's goodwill were recorded during the ten months ended October 31, 2021 and the years ended December 31, 2020 and 2019. The results of the VEREIT impairment tests carry over to VEREIT Office Assets, therefore no impairments were recorded in the accompanying combined and consolidated statements of operations.

Cash and Cash Equivalents

Cash and Cash Equivalents

VEREIT Office Assets considers all highly liquid instruments with maturities when purchased of three months or less to be cash equivalents. VEREIT Office Assets considers investments in highly liquid money market accounts to be cash equivalents.

Restricted Cash

Restricted CashAs of October 31, 2021 and December 31, 2020, restricted cash included $8,000 and $3.0 million, respectively, in lender reserves. Reserves relate to lease expirations, as well as maintenance, structural and debt service reserves.

Rent and Tenant Receivables and Other Assets, Net

Rent and Tenant Receivables and Other Assets, Net

Rent and tenant receivables and other assets, net primarily includes amounts to be collected in future periods related to the recognition of rental income on a straight-line basis over the lease term and cost recoveries due from tenants. Prepaid expenses as of the balance sheet date relate to future periods and will be expensed or reclassified to another account during the period to which the costs relate. Any amounts with no future economic benefit are charged to earnings when identified.

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Deferred Financing Costs

Deferred Financing Costs Deferred financing costs represent commitment fees, legal fees and other costs associated with obtaining commitments for financing. Deferred financing costs are presented on the combined and consolidated balance sheet as a direct deduction from the carrying amount of the related debt liability. These costs are amortized to interest expense over the terms of the respective financing agreements using the straight-line method, which approximates the effective interest method. Unamortized deferred financing costs are written off when the associated debt is refinanced or repaid before maturity. Costs incurred in connection with potential financial transactions that are not completed are expensed in the period in which it is determined the financing will not be completed.

Leases - Lessor

Leases - Lessor

At the inception of a new lease arrangement, including new leases that arise from amendments, the terms and conditions are assessed to determine the proper lease classification. When the terms of a lease effectively transfer control of the underlying asset, the lease is classified as a sales-type lease. When a lease does not effectively transfer control of the underlying asset to the lessee, but a guarantee is obtained for the value of the asset from a third party, the lease is classified as a direct financing lease. All other leases are classified as operating leases. As of October 31, 2021 and December 31, 2020, no leases were classified as sales-type or direct financing leases.

For operating leases with minimum scheduled rent increases, rental revenue is recognized on a straight-line basis, including the effect of any free rent periods, over the lease term when collectability of lease payments is probable. Variable lease payments are recognized as rental revenue in the period when the changes in facts and circumstances on which the variable lease payments are based occur.

VEREIT Office Assets adopted Accounting Standards Codification Topic 842, Leases effective as of January 1, 2019. Two separate lease components were identified as follows: (i) land lease component and (ii) single property lease component comprised of building, land improvements and tenant improvements. The leases also contain provisions for tenants to reimburse VEREIT Office Assets for real estate taxes and insurance, which are considered noncomponents of the lease, and maintenance and other property operating expenses, which are considered to be non-lease components. VEREIT Office Assets elected the practical expedient to combine lease and non-lease components and the non-lease components will be included with the single property lease component as the predominant component.

VEREIT Office Assets continually reviews receivables related to rent, straight-line rent and property operating expense reimbursements and determines collectability by taking into consideration the tenant's payment history, the financial condition of the tenant, business conditions in the industry in which the tenant operates and economic conditions in the area in which the property is located. The review includes a binary assessment of whether or not substantially all of the amounts due under a tenant's lease agreement are probable of collection. For leases that are deemed probable of collection, revenue continues to be recorded on a straight-line basis over the lease term. For leases that are deemed not probable of collection, revenue is recorded as cash is received. All changes in the collectability assessment for an operating lease are recognized as an adjustment to rental income.

During the year ended December 31, 2020, there was a global outbreak of a new strain of coronavirus, COVID-19. The global and domestic response to the COVID-19 outbreak continues to evolve. Federal, state, and local authorities have responded in a variety of ways, including

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temporary closure of or imposed limitations on the operations of certain non-essential businesses. Since the COVID-19 outbreak began, each of VEREIT Office Assets' tenants has almost entirely continued to meet its payment obligations under its respective lease. In consideration of each tenant's payment history, among other factors, there have been no changes in the collectability assessment for any of VEREIT Office Assets' operating leases. Though the COVID-19 outbreak did not have a material impact on VEREIT Office Assets' results of operations, cash flows or financial condition for the ten months ended October 31, 2021 and year ended December 31, 2020, it could negatively impact tenant operations at VEREIT Office Assets' properties in the future, which could result in a material impact to VEREIT Office Assets' future results of operations, cash flows and financial condition.

Leases - Lessee

Leases - Lessee

To account for leases for which VEREIT Office Assets is the lessee, contracts must be analyzed upon inception to determine if the arrangement is, or contains, a lease. A lease conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease classification tests and measurement procedures are performed at the lease commencement date.

The lease liability is initially measured as the present value of the lease payments over the lease term, discounted using the interest rate implicit in the lease, if that rate is readily determinable; otherwise, the lessee's incremental borrowing rate is used. The incremental borrowing rate is determined based on the estimated rate of interest that the lessee would pay to borrow on a collateralized basis over a similar term at an amount equal to the lease payments in a similar economic environment. The lease term is the noncancelable period of the lease and includes any renewal and termination options VEREIT Office Assets is reasonably certain to exercise. The lease liability balance is amortized using the effective interest method. The lease liability is remeasured when the contract is modified, upon the resolution of a contingency such that variable payments become fixed or if the assessment of exercising an extension, termination or purchase option changes.

The operating lease right-of-use ("ROU") asset balance is initially measured as the lease liability amount, adjusted for any lease payments made prior to the commencement date, initial direct costs, estimated costs to dismantle, remove, or restore the underlying asset and incentives received.

Income Taxes

Income Taxes

As of October 31, 2021, VEREIT Office Assets was owned by VEREIT, which had elected to be taxed as a REIT for U.S. federal income tax purposes under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended, commencing with the taxable year ended December 31, 2011. VEREIT believed it was organized and operating in such a manner as to qualify to be taxed as a REIT for the taxable year ending December 31, 2021. As a REIT, VEREIT was generally not subject to federal income tax on taxable income that it distributed to its stockholders so long as it distributed annually at least 90% of its REIT taxable income (computed without regard to the deduction for dividends paid and excluding net capital gains). Accordingly, no provision has been made for federal income taxes in the accompanying combined and consolidated financial statements of VEREIT Office Assets.

Recent Accounting Pronouncements

Recent Accounting Pronouncements

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In July 2021, the FASB issued ASU 2021-05 establishing Topic 842, Lessors - Certain Leases with Variable Lease Payments. ASU 2021-05 further clarifies ASC 842 classification guidance as it relates to a lessor's accounting for certain leases with variable lease payments. This guidance requires a lessor to classify a lease with variable payments that do not depend on an index or rate as an operating lease if either a sales-type lease or direct financing lease classification would trigger a day-one loss. This guidance is effective for reporting periods beginning after December 15, 2021, with early adoption permitted. We are currently evaluating the impact of the adoption of ASU 2021-05 on our consolidated and combined statements.

In March 2020, the FASB issued ASU 2020-04 establishing Topic 848, Reference Rate Reform. ASU 2020-04 contains practical expedients for reference rate reform related activities that impact debt, leases, derivatives and other contracts. The guidance is optional and is effective between March 12, 2020 and December 31, 2022. The guidance may be elected over time as reference rate reform activities occur. We are currently evaluating the impact that the expected market transition from the London Interbank Offered Rate, commonly referred to as LIBOR, to alternative references rates will have on our financial statements as well as the applicability of the aforementioned expedients and exceptions provided in ASU 2020-04.

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Orion Office REIT, Real Estate Investments and Related Intangibles (Tables)

12 Months Ended Dec. 31, 2021

Real Estate [Abstract]

Schedule of Finite-Lived Intangible Assets

Intangible lease assets consisted of the following (amounts in thousands, except weighted-average useful life):

	Weighted-Average Useful Life (Years)	December 31,
Intangible lease assets:		
In-place leases, net of accumulated amortization of $65,247 and $71,633, respectively	4.8	$ 272
Leasing commissions, net of accumulated amortization of $456	13.4	10
Above-market lease assets, net of accumulated amortization of $6,239 and $7,166, respectively	5.0	15
Total intangible lease assets, net		$ 298
Intangible lease liabilities:		
Below-market leases, net of accumulated amortization of $14,459 and $13,482, respectively	7.5	$ 20

Schedule of Finite-Lived Intangible Assets, Future Amortization Expense

The following table provides the projected amortization expense and adjustments to rental revenue related to the intangible lease assets and years as of December 31, 2021 (amounts in thousands):

	2022	2023	2024	2
In-place leases:				
Total projected to be included in amortization expense	$ 94,659	$ 73,859	$ 49,213	$
Leasing commissions:				
Total projected to be included in amortization expense	$ 850	$ 850	$ 841	$
Above-market lease assets and deferred lease incentives:				
Total projected to be deducted from rental revenue	$ 5,171	$ 4,791	$ 2,998	$
Below-market lease liabilities:				
Total projected to be added to rental revenue	$ 6,443	$ 6,091	$ 3,786	$

Real Estate Investment Financial Statements, Disclosure

The following is a summary of the Company's investment in one unconsolidated entity, Arch Street Joint Venture, as of December 31, 2 December 31, 2021 (dollar amounts in thousands):

Investment	Ownership % [(1)]	Number of Properties	Carrying Amount of Investment
	December 31, 2021		December 31, 2021
Arch Street Joint Venture [(3)] [(4)]	20%	6	$ 18,631

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(1) The Company's ownership interest reflects its legal ownership interest. Legal ownership may, at times, not equal the Company's economic interest in the listed properties becau joint venture agreements regarding capital contributions, distributions of cash flow based on capital account balances and allocations of profits and losses. As a result, the Comp distinct from its legal ownership interest) in certain of the properties could fluctuate from time to time and may not wholly align with its legal ownership interests.

(2) The interest in the Arch Street Joint Venture was acquired by Realty Income as part of the Mergers, and was transferred to the Company upon the consummation of the Distri equity in income reflects operations following the Merger Effective Time.

(3) During year ended December 31, 2021, the Arch Street Joint Venture acquired one property from a third party for a purchase price of $30.5 million.

(4) The total carrying amount of the Company's investment in the unconsolidated joint venture was greater than the underlying equity in net assets by $2.1 million as of Decembe to a step up in the fair value of the investment in the unconsolidated joint venture in connection with the Mergers. The step up in fair value was allocated to the Company's inve venture and is amortized in accordance with the Company's depreciation policy.

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Orion Office REIT, Receivables and Other Assets (Tables)	12 Months Ended Dec. 31, 2021
Receivables [Abstract]	
Schedule of Accounts Receivables, Net	Accounts receivable, net consisted of the following as of December 31, 2021 and 2020 (in thousands):
Schedule of Other Assets, Net	Other assets, net consisted of the following as of December 31, 2021 and 2020 (in thousands):

Accounts receivable, net consisted of the following as of December 31, 2021 and 2020 (in thousands):

		December 31, 2021
Straight-line rent receivable, net	$	7,722
Accounts receivable, net		10,194
Total	$	17,916

Other assets, net consisted of the following as of December 31, 2021 and 2020 (in thousands):

		December 31, 2021
Deferred costs, net [(1)]		6,246
Prepaid expenses		3,730
Right-of-use assets, net [(2)]		30,958
Investment in unconsolidated entity		18,631
Restricted cash		—
Other assets, net		936
Total	$	60,501

(1) Amortization expense for deferred costs related to the revolving credit facility totaled $0.3 million for the year ended December 31, 2021 as compared to no deferred costs for t
Accumulated amortization for deferred costs related to the revolving credit facility was $0.3 million at December 31, 2021.

(2)Amortization expense for below market right-of-use asset was less than $0.1 million. Includes right-of-use finance leas
right-of-use operating leases of $10.2 million, and a below-market right-of-use asset of $7.1 million, net of less than $0.1
accumulated amortization as of the year ended December 31, 2021.

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Orion Office REIT, Fair Value Measures (Tables)	12 Months Ended Dec. 31, 2021

Fair Value Disclosures [Abstract]

Fair Value Measurements, Recurring

The following tables present information about the Company's assets and liabilities measured at fair value on a recurring basis as of Decemb the level in the fair value hierarchy within which those instruments fall (in thousands):

	Level 1	Level 2	Level 3
Assets:			
Derivative assets	$ —	$ 299	$ —

Provisions for Impairment

The following table summarizes our provisions for impairment during the periods indicated below (dollars in thousands):

	Year Ended I
	2021
Number of properties	10
Carrying value of impaired properties	$ 109,197
Provisions for impairment	(49,859)
Estimated fair value	$ 59,338

Schedule of Fair Value, by Balance Sheet Grouping

The fair values of the Company's financial instruments are reported below (dollar amounts in thousands):

	Level	Carrying Amount at December 31, 2021	Fair Value at December 31, 2021	Carrying Amount at December 31, 2020
Liabilities [(1)]:				
Bridge facility, net	2	355,000	355,000	$ —
Credit facility term loan, net	2	175,000	175,000	—
Credit facility revolver	2	90,000	90,000	—
Mortgages payable assumed in connection with acquisitions	2	—	—	36,476
Total		$ 620,000	$ 620,000	$ 36,476

(1) Current and prior period liabilities' carrying and fair values exclude net deferred financing costs.

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Orion Office REIT, Debt, Net (Tables)	12 Months Ended Dec. 31, 2021
Debt Disclosure [Abstract]	
Schedule of Debt	The following table summarizes the carrying value of debt as of December 31, 2021 and December 31, 2020, and the deb ended December 31, 2021 (in thousands):

		Year Ended December 31, 2021		
	Balance as of December 31, 2020	Debt Issuances	Repayments, Extinguishment and Assumptions	Accretion and Amortization
Mortgages payable:				
Outstanding balance	$ 36,476	$ —	$ (36,476)	$ –
Premium, net	576	—	(516)	(6
Mortgages payable, net	37,052	—	(36,992)	(6
Bridge facility:				
Outstanding balance	—	355,000	—	–
Deferred costs	—	(888)	—	24
Bridge facility, net	—	354,112	—	24
Credit facility term loan:				
Outstanding balance	—	175,000	—	–
Deferred costs	—	(2,695)	—	18
Credit facility term loan, net	—	172,305	—	18
Credit facility revolver:				
Outstanding balance	—	90,000	—	–
Credit facility revolver, net	—	90,000	—	–
Total debt	$ 37,052	$ 616,417	$ (36,992)	$ 37

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Orion Office REIT, Derivative and Hedging Activities (Tables)	12 Months Ended
	Dec. 31, 2021
Derivative Instruments and Hedging Activities Disclosure [Abstract]	
Schedule of Derivative Instruments	The table below presents the fair value of the Company's derivative financial instrument designated as a cash flow hedge as well as its class consolidated balance sheets as of December 31, 2021 (in thousands):
Derivative Offsetting Assets	The table below details a gross presentation, the effects of offsetting and a net presentation of the Company's derivatives as of December 3 2020 (in thousands). The net amounts of derivative assets or liabilities can be reconciled to the tabular disclosure of fair value.
Derivative Offsetting Liabilities	The table below details a gross presentation, the effects of offsetting and a net presentation of the Company's derivatives as of December 3 2020 (in thousands). The net amounts of derivative assets or liabilities can be reconciled to the tabular disclosure of fair value.

Schedule of Derivative Instruments

Derivatives Designated as Hedging Instruments	Balance Sheet Location
Interest rate swaps	Other assets, net

Derivative Offsetting Assets

	Offsetting of Derivative Assets and Liabilities						
	Gross Amounts of Recognized Assets	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Consolidated Balance Sheets	Net Amounts of Assets Presented in the Consolidated Balance Sheets	Net Amounts of Liabilities Presented in the Consolidated Balance Sheets	Financial Instruments	Cas
December 31, 2021	$ 299	$ —	$ —	$ 299	$ —	$ —	$
December 31, 2020	$ —	$ —	$ —	$ —	$ —	$ —	$

Derivative Offsetting Liabilities

	Offsetting of Derivative Assets and Liabilities						
	Gross Amounts of Recognized Assets	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Consolidated Balance Sheets	Net Amounts of Assets Presented in the Consolidated Balance Sheets	Net Amounts of Liabilities Presented in the Consolidated Balance Sheets	Financial Instruments	Cas
December 31, 2021	$ 299	$ —	$ —	$ 299	$ —	$ —	$
December 31, 2020	$ —	$ —	$ —	$ —	$ —	$ —	$

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Orion Office REIT, Statement of Cash Flow Disclosures (Tables)

	12 Months Ended
	Dec. 31, 2021
Supplemental Cash Flow Elements [Abstract]	
Schedule of Cash Flow, Supplemental Disclosures	Supplemental cash flow information was as follows for the years ended December 31, 2021, 2020 and 2019 (in thousands):

	Year Ended Decembe			
	2021		2020	
Supplemental disclosures:				
Cash paid for interest	$	2,412	$	3,4
Cash paid for income taxes	$	98	$	
Non-cash investing and financing activities:				
Accrued capital expenditures and leasing costs	$	286	$	
Non-cash assets and liabilities contributed by parent company	$	1,142,002	$	
Establishment of right-of-use assets and lease liabilities	$	989	$	

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Orion Office REIT, Accounts Payable and Accrued Expenses (Tables)	12 Months Ended
	Dec. 31, 2021
Payables and Accruals [Abstract]	
Schedule of Accounts Payable and Accrued Expenses	Accounts payable and accrued expenses consisted of the following as of December 31, 2021 and December 31, 2020 (in thousands):

	December 31, 2021
Accrued interest	$ 1,093
Accrued real estate and other taxes	10,322
Accrued transaction costs	129
Accounts payable	1,805
Accrued other	4,030
Total	$ 17,379

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Orion Office REIT, Leases (Tables)	12 Months Ended Dec. 31, 2021

Leases [Abstract]

Schedule of Operating Lease Payments to be Received

The following table presents future minimum operating lease payments due to the Company over the next five years and thereafter as thousands).

	Ope
2022	$
2023	
2024	
2025	
2026	
Thereafter	
Total	$

Schedule of Operating Lease Liability, Maturity

The following table reflects the maturity analysis of payments due from the Company over the next five years and thereafter for ground obligations as of December 31, 2021 (in thousands).

2022	
2023	
2024	
2025	
2026	
Thereafter	
Total	
Less: imputed interest	
Total	

The following table reflects the maturity analysis of payments due from the Company over the next five years and thereafter for ground lease 31, 2020 (in thousands).

2021	
2022	
2023	
2024	
2025	
Thereafter	
Total	
Less: imputed interest	
Total	

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Orion Office REIT, Net Income (Loss) Per Share (Tables)	12 Months Ended
	Dec. 31, 2021
Earnings Per Share [Abstract]	
Schedule of Earnings Per Share, Basic and Diluted	The financial statements reflect the common shares as if they were outstanding for the entire period presented, and are as of the date of Separ computation of basic and diluted EPS is as follows for the years ended December 31, 2021, 2020 and 2019 (in thousands, except share and per sh

	Year Ended Decembe		
	2021	2020	
Net (loss) income	$	(47,464)	$ (1,8
(Income) loss attributable to non-controlling interests		(17)	
Net (loss) income available to common stockholders used in basic and diluted net income per share		(47,481)	(1,8
Weighted average number of Common Stock outstanding - basic		56,625,650	56,625,(
Effect of dilutive securities [(1)]		—	
Weighted average number of common shares - diluted		56,625,650	56,625,(
Basic and diluted net (loss) income per share attributable to common stockholders	$	(0.84)	$ (0

(1) As of December 31, 2021, 2020 and 2019, there were no adjustments to the weighted average common shares outstanding used in the diluted calculation given there were no po

Schedule of Antidilutive Securities Excluded from Computation of Earnings Per Share

The following were excluded from diluted net (loss) income per share attributable to common stockholders, as the effect would have been an

	Year Ended Decembe	
	2021	2020
Weighted average unvested Time-Based Restricted Stock Units [(1)]	—	
Weighted average stock warrants	1,120,000	

(1) Net of assumed repurchases in accordance with the treasury stock method.

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VEREIT Office Assets, Real Estate Investments and Related Intangibles (Tables)

12 Months Ended

Dec. 31, 2021

Entity Information [Line Items]

Schedule of Finite-Lived Intangible Assets

Intangible lease assets consisted of the following (amounts in thousands, except weighted-average useful life):

	Weighted-Average Useful Life (Years)	December 31,	
Intangible lease assets:			
In-place leases, net of accumulated amortization of $65,247 and $71,633, respectively	4.8	$	272
Leasing commissions, net of accumulated amortization of $456	13.4		10
Above-market lease assets, net of accumulated amortization of $6,239 and $7,166, respectively	5.0		15
Total intangible lease assets, net		$	298
Intangible lease liabilities:			
Below-market leases, net of accumulated amortization of $14,459 and $13,482, respectively	7.5	$	20

Schedule of Finite-Lived Intangible Assets, Future Amortization Expense

The following table provides the projected amortization expense and adjustments to rental revenue related to the intangible lease assets and years as of December 31, 2021 (amounts in thousands):

	2022	2023	2024	2
In-place leases:				
Total projected to be included in amortization expense	$ 94,659	$ 73,859	$ 49,213	$
Leasing commissions:				
Total projected to be included in amortization expense	$ 850	$ 850	$ 841	$
Above-market lease assets and deferred lease incentives:				
Total projected to be deducted from rental revenue	$ 5,171	$ 4,791	$ 2,998	$
Below-market lease liabilities:				
Total projected to be added to rental revenue	$ 6,443	$ 6,091	$ 3,786	$

VEREIT Office Assets

Entity Information [Line Items]

Schedule of Finite-Lived Intangible Assets

Intangible lease assets consisted of the following (amounts in thousands, except weighted-average useful life):

	Weighted-Average Useful Life (Years)	October 31,	
Intangible lease assets:			
In-place leases, net of accumulated amortization of $119,604 and $118,093, respectively	10.1	$	2
Leasing commissions, net of accumulated amortization of $5,679 and $4,211, respectively	9.1		
Above-market lease assets and deferred lease incentives, net of accumulated amortization of $14,793 and $12,974, respectively	9.8		
Total intangible lease assets, net		$	4
Intangible lease liabilities:			
Below-market leases, net of accumulated amortization of $18,504 and $17,553, respectively	10.3	$	

Schedule of Finite Lived Intangible Liabilities

Intangible lease assets consisted of the following (amounts in thousands, except weighted-average useful life):

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	Weighted-Average Useful Life (Years)	October 31,
Intangible lease assets:		
In-place leases, net of accumulated amortization of $119,604 and $118,093, respectively	10.1	$ 2
Leasing commissions, net of accumulated amortization of $5,679 and $4,211, respectively	9.1	
Above-market lease assets and deferred lease incentives, net of accumulated amortization of $14,793 and $12,974, respectively	9.8	
Total intangible lease assets, net		$ 4
Intangible lease liabilities:		
Below-market leases, net of accumulated amortization of $18,504 and $17,553, respectively	10.3	$

Schedule of Finite-Lived Intangible Assets, Future Amortization Expense

The following table provides the projected amortization expense and adjustments to rental revenue related to the intangible lease assets and years as of October 31, 2021 (amounts in thousands):

	Remainder of 2021	2022	2023	2
In-place leases:				
Total projected to be included in amortization expense	$ 2,191	$ 10,475	$ 9,142	$
Leasing commissions:				
Total projected to be included in amortization expense	$ 288	$ 1,692	$ 1,290	$
Above-market lease assets and deferred lease incentives:				
Total projected to be deducted from rental revenue	$ 373	$ 2,223	$ 2,186	$
Below-market lease liabilities:				
Total projected to be included in rental revenue	$ 345	$ 2,003	$ 1,878	$

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VEREIT Office Assets, Leases (Tables)	12 Months Ended Dec. 31, 2021
Entity Information [Line Items]	
Schedule of Operating Lease Payments to be Received	The following table presents future minimum operating lease payments due to the Company over the next five years and thereafter as thousands).

	Ope
2022	$
2023	
2024	
2025	
2026	
Thereafter	
Total	$

Schedule of Operating Lease Liability, Maturity	The following table reflects the maturity analysis of payments due from the Company over the next five years and thereafter for ground obligations as of December 31, 2021 (in thousands).

2022
2023
2024
2025
2026
Thereafter
Total
Less: imputed interest
Total

The following table reflects the maturity analysis of payments due from the Company over the next five years and thereafter for ground lease 31, 2020 (in thousands).

2021
2022
2023
2024
2025
Thereafter
Total
Less: imputed interest
Total

VEREIT Office Assets	
Entity Information [Line Items]	
Schedule of Lease Income	The components of rental revenue from VEREIT Office Assets' operating leases were as follows (in thousands):

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	Ten Months Ended	Year End
	2021	2020
Fixed:		
Cash rent	$ 109,582	$ 132,40
Straight-line rent	(4,889)	(86
Lease intangible amortization	(29)	(6
Property operating cost reimbursements	3,270	3,79
Total fixed	107,934	135,26
Variable [(1)]	26,806	35,04
Total rental revenue	$ 134,740	$ 170,30

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(1) Includes costs reimbursed related to property operating expenses, common area maintenance and percentage rent.

Schedule of Operating Lease Payments to be Received

The following table presents future minimum operating lease payments due to VEREIT Office Assets over the next five years and thereafter thousands).

	Ope
November 1, 2021 - December 31, 2021	$
2022	
2023	
2024	
2025	
2026	
Thereafter	
Total	$

Schedule of Operating Lease Liability, Maturity

The following table reflects the maturity analysis of payments due from VEREIT Office Assets over the next five years and thereafter for gr October 31, 2021 (in thousands).

November 1, 2021 - December 31, 2021	
2022	
2023	
2024	
2025	
2026	
Thereafter	
Total	
Less: imputed interest	
Total	

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Orion Office REIT, Organization (Details) $ / shares in Units, ft² in Millions, $ in Millions	Nov. 12, 2021 USD ($)	Dec. 31, 2021 ft² property state $ / shares	Nov. 10, 2021 $ / shares	Jul. 15, 2021 $ / shares
Real Estate Properties [Line Items]				
Distributions to realty income | $	$ 595.0			
Common stock, par value (in dollars per share) | $ / shares		$ 0.001	$ 0.001	$ 0.01
Number of properties | property		92		
Area of real estate property | ft²		10.5		
Number of states with real estate properties owned | state		29		
Arch Street Joint Venture				
Real Estate Properties [Line Items]				
Number of properties | property		6		
Area of real estate property | ft²		1.0		
Number of states with real estate properties owned | state		6		

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Orion Office REIT, Summary of Significant Accounting Policies (Details) - USD ($)	12 Months Ended		
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Entity Information [Line Items]			
Lease termination income	$ 300,000	$ 0	$ 0
Property management fee revenue	300,000	0	0
Impairment of unconsolidated joint venture	0		
Impairment of property and equipment	0	0	0
Restricted cash	0	3,900,000	3,700,000
Franchise and state and local tax expense	$ 200,000		
Impounds related to mortgages payable			
Entity Information [Line Items]			
Restricted cash		3,400,000	3,200,000
Security deposits related to mortgages payable			
Entity Information [Line Items]			
Restricted cash		$ 500,000	$ 500,000
Minimum			
Entity Information [Line Items]			
Expected lease-up period	6 months		
Impairment considerations, disposal period (more likely than not)	12 months		
Maximum			
Entity Information [Line Items]			
Expected lease-up period	18 months		
Impairment considerations, disposal period (more likely than not)	24 months		
Building			
Entity Information [Line Items]			
Real estate assets, useful life	35 years		
Building Fixtures and Improvements | Minimum			
Entity Information [Line Items]			
Real estate assets, useful life	5 years		
Building Fixtures and Improvements | Maximum			
Entity Information [Line Items]			
Real estate assets, useful life	15 years		
Computer Equipment | Minimum			
Entity Information [Line Items]			
Real estate assets, useful life	3 years		
Computer Equipment | Maximum			
Entity Information [Line Items]			
Real estate assets, useful life	7 years		

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Orion Office REIT, Real Estate Investments and Related Intangibles - Intangible Lease Assets (Details) - USD ($) $ in Thousands	12 Months Ended		
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Real Estate [Line Items]			
Intangible lease assets, net	$ 298,107	$ 28,680	
Weighted-Average Useful Life (Years)	7 years 6 months		
Below-market lease liabilities, net	$ 20,609	7,221	
Below market-leases accumulated amortization	$ 14,459	13,482	
In-place leases			
Real Estate [Line Items]			
Weighted-Average Useful Life (Years)	4 years 9 months 18 days		
Intangible lease assets, net	$ 272,743	25,800	
Accumulated amortization	$ 65,247	71,633	
Leasing commissions			
Real Estate [Line Items]			
Weighted-Average Useful Life (Years)	13 years 4 months 24 days		
Intangible lease assets, net	$ 10,349	0	
Accumulated amortization	$ 456	456	
Above-market lease assets and deferred lease incentives			
Real Estate [Line Items]			
Weighted-Average Useful Life (Years)	5 years		
Intangible lease assets, net	$ 15,015	2,880	
Accumulated amortization	6,239	7,166	
Above- and below-market leases and deferred lease incentives			
Real Estate [Line Items]			
Amortization expense	1,000	800	$ 900
In-place leases, leasing commissions and other lease intangibles			
Real Estate [Line Items]			
Amortization expense	$ 23,100	$ 7,900	$ 8,700

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Orion Office REIT, Real Estate Investments and Related Intangibles - Intangible Lease Assets and Liabilities (Details) $ in Thousands	Dec. 31, 2021 USD ($)
Below-market lease liabilities:	
2022	$ 6,443
2023	6,091
2024	3,786
2025	1,036
2026	817
In-place leases	
Real Estate [Line Items]	
2022	94,659
2023	73,859
2024	49,213
2025	21,652
2026	15,499
Leasing commissions	
Real Estate [Line Items]	
2022	850
2023	850
2024	841
2025	836
2026	836
Above-market lease assets and deferred lease incentives	
Real Estate [Line Items]	
2022	5,171
2023	4,791
2024	2,998
2025	860
2026	$ 682

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Orion Office REIT, Real Estate Investments and Related Intangibles - Consolidated Joint Venture (Details) $ in Thousands	12 Months Ended	
	Dec. 31, 2021 USD ($) property jointVenture	Dec. 31, 2020 USD ($)
Real Estate [Line Items]		
Number of properties | property	92	
Total assets	$ 1,759,478	$ 546,431
Total real estate investments, net	$ 1,353,636	$ 497,876
Joint ventures		
Real Estate [Line Items]		
Number of joint ventures | jointVenture	1	
Number of properties | property	1	
Total assets	$ 27,400	
Total real estate investments, net	$ 26,100	

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Orion Office REIT, Real Estate Investments and Related Intangibles - Investment in Unconsolidated Entities (Details) $ in Thousands	12 Months Ended
	Dec. 31, 2021 USD ($) property
Schedule of Equity Method Investments [Line Items]	
Number of properties | property	92
Arch Street Joint Venture	
Schedule of Equity Method Investments [Line Items]	
Ownership	20.00%
Number of properties | property	6
Carrying Amount of Investment	$ 18,631
Equity in Income	$ (56)
Number of unconsolidated joint ventures | property	1
Purchase price	$ 30,500
Difference between carrying amount and underlying equity	$ 2,100

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Orion Office REIT, Receivables and Other Assets - Accounts Receivable, Net (Details) - USD ($) $ in Thousands	Dec. 31, 2021	Dec. 31, 2020
Receivables [Abstract]		
Straight-line rent receivable, net	$ 7,722	$ 7,043
Accounts receivable, net	10,194	1,035
Total	$ 17,916	$ 8,078

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Orion Office REIT, Receivables and Other Assets - Other Assets (Details) - USD ($)	12 Months Ended			
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
Receivables [Abstract]				
Operating lease, right-of-use asset, statement of financial position [Extensible Enumeration]	Total	Total		
Finance lease, right-of-use asset, statement of financial position [Extensible Enumeration]	Total	Total		
Deferred costs, net	$ 6,246,000	$ 0		
Prepaid expenses	3,730,000	252,000		
Right-of-use assets, net	30,958,000	7,630,000		
Investment in unconsolidated entity	18,631,000	0		
Restricted cash	0	3,915,000	$ 3,719,000	$ 2,850,000
Other assets, net	936,000	0		
Total	60,501,000	11,797,000		
Amortization of deferred costs	300,000	0		
Accumulated amortization of deferred costs	300,000			
Amortization expense for below market right-of-use, less than	100,000			
Right of use asset - financing leases	13,800,000			
Operating lease right-of-use assets	30,958,000	7,630,000		
Below market lease, right-of-use asset	7,100,000			
Below market-leases accumulated amortization, less than	$ 14,459,000	$ 13,482,000		

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Orion Office REIT, Fair Value Measures - Items Measured at Fair Value on a Recurring Basis (Details) - USD ($) $ in Thousands	Dec. 31, 2021	Dec. 31, 2020
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Derivative assets	$ 299	$ 0
Level 1		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Derivative assets	0	
Level 2		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Derivative assets	299	
Level 3		
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]		
Derivative assets	$ 0	

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Orion Office REIT, Fair Value Measures - Narrative (Details)	12 Months Ended		
	Dec. 31, 2021 USD ($) property	Dec. 31, 2020 USD ($) property	Dec. 31, 2019 USD ($)
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]			
Number of properties | property	10	1	
Provisions for impairment | $	$ 49,859,000	$ 18,671,000	$ 0
Weighted Average | Assets Impaired During The Twelve Months Ended December 31 2021 | Discount Rate			
Fair Value, Assets and Liabilities Measured on Recurring and Nonrecurring Basis [Line Items]			
Alternative investment, measurement input	0.089		

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Orion Office REIT, Fair Value Measures - Provisions for Impairment (Details)	12 Months Ended		
	Dec. 31, 2021 USD ($) property	Dec. 31, 2020 USD ($) property	Dec. 31, 2019 USD ($)
Fair Value Disclosures [Abstract]			
Number of properties | property	10	1	
Carrying value of impaired properties	$ 109,197,000	$ 29,129,000	
Provisions for impairment	(49,859,000)	(18,671,000)	$ 0
Estimated fair value	$ 59,338,000	$ 10,458,000	

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Orion Office REIT, Fair Value Measures - Fair Value of Financial Instruments (Details) - USD ($) $ in Thousands	Dec. 31, 2021	Dec. 31, 2020
Carrying Value		
Fair Value, Balance Sheet Grouping, Financial Statement Captions [Line Items]		
Fair value of debt	$ 620,000	$ 36,476
Estimated Fair Value		
Fair Value, Balance Sheet Grouping, Financial Statement Captions [Line Items]		
Fair value of debt	620,000	37,095
Level 2 | Bridge facility, net | Carrying Value		
Fair Value, Balance Sheet Grouping, Financial Statement Captions [Line Items]		
Fair value of debt	355,000	0
Level 2 | Bridge facility, net | Estimated Fair Value		
Fair Value, Balance Sheet Grouping, Financial Statement Captions [Line Items]		
Fair value of debt	355,000	0
Level 2 | Credit facility term loan, net | Carrying Value		
Fair Value, Balance Sheet Grouping, Financial Statement Captions [Line Items]		
Fair value of debt	175,000	0
Level 2 | Credit facility term loan, net | Estimated Fair Value		
Fair Value, Balance Sheet Grouping, Financial Statement Captions [Line Items]		
Fair value of debt	175,000	0
Level 2 | Credit facility revolver | Carrying Value		
Fair Value, Balance Sheet Grouping, Financial Statement Captions [Line Items]		
Fair value of debt	90,000	0
Level 2 | Credit facility revolver | Estimated Fair Value		
Fair Value, Balance Sheet Grouping, Financial Statement Captions [Line Items]		
Fair value of debt	90,000	0
Level 2 | Mortgages payable assumed in connection with acquisitions | Carrying Value		
Fair Value, Balance Sheet Grouping, Financial Statement Captions [Line Items]		
Fair value of debt	0	36,476
Level 2 | Mortgages payable assumed in connection with acquisitions | Estimated Fair Value		
Fair Value, Balance Sheet Grouping, Financial Statement Captions [Line Items]		
Fair value of debt	$ 0	$ 37,095

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Orion Office REIT, Debt, Net - Narrative (Details) - USD ($) $ in Thousands	12 Months Ended Dec. 31, 2021	Dec. 31, 2020
Debt Disclosure [Abstract]		
Mortgages outstanding	$ 616,847	$ 37,052
Debt instrument, term	1 year 2 months 12 days	
Weighted average interest rate	2.77%	

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Orion Office REIT, Debt, Net - Schedule of Debt (Details) - USD ($) $ in Thousands	12 Months Ended		
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Debt [Roll Forward]			
Total debt, beginning balance	$ 37,052		
Debt issuance principal amount	616,417		
Repayments, extinguishment and assumptions of debt, net	(36,992)		
Amortization of net premiums on mortgages payable	(60)	$ (411)	$ (435)
Amortization of debt issuance costs and discounts	370		
Outstanding balance, ending	620,000		
Total debt, ending balance	616,847	37,052	
Mortgages payable			
Debt [Roll Forward]			
Outstanding balance, beginning	36,476		
Premium, net beginning balance	576		
Total debt, beginning balance	37,052		
Debt issuance outstanding balance amount	0		
Debt issuance, premium net amount	0		
Debt issuance principal amount	0		
Repayments, extinguishment and assumptions	(36,476)		
Repayments, extinguishment and assumptions of debt, premium, amount	(516)		
Repayments, extinguishment and assumptions of debt, net	(36,992)		
Amortization of net premiums on mortgages payable	(60)		
Amortization of debt issuance costs and discounts	(60)		
Outstanding balance, ending	0	36,476	
Premium, net ending balance	0	576	
Total debt, ending balance	0	37,052	
Bridge facility, net			
Debt [Roll Forward]			
Outstanding balance, beginning	0		
Deferred costs, beginning balance	0		
Total debt, beginning balance	0		
Debt issuance outstanding balance amount	355,000		
Debt issuance, deferred cost	(888)		
Debt issuance principal amount	354,112		
Repayments, extinguishment and assumptions	0		
Repayments, extinguishment and assumptions of debt, deferred costs, amount	0		
Repayments, extinguishment and assumptions of debt, net	0		
Amortization of debt issuance costs	245		
Amortization of debt issuance costs and discounts	245		
Outstanding balance, ending	355,000	0	
Deferred costs, ending balance	(643)	0	

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Total debt, ending balance	354,357	0
Credit facility term loan, net		
Debt [Roll Forward]		
Outstanding balance, beginning	0	
Deferred costs, beginning balance	0	
Total debt, beginning balance	0	
Debt issuance outstanding balance amount	175,000	
Debt issuance, deferred cost	(2,695)	
Debt issuance principal amount	172,305	
Repayments, extinguishment and assumptions	0	
Repayments, extinguishment and assumptions of debt, deferred costs, amount	0	
Repayments, extinguishment and assumptions of debt, net	0	
Amortization of debt issuance costs	185	
Amortization of debt issuance costs and discounts	185	
Outstanding balance, ending	175,000	0
Deferred costs, ending balance	(2,510)	0
Total debt, ending balance	172,490	0
Credit facility revolver		
Debt [Roll Forward]		
Outstanding balance, beginning	0	
Total debt, beginning balance	0	
Debt issuance outstanding balance amount	90,000	
Debt issuance principal amount	90,000	
Repayments, extinguishment and assumptions	0	
Repayments, extinguishment and assumptions of debt, net	0	
Amortization of debt issuance costs and discounts	0	
Outstanding balance, ending	90,000	0
Total debt, ending balance	$ 90,000	$ 0

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Orion Office REIT, Debt, Net - Credit Facility (Details)	Nov. 12, 2021 USD ($) extension	12 Months Ended			
		Dec. 31, 2021 USD ($)	Dec. 31, 2020 USD ($)	Dec. 31, 2019 USD ($)	Feb. 10, 2022 USD ($)
Debt Instrument [Line Items]					
Debt instrument, term		1 year 2 months 12 days			
Distributions to realty income	$ 595,000,000				
Consolidated debt outstanding		$ 620,000,000			
Number of extension periods | extension	1				
Credit facility revolver					
Debt Instrument [Line Items]					
Consolidated debt outstanding		90,000,000	$ 0		
Mortgages payable					
Debt Instrument [Line Items]					
Consolidated debt outstanding		0	36,476,000		
Mortgages payable | Subsequent Event | CMBS Loan					
Debt Instrument [Line Items]					
Debt instrument, face amount					$ 355,000,000
Credit facility revolver					
Debt Instrument [Line Items]					
Borrowing capacity	$ 425,000,000				
Proceeds from lines of credit	$ 90,000,000	90,000,000	0	$ 0	
Remaining borrowing capacity		335,000,000			
Commitment fee percentage	0.25%				
Credit facility revolver | Line of Credit					
Debt Instrument [Line Items]					
Debt instrument, term	3 years				
Covenant, total debt to total asset value, maximum	0.60				
Covenant, adjusted EBITDA to fixed charges, minimum	1.50				
Covenant, secured debt to total asset value, maximum	0.45				
Covenant, unsecured debt to unencumbered asset value, maximum	0.60				
Covenant, unencumbered real properties to unsecured interest expense, minimum	2.00				
Credit facility revolver | Line of Credit | LIBOR					

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Debt Instrument [Line Items]			
Variable rate	2.50%		
Credit facility revolver | Line of Credit | Base Rate			
Debt Instrument [Line Items]			
Variable rate	1.50%		
Letter of Credit			
Debt Instrument [Line Items]			
Borrowing capacity	$ 25,000,000		
Credit facility term loan, net			
Debt Instrument [Line Items]			
Borrowing capacity	$ 175,000,000		
Proceeds from lines of credit	175,000,000	0	0
Credit facility term loan, net | Line of Credit			
Debt Instrument [Line Items]			
Debt instrument, term	2 years		
Credit facility term loan, net | Line of Credit | LIBOR			
Debt Instrument [Line Items]			
Variable rate	2.50%		
Credit facility term loan, net | Line of Credit | Base Rate			
Debt Instrument [Line Items]			
Variable rate	1.50%		
Bridge facility, net			
Debt Instrument [Line Items]			
Borrowing capacity	$ 355,000,000		
Proceeds from lines of credit	$ 355,000,000	$ 0	$ 0
Extension period	6 months		
Bridge facility, net | Line of Credit			
Debt Instrument [Line Items]			
Debt instrument, term	6 months		
Bridge facility, net | Line of Credit | LIBOR			
Debt Instrument [Line Items]			
Variable rate	2.50%		
Bridge facility, net | Line of Credit | LIBOR | Maximum			
Debt Instrument [Line Items]			
Variable rate	3.50%		
Bridge facility, net | Line of Credit | Base Rate			
Debt Instrument [Line Items]			
Variable rate	1.50%		

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Bridge facility, net | Line of Credit | Base Rate | Maximum	
Debt Instrument [Line Items]	
Variable rate	2.50%

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Orion Office REIT, Derivative and Hedging Activities - Narrative (Details) - USD ($)	12 Months Ended		
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Derivative Instruments and Hedging Activities Disclosures [Line Items]			
Reclassification of previous unrealized loss on interest rate derivatives into net income	$ (90,000)	$ 0	$ 0
Amount to be reclassified in next twelve months	400,000		
Designated as Hedging Instrument			
Derivative Instruments and Hedging Activities Disclosures [Line Items]			
Unrealized gain on derivatives	200,000		
Reclassification of previous unrealized loss on interest rate derivatives into net income	(100,000)	$ 0	$ 0
Interest Rate Swap | Designated as Hedging Instrument			
Derivative Instruments and Hedging Activities Disclosures [Line Items]			
Derivative, notional amount	$ 175,000,000		

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Orion Office REIT, Derivative and Hedging Activities - Derivatives Designated as Hedging Instruments (Details) $ in Thousands	Dec. 31, 2021 USD ($)
Interest Rate Swap | Other Assets	
Derivative Instruments and Hedging Activities Disclosures [Line Items]	
Cash flow hedges derivative instruments at fair value, net	$ 299

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Orion Office REIT, Derivative and Hedging Activities - Offsetting of Derivative Assets and Liabilities (Details) - USD ($) $ in Thousands	Dec. 31, 2021	Dec. 31, 2020
Derivative Instruments and Hedging Activities Disclosure [Abstract]		
Gross Amounts of Recognized Assets	$ 299	$ 0
Gross Amounts of Recognized Liabilities	0	0
Gross Amounts Offset in the Consolidated Balance Sheets	0	0
Derivative assets	299	0
Net Amounts of Liabilities Presented in the Consolidated Balance Sheets	0	0
Financial Instruments	0	0
Cash Collateral Received	0	0
Net Amount	$ 299	$ 0

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Orion Office REIT, Statement of Cash Flow Disclosures (Details) - USD ($) $ in Thousands	12 Months Ended		
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Supplemental disclosures:			
Cash paid for interest	$ 2,412	$ 3,479	$ 3,755
Cash paid for income taxes	98	0	0
Non-cash investing and financing activities:			
Accrued capital expenditures and real estate developments	286	0	0
Non-cash assets and liabilities contributed by parent company	1,142,002	0	0
Establishment of right-of-use assets and lease liabilities	$ 989	$ 0	$ 1,112

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Orion Office REIT, Accounts Payable and Accrued Expenses (Details) - USD ($) $ in Thousands	Dec. 31, 2021	Dec. 31, 2020
Payables and Accruals [Abstract]		
Accrued interest	$ 1,093	$ 100
Accrued real estate and other taxes	10,322	436
Accrued transaction costs	129	0
Accounts payable	1,805	12
Accrued other	4,030	300
Accounts Payable and Accrued Liabilities	$ 17,379	$ 848

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Orion Office REIT, Commitment and Contingencies (Details) - Merrill Lynch, Pierce, Fenner & Smith Incorporated $ in Millions	Nov. 30, 2021 USD ($)
Loss Contingencies [Line Items]	
Lessor, operating lease, renewal term	11 years
Lessor, operating lease, rent concession	$ 11.1
Lessor, operating lease, tenant improvement allowance	$ 22.9

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Orion Office REIT, Leases - Lessor Narrative (Details) - property	Dec. 31, 2021	Dec. 31, 2020
Lessor, Lease, Description [Line Items]		
Number of properties	92	
Minimum		
Lessor, Lease, Description [Line Items]		
Lessor, operating leases, term	29 days	3 months 18 days
Maximum		
Lessor, Lease, Description [Line Items]		
Lessor, operating leases, term	16 years 3 months 3 days	13 years 1 month 13 days

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Orion Office REIT, Leases - Future Minimum Operating Lease Payments (Details) $ in Thousands	Dec. 31, 2021 USD ($)
Leases [Abstract]	
2022	$ 153,592
2023	128,580
2024	96,850
2025	64,544
2026	61,916
Thereafter	239,317
Total	$ 744,799

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Orion Office REIT, Leases - Lessee Narrative (Details) - USD ($) $ in Millions	12 Months Ended		
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Lessee, Lease, Description [Line Items]			
Lessee, operating lease, discount rate	3.14%		
Operating lease, cost	$ 0.3	$ 0.1	$ 0.1
Minimum			
Lessee, Lease, Description [Line Items]			
Lessee, operating lease, remaining lease term	10 months 24 days		
Maximum			
Lessee, Lease, Description [Line Items]			
Lessee, operating lease, remaining lease term	63 years		

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Orion Office REIT, Leases - Future Minimum Lease Payments (Details) - USD ($) $ in Thousands	Dec. 31, 2021	Dec. 31, 2020
Leases [Abstract]		
2022	$ 1,008	$ 107
2023	778	111
2024	452	113
2025	442	113
2026	442	113
Thereafter	13,383	3,432
Total	16,505	3,989
Less: imputed interest	6,248	1,887
Operating lease liabilities	$ 10,257	$ 2,102

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Orion Office REIT, Stockholder’s Equity (Details) - USD ($) $ / shares in Units, $ in Thousands				12 Months Ended
	Nov. 12, 2021	Nov. 10, 2021	Jul. 15, 2021	Dec. 31, 2021
Class of Stock [Line Items]				
Issuance of common stock, net (in shares)		56,525,650	100,000	
Common stock, par value (in dollars per share)		$ 0.001	$ 0.01	$ 0.001
Proceeds from issuance of common stock			$ 1	
Warrants to purchase (in shares)	1,120,000			
Warrant, exercise price (in dollars per share)	$ 22.42			
Warrants, fair value	$ 3,300			
Warrants, expense				$ 3,300
Maximum				
Class of Stock [Line Items]				
Warrants expire term	10 years			
Minimum				
Class of Stock [Line Items]				
Warrants expire term	7 years			
Realty Income				
Class of Stock [Line Items]				
Common stock, shares owned by realty income (in shares)		56,625,650		

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Orion Office REIT, Equity Based Compensation (Details) $ in Millions	12 Months Ended Dec. 31, 2021 USD ($)
Time-Based Restricted Stock Units	
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]	
Equity-based compensation expense	$ 0.1
Unrecognized compensation expense	$ 0.5
Weighted-average remaining term (in years)	2 years 2 months 12 days
Realty Income Time-Based Restricted Stock Units	
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]	
Equity-based compensation expense	$ 0.1
Unrecognized compensation expense	$ 0.6
Weighted-average remaining term (in years)	1 year 8 months 12 days

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Orion Office REIT, Net Income (Loss) Per Share - Computation of Basic and Diluted EPS (Details) - USD ($) $ / shares in Units, $ in Thousands	12 Months Ended		
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Earnings Per Share [Abstract]			
Net (loss) income	$ (47,464)	$ (1,899)	$ 15,284
Net (income) loss attributable to non-controlling interest	(17)	0	0
Net (loss) income available to common stockholders used in basic net income per share	(47,481)	(1,899)	15,284
Net (loss) income available to common stockholders used in diluted net income per share	$ (47,481)	$ (1,899)	$ 15,284
Weighted average number of common stock outstanding - basic (in shares)	56,625,650	56,625,650	56,625,650
Effect of dilutive securities (in shares)	0	0	0
Weighted average number of common shares - diluted (in shares)	56,625,650	56,625,650	56,625,650
Basic net income (loss) per share attributable to common stockholders (in dollars per share)	$ (0.84)	$ (0.03)	$ 0.27
Diluted net income (loss) per share attributable to common stockholders (in dollars per share)	$ (0.84)	$ (0.03)	$ 0.27

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Orion Office REIT, Net Income (Loss) Per Share - Schedule of Antidilutive (Details) - shares	12 Months Ended		
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Time-Based Restricted Stock Units			
Antidilutive Securities Excluded from Computation of Earnings Per Share [Line Items]			
Antidilutive securities excluded from computation of earnings per share (in shares)	0	0	0
Weighted average stock warrants			
Antidilutive Securities Excluded from Computation of Earnings Per Share [Line Items]			
Antidilutive securities excluded from computation of earnings per share (in shares)	1,120,000	0	0

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Orion Office REIT, Subsequent Events (Details) - Subsequent Event $ / shares in Units, $ in Millions	Mar. 22, 2022 $ / shares	Feb. 10, 2022 USD ($) property
Subsequent Event [Line Items]		
Fixed interest rate		4.971%
Common stock, dividends, per share, declared (in dollars per share) | $ / shares	$ 0.10	
CMBS Loan		
Subsequent Event [Line Items]		
Number properties used to secure debt | property		19
Loan reserves, amount funded		$ 35.5
Prepayment lockout period		2 years
Covenant, net worth requirement, minimum		$ 355.0
Covenant, liquid asset requirement, minimum		$ 10.0

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Schedule III - Real Estate and Accumulated Depreciation (Details) - USD ($) $ in Thousands	12 Months Ended			
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]				
Amount of encumbrances	$ 0			
Land	262,140			
Buildings, Fixtures and Improvements	1,296,728			
Adjustments subsequent to acquisition	(77,122)			
Gross amount carried	1,481,745	$ 634,019	$ 659,441	$ 664,548
Accumulated depreciation	(128,109)	$ (136,143)	$ (125,311)	$ (107,081)
Tax basis of aggregate land, buildings and improvements	$ 2,300,000			
Building				
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]				
Estimated useful lives	35 years			
Furniture and Fixtures | Minimum				
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]				
Estimated useful lives	5 years			
Furniture and Fixtures | Maximum				
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]				
Estimated useful lives	15 years			
Lease Agreements				
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]				
Intangible lease assets	$ 370,000			
Accumulated amortization	71,900			
Vacant - El Centro, CA				
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]				
Amount of encumbrances	0			
Land	520			
Buildings, Fixtures and Improvements	2,186			
Adjustments subsequent to acquisition	0			
Gross amount carried	2,706			
Accumulated depreciation	(1,068)			
Software and Services - Dublin, OH				

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SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	2,400
Buildings, Fixtures and Improvements	17,044
Adjustments subsequent to acquisition	0
Gross amount carried	19,444
Accumulated depreciation	(7,311)
Food, Beverage & Tobacco - St. Charles, MO	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	3,675
Buildings, Fixtures and Improvements	13,828
Adjustments subsequent to acquisition	0
Gross amount carried	17,503
Accumulated depreciation	(5,885)
Telecommunication Services - Augusta, GA	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	0
Buildings, Fixtures and Improvements	11,128
Adjustments subsequent to acquisition	0
Gross amount carried	11,128
Accumulated depreciation	(4,736)
Telecommunication Services - Brownsville, TX	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	1,740
Buildings, Fixtures and Improvements	11,570
Adjustments subsequent to acquisition	0
Gross amount carried	13,311
Accumulated depreciation	(4,924)
Telecommunication Services - Salem, OR	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	1,722
Buildings, Fixtures and Improvements	10,074
Adjustments subsequent to acquisition	0
Gross amount carried	11,796
Accumulated depreciation	(4,043)
Insurance - Cedar Falls, IA	

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SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	634
Buildings, Fixtures and Improvements	6,331
Adjustments subsequent to acquisition	0
Gross amount carried	6,965
Accumulated depreciation	(2,358)
Financial Institutions - Harleysville, PA	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	1,486
Buildings, Fixtures and Improvements	16,591
Adjustments subsequent to acquisition	(13,185)
Gross amount carried	4,892
Accumulated depreciation	0
Financial Institutions - Mount Pleasant, SC	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	10,803
Buildings, Fixtures and Improvements	25,511
Adjustments subsequent to acquisition	0
Gross amount carried	36,314
Accumulated depreciation	(6,530)
Government & Public Services - Brownsville, TX	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	321
Buildings, Fixtures and Improvements	6,803
Adjustments subsequent to acquisition	28
Gross amount carried	7,152
Accumulated depreciation	(1,767)
Government & Public Services - Caldwell, ID	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	666
Buildings, Fixtures and Improvements	2,929
Adjustments subsequent to acquisition	(867)
Gross amount carried	2,728
Accumulated depreciation	0
Government & Public Services - Dallas, TX	

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SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	399
Buildings, Fixtures and Improvements	9,748
Adjustments subsequent to acquisition	(4)
Gross amount carried	10,143
Accumulated depreciation	(2,513)
Government & Public Services - Eagle Pass, TX	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	146
Buildings, Fixtures and Improvements	2,086
Adjustments subsequent to acquisition	(67)
Gross amount carried	2,165
Accumulated depreciation	(576)
Government & Public Services - Eagle Pass, TX	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	68
Buildings, Fixtures and Improvements	812
Adjustments subsequent to acquisition	(52)
Gross amount carried	827
Accumulated depreciation	(213)
Government & Public Services - Knoxville, TN	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	761
Buildings, Fixtures and Improvements	9,042
Adjustments subsequent to acquisition	130
Gross amount carried	9,932
Accumulated depreciation	(2,322)
Government & Public Services - Malone, NY	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	824
Buildings, Fixtures and Improvements	9,486
Adjustments subsequent to acquisition	0
Gross amount carried	10,309
Accumulated depreciation	(2,511)
Government & Public Services - Minneapolis, MN	

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SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	1,046
Buildings, Fixtures and Improvements	8,588
Adjustments subsequent to acquisition	0
Gross amount carried	9,634
Accumulated depreciation	(2,198)
Government & Public Services - New Port Richey, FL	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	780
Buildings, Fixtures and Improvements	10,111
Adjustments subsequent to acquisition	(175)
Gross amount carried	10,716
Accumulated depreciation	(2,561)
Government & Public Services - Paris, TX	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	274
Buildings, Fixtures and Improvements	5,391
Adjustments subsequent to acquisition	(2)
Gross amount carried	5,664
Accumulated depreciation	(1,381)
Government & Public Services - Parkersburg, WV	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	494
Buildings, Fixtures and Improvements	12,901
Adjustments subsequent to acquisition	1
Gross amount carried	13,397
Accumulated depreciation	(3,291)
Government & Public Services - Redding, CA	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	676
Buildings, Fixtures and Improvements	20,553
Adjustments subsequent to acquisition	(173)
Gross amount carried	21,056
Accumulated depreciation	(5,265)
Government & Public Services - Sioux City, IA	

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SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	77
Buildings, Fixtures and Improvements	4,761
Adjustments subsequent to acquisition	(5)
Gross amount carried	4,833
Accumulated depreciation	(1,234)
Health Care Equipment & Services - Bedford, TX	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	1,608
Buildings, Fixtures and Improvements	56,219
Adjustments subsequent to acquisition	0
Gross amount carried	57,827
Accumulated depreciation	(14,389)
Transportation - Uniontown, OH	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	2,238
Buildings, Fixtures and Improvements	53,114
Adjustments subsequent to acquisition	0
Gross amount carried	55,352
Accumulated depreciation	(13,581)
Health Care Equipment & Services - St. Louis, MO	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	0
Buildings, Fixtures and Improvements	38,799
Adjustments subsequent to acquisition	(36)
Gross amount carried	38,763
Accumulated depreciation	(9,906)
Vacant - Sierra Vista, AZ	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	369
Buildings, Fixtures and Improvements	9,338
Adjustments subsequent to acquisition	(5,892)
Gross amount carried	3,815
Accumulated depreciation	0
Vacant - Tucson, AZ	

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SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	3,800
Buildings, Fixtures and Improvements	6,554
Adjustments subsequent to acquisition	(42)
Gross amount carried	10,312
Accumulated depreciation	(284)
Transportation - Memphis, TN	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	3,570
Buildings, Fixtures and Improvements	16,601
Adjustments subsequent to acquisition	0
Gross amount carried	20,171
Accumulated depreciation	(4,301)
Transportation - Columbus, OH	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	0
Buildings, Fixtures and Improvements	19,637
Adjustments subsequent to acquisition	0
Gross amount carried	19,637
Accumulated depreciation	(4,792)
Food & Staples Retailing - Deerfield, IL	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	4,093
Buildings, Fixtures and Improvements	11,512
Adjustments subsequent to acquisition	(7,752)
Gross amount carried	7,852
Accumulated depreciation	0
Food & Staples Retailing - Deerfield, IL	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	4,262
Buildings, Fixtures and Improvements	11,988
Adjustments subsequent to acquisition	(8,073)
Gross amount carried	8,177
Accumulated depreciation	0
Food & Staples Retailing - Deerfield, IL	

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SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	4,082
Buildings, Fixtures and Improvements	11,483
Adjustments subsequent to acquisition	(7,733)
Gross amount carried	7,833
Accumulated depreciation	0
Food & Staples Retailing - Deerfield, IL	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	4,089
Buildings, Fixtures and Improvements	11,503
Adjustments subsequent to acquisition	(7,746)
Gross amount carried	7,846
Accumulated depreciation	0
Food & Staples Retailing - Deerfield, IL	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	2,586
Buildings, Fixtures and Improvements	7,274
Adjustments subsequent to acquisition	(4,899)
Gross amount carried	4,962
Accumulated depreciation	0
Food & Staples Retailing - Deerfield, IL	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	3,181
Buildings, Fixtures and Improvements	8,947
Adjustments subsequent to acquisition	(6,025)
Gross amount carried	6,103
Accumulated depreciation	0
Capital Goods - Cedar Rapids, IA	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	1,000
Buildings, Fixtures and Improvements	12,981
Adjustments subsequent to acquisition	0
Gross amount carried	13,981
Accumulated depreciation	(3,044)
Consumer Durables & Apparel - Providence, RI	

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SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	2,550
Buildings, Fixtures and Improvements	21,779
Adjustments subsequent to acquisition	0
Gross amount carried	24,329
Accumulated depreciation	(4,954)
Vacant - Buffalo Grove, IL	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	3,130
Buildings, Fixtures and Improvements	17,353
Adjustments subsequent to acquisition	(15,483)
Gross amount carried	5,000
Accumulated depreciation	0
Materials - East Windsor, NJ	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	240
Buildings, Fixtures and Improvements	13,446
Adjustments subsequent to acquisition	(6)
Gross amount carried	13,680
Accumulated depreciation	(2,948)
Media & Entertainment - East Syracuse, NY	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	880
Buildings, Fixtures and Improvements	15,817
Adjustments subsequent to acquisition	0
Gross amount carried	16,697
Accumulated depreciation	(3,483)
Commercial & Professional Services - Schaumburg, IL	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	3,313
Buildings, Fixtures and Improvements	6,532
Adjustments subsequent to acquisition	0
Gross amount carried	9,845
Accumulated depreciation	(36)
Capital Goods - Blair, NE	

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SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	558
Buildings, Fixtures and Improvements	1,210
Adjustments subsequent to acquisition	0
Gross amount carried	1,768
Accumulated depreciation	(8)
Consumer Durables & Apparel - Englewood, CO	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	3,354
Buildings, Fixtures and Improvements	14,714
Adjustments subsequent to acquisition	0
Gross amount carried	18,068
Accumulated depreciation	(76)
Financial Institutions - Hopewell, NJ	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	19,325
Buildings, Fixtures and Improvements	57,846
Adjustments subsequent to acquisition	0
Gross amount carried	77,171
Accumulated depreciation	(282)
Financial Institutions - Warwick, RI	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	1,358
Buildings, Fixtures and Improvements	3,983
Adjustments subsequent to acquisition	0
Gross amount carried	5,340
Accumulated depreciation	(20)
Government & Public Services - Cocoa, FL	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	450
Buildings, Fixtures and Improvements	949
Adjustments subsequent to acquisition	0
Gross amount carried	1,399
Accumulated depreciation	(5)
Government & Public Services - Fort Worth, TX	

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SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	572
Buildings, Fixtures and Improvements	3,985
Adjustments subsequent to acquisition	0
Gross amount carried	4,557
Accumulated depreciation	(20)
Government & Public Services - Grangeville, ID	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	1,385
Buildings, Fixtures and Improvements	3,436
Adjustments subsequent to acquisition	0
Gross amount carried	4,821
Accumulated depreciation	(24)
Government & Public Services - Plattsburgh, NY	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	1,136
Buildings, Fixtures and Improvements	2,487
Adjustments subsequent to acquisition	0
Gross amount carried	3,622
Accumulated depreciation	(14)
Government & Public Services - Ponce, PR	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	457
Buildings, Fixtures and Improvements	2,832
Adjustments subsequent to acquisition	0
Gross amount carried	3,288
Accumulated depreciation	(15)
Health Care Equipment & Services - Indianapolis, IN	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	1,430
Buildings, Fixtures and Improvements	4,386
Adjustments subsequent to acquisition	0
Gross amount carried	5,816
Accumulated depreciation	(23)
Health Care Equipment & Services - Irving, TX	

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SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	9,267
Buildings, Fixtures and Improvements	19,852
Adjustments subsequent to acquisition	0
Gross amount carried	29,120
Accumulated depreciation	(98)
Health Care Equipment & Services - Waukegan, IL	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	636
Buildings, Fixtures and Improvements	4,136
Adjustments subsequent to acquisition	0
Gross amount carried	4,772
Accumulated depreciation	(20)
Telecommunication Services - Nashville, TN	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	2,588
Buildings, Fixtures and Improvements	9,587
Adjustments subsequent to acquisition	86
Gross amount carried	12,261
Accumulated depreciation	(48)
Telecommunication Services - Richardson, TX	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	1,187
Buildings, Fixtures and Improvements	21,037
Adjustments subsequent to acquisition	0
Gross amount carried	22,224
Accumulated depreciation	(100)
Insurance - Buffalo, NY	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	4,710
Buildings, Fixtures and Improvements	36,740
Adjustments subsequent to acquisition	0
Gross amount carried	41,450
Accumulated depreciation	(179)
Health Care Equipment & Services - Fresno, CA	

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SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	4,454
Buildings, Fixtures and Improvements	17,292
Adjustments subsequent to acquisition	0
Gross amount carried	21,746
Accumulated depreciation	(86)
Insurance - Oklahoma City, OK	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	3,393
Buildings, Fixtures and Improvements	22,998
Adjustments subsequent to acquisition	0
Gross amount carried	26,391
Accumulated depreciation	(117)
Health Care Equipment & Services - Phoenix, AZ	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	4,786
Buildings, Fixtures and Improvements	21,346
Adjustments subsequent to acquisition	0
Gross amount carried	26,132
Accumulated depreciation	(110)
Health Care Equipment & Services - Plano, TX	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	9,834
Buildings, Fixtures and Improvements	35,893
Adjustments subsequent to acquisition	0
Gross amount carried	45,727
Accumulated depreciation	(178)
Insurance - Urbana, MD	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	4,028
Buildings, Fixtures and Improvements	19,888
Adjustments subsequent to acquisition	0
Gross amount carried	23,916
Accumulated depreciation	(101)
Software & Services - Amherst, NY	

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SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	3,561
Buildings, Fixtures and Improvements	3,186
Adjustments subsequent to acquisition	0
Gross amount carried	6,747
Accumulated depreciation	(24)
Retailing - Santee, CA	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	0
Buildings, Fixtures and Improvements	9,859
Adjustments subsequent to acquisition	0
Gross amount carried	9,859
Accumulated depreciation	(50)
Capital Goods - Annandale, NJ	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	847
Buildings, Fixtures and Improvements	3,657
Adjustments subsequent to acquisition	0
Gross amount carried	4,503
Accumulated depreciation	(20)
Capital Goods - Duluth, GA	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	3,684
Buildings, Fixtures and Improvements	14,786
Adjustments subsequent to acquisition	0
Gross amount carried	18,470
Accumulated depreciation	(75)
Materials - Glen Burnie, MD	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	3,095
Buildings, Fixtures and Improvements	11,465
Adjustments subsequent to acquisition	0
Gross amount carried	14,561
Accumulated depreciation	(56)
Energy - Longmont, CO	

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SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	2,106
Buildings, Fixtures and Improvements	12,543
Adjustments subsequent to acquisition	0
Gross amount carried	14,649
Accumulated depreciation	(62)
Pharmaceuticals, Biotechnology & Life Sciences - Malvern, PA	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	3,853
Buildings, Fixtures and Improvements	25,296
Adjustments subsequent to acquisition	0
Gross amount carried	29,149
Accumulated depreciation	(128)
Capital Goods - Malvern, PA	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	2,607
Buildings, Fixtures and Improvements	10,844
Adjustments subsequent to acquisition	0
Gross amount carried	13,451
Accumulated depreciation	(59)
Pharmaceuticals, Biotechnology & Life Sciences - Parsippany, NJ	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	9,537
Buildings, Fixtures and Improvements	9,174
Adjustments subsequent to acquisition	0
Gross amount carried	18,711
Accumulated depreciation	(55)
Health Care Equipment & Services - San Antonio, TX	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	2,125
Buildings, Fixtures and Improvements	15,424
Adjustments subsequent to acquisition	0
Gross amount carried	17,550
Accumulated depreciation	(77)
Software & Services - Bedford, MA	

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SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	22,381
Buildings, Fixtures and Improvements	26,029
Adjustments subsequent to acquisition	4
Gross amount carried	48,414
Accumulated depreciation	(145)
Commercial And Professional Services - Dublin, OH	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	1,287
Buildings, Fixtures and Improvements	4,688
Adjustments subsequent to acquisition	0
Gross amount carried	5,975
Accumulated depreciation	(24)
Commercial & Professional Services - Lawrence, KS	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	3,576
Buildings, Fixtures and Improvements	2,996
Adjustments subsequent to acquisition	0
Gross amount carried	6,572
Accumulated depreciation	(19)
Commercial & Professional Services - Lawrence, KS	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	3,334
Buildings, Fixtures and Improvements	3,450
Adjustments subsequent to acquisition	0
Gross amount carried	6,783
Accumulated depreciation	(21)
Software & Services - Lincoln, NE	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	0
Buildings, Fixtures and Improvements	6,587
Adjustments subsequent to acquisition	0
Gross amount carried	6,587
Accumulated depreciation	(38)
Media & Entertainment - Milwaukee, WI	

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SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	2,727
Buildings, Fixtures and Improvements	18,083
Adjustments subsequent to acquisition	0
Gross amount carried	20,810
Accumulated depreciation	(87)
Health Care Equipment & Services - Nashville, TN	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	1,165
Buildings, Fixtures and Improvements	11,749
Adjustments subsequent to acquisition	0
Gross amount carried	12,914
Accumulated depreciation	(59)
Capital Goods - Sterling, VA	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	10,515
Buildings, Fixtures and Improvements	25,393
Adjustments subsequent to acquisition	0
Gross amount carried	35,908
Accumulated depreciation	(129)
Capital Goods - Tulsa, OK	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	1,904
Buildings, Fixtures and Improvements	1,238
Adjustments subsequent to acquisition	0
Gross amount carried	3,142
Accumulated depreciation	(7)
Consumer Services - Tulsa, OK	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	6,865
Buildings, Fixtures and Improvements	34,716
Adjustments subsequent to acquisition	0
Gross amount carried	41,581
Accumulated depreciation	(165)
Health Care Equipment & Services - Berkeley, MO	

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SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	0
Buildings, Fixtures and Improvements	9,163
Adjustments subsequent to acquisition	0
Gross amount carried	9,163
Accumulated depreciation	(54)
Retailing - Kennesaw, GA	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	0
Buildings, Fixtures and Improvements	11,141
Adjustments subsequent to acquisition	0
Gross amount carried	11,141
Accumulated depreciation	(62)
Health Care Equipment & Services - Northbrook, IL	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	3,529
Buildings, Fixtures and Improvements	10,909
Adjustments subsequent to acquisition	0
Gross amount carried	14,439
Accumulated depreciation	(56)
Retailing - The Woodlands, TX	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	2,550
Buildings, Fixtures and Improvements	17,481
Adjustments subsequent to acquisition	0
Gross amount carried	20,031
Accumulated depreciation	(87)
General Service Administration - Covington, KY	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	4,087
Buildings, Fixtures and Improvements	56,990
Adjustments subsequent to acquisition	3
Gross amount carried	61,081
Accumulated depreciation	(272)
Consumer Durables & Apparel - Denver, CO	

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SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	5,707
Buildings, Fixtures and Improvements	36,047
Adjustments subsequent to acquisition	602
Gross amount carried	42,356
Accumulated depreciation	(177)
Vacant - Englewood, CO	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	2,291
Buildings, Fixtures and Improvements	2,989
Adjustments subsequent to acquisition	16
Gross amount carried	5,296
Accumulated depreciation	(18)
Vacant - Richardson, TX	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	2,047
Buildings, Fixtures and Improvements	12,733
Adjustments subsequent to acquisition	0
Gross amount carried	14,780
Accumulated depreciation	(68)
Vacant - Ridley Park, PA	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	0
Buildings, Fixtures and Improvements	143
Adjustments subsequent to acquisition	0
Gross amount carried	143
Accumulated depreciation	(2)
Vacant - Schaumburg, IL	
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	1,573
Buildings, Fixtures and Improvements	787
Adjustments subsequent to acquisition	0
Gross amount carried	2,360
Accumulated depreciation	(5)
Materials - The Woodlands, TX	

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SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Write-down or Reserve [Line Items]	
Amount of encumbrances	0
Land	5,776
Buildings, Fixtures and Improvements	14,234
Adjustments subsequent to acquisition	225
Gross amount carried	20,233
Accumulated depreciation	$ (79)

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Schedule III - Real Estate and Accumulated Depreciation - Gross Real Estate Activity (Details) - USD ($) $ in Thousands	12 Months Ended		
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate [Roll Forward]			
Balance, beginning of year	$ 634,019	$ 659,441	$ 664,548
Additions:			
Acquisitions/improvements	927,001	457	466
Deductions/Other			
Sold or disposed of	(657)	(119)	0
Impairments	(77,636)	(25,760)	0
Other	(982)	0	(5,573)
Balance, end of year	$ 1,481,745	$ 634,019	$ 659,441

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Schedule III - Real Estate and Accumulated Depreciation - Reconciliation of Accumulated Depreciation (Details) - USD ($) $ in Thousands	12 Months Ended		
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
SEC Schedule, 12-28, Real Estate Companies, Investment in Real Estate, Accumulated Depreciation [Roll Forward]			
Beginning balance	$ 136,143	$ 125,311	$ 107,081
Additions:			
Depreciation expense	20,805	18,040	18,230
Deductions/Other			
Sold or disposed of	(657)	(119)	0
Impairments	(27,947)	(7,089)	0
Other	(235)	0	0
Ending balance	$ 128,109	$ 136,143	$ 125,311

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VEREIT Office Assets, Organization and Summary of Significant Accounting Policies (Details) ft² in Millions	10 Months Ended	12 Months Ended			
	Oct. 31, 2021 USD ($) ft² property state segment jointVenture	Dec. 31, 2021 USD ($) ft² property state	Dec. 31, 2020 USD ($) property	Dec. 31, 2019 USD ($)	Dec. 31, 2018 USD ($)
Real Estate Properties [Line Items]					
Number of properties | property		92			
Area of real estate property | ft²		10.5			
Number of states with real estate properties owned | state		29			
Total real estate investments, at cost		$ 1,481,745,000	$ 634,019,000		
Restricted cash		0	$ 3,915,000	$ 3,719,000	$ 2,850,000
Franchise and state and local tax expense		$ 200,000			
Minimum					
Real Estate Properties [Line Items]					
Impairment considerations, disposal period (more likely than not)		12 months			
Maximum					
Real Estate Properties [Line Items]					
Impairment considerations, disposal period (more likely than not)		24 months			
VEREIT Office Assets					
Real Estate Properties [Line Items]					
Number of reportable segments | segment	1				
Number of properties | property	52				
Number of states with real estate properties owned | state	25				
Number of equity method investments | jointVenture	1				
Ownership	20.00%		20.00%		
Total real estate investments, at cost	$ 1,650,893,000		$ 1,700,207,000		
Goodwill, impairment loss		$ 0	0	0	
Restricted cash	8,000		3,014,000	2,701,000	$ 2,391,000
Franchise and state and local tax expense	$ 500,000		$ 600,000		
VEREIT Office Assets | Minimum					
Real Estate Properties [Line Items]					

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Impairment considerations, disposal period (more likely than not)	12 months		
VEREIT Office Assets | Maximum			
Real Estate Properties [Line Items]			
Impairment considerations, disposal period (more likely than not)	24 months		
VEREIT Office Assets | Building and Building Improvements			
Real Estate Properties [Line Items]			
Real estate assets, useful life	40 years		
VEREIT Office Assets | Land Improvements			
Real Estate Properties [Line Items]			
Real estate assets, useful life	15 years		
VEREIT Office Assets | Consolidated Joint Venture			
Real Estate Properties [Line Items]			
Number of properties | property	1		
Area of real estate property | ft^2	7.6		
VEREIT Office Assets | Unconsolidated Joint Venture			
Real Estate Properties [Line Items]			
Number of properties | property	5	4	
Area of real estate property | ft^2	0.8		
Number of states with real estate properties owned | state	5		
Total real estate investments, at cost	$ 196,200,000	$ 169,300,000	
Total debt outstanding	118,400,000	102,600,000	
VEREIT, Inc.			
Real Estate Properties [Line Items]			
Goodwill, impairment loss	$ 0	$ 0	$ 0

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VEREIT Office Assets, Real Estate Investments and Related Intangibles - Property Dispositions (Details) - VEREIT Office Assets $ in Thousands	10 Months Ended	12 Months Ended	
	Oct. 31, 2021 USD ($)	Dec. 31, 2020 USD ($) property	Dec. 31, 2019 USD ($)
Real Estate [Line Items]			
Number of real estate properties disposed | property		3	
Aggregate sales price		$ 135,500	
Net proceeds from sale of real estate		116,400	
Gains on disposition of real estate assets	$ 0	$ 9,765	$ 0

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VEREIT Office Assets, Real Estate Investments and Related Intangibles - Intangible Lease Assets and Liabilities (Details) - USD ($) $ in Thousands	10 Months Ended	12 Months Ended		
	Oct. 31, 2021	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Intangible lease assets:				
Intangible lease assets, net		$ 298,107	$ 28,680	
Intangible lease liabilities:				
Weighted-Average Useful Life (Years)		7 years 6 months		
Lease intangible liabilities, net		$ 20,609	7,221	
Below market-leases accumulated amortization		$ 14,459	13,482	
In-place leases				
Intangible lease assets:				
Weighted-Average Useful Life (Years)		4 years 9 months 18 days		
Intangible lease assets, net		$ 272,743	25,800	
Accumulated amortization		$ 65,247	71,633	
Leasing commissions				
Intangible lease assets:				
Weighted-Average Useful Life (Years)		13 years 4 months 24 days		
Intangible lease assets, net		$ 10,349	0	
Accumulated amortization		$ 456	456	
Above-market lease assets and deferred lease incentives				
Intangible lease assets:				
Weighted-Average Useful Life (Years)		5 years		
Intangible lease assets, net		$ 15,015	2,880	
Accumulated amortization		6,239	7,166	
Above- and below-market leases and deferred lease incentives				
Intangible lease liabilities:				
Amortization expense		1,000	800	$ 900
In-place leases, leasing commissions and other lease intangibles				
Intangible lease liabilities:				
Amortization expense		$ 23,100	7,900	8,700
VEREIT Office Assets				
Intangible lease assets:				
Intangible lease assets, net	$ 44,484		57,013	
Intangible lease liabilities:				
Weighted-Average Useful Life (Years)	10 years 3 months 18 days			
Lease intangible liabilities, net	$ 5,308		7,188	

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Below market-leases accumulated amortization	18,504	17,553	
Amortization expense	$ 29	67	(231)
VEREIT Office Assets | In-place leases			
Intangible lease assets:			
Weighted-Average Useful Life (Years)	10 years 1 month 6 days		
Intangible lease assets, net	$ 29,091	40,622	
Accumulated amortization	$ 119,604	118,093	
VEREIT Office Assets | Leasing commissions			
Intangible lease assets:			
Weighted-Average Useful Life (Years)	9 years 1 month 6 days		
Intangible lease assets, net	$ 8,744	7,974	
Accumulated amortization	$ 5,679	4,211	
VEREIT Office Assets | Above-market lease assets and deferred lease incentives			
Intangible lease assets:			
Weighted-Average Useful Life (Years)	9 years 9 months 18 days		
Intangible lease assets, net	$ 6,649	8,417	
Accumulated amortization	14,793	12,974	
VEREIT Office Assets | Above- and below-market leases and deferred lease incentives			
Intangible lease liabilities:			
Amortization expense	29	67	231
VEREIT Office Assets | In-place leases, leasing commissions and other lease intangibles			
Intangible lease liabilities:			
Amortization expense	$ 13,000	$ 17,800	$ 19,200

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VEREIT Office Assets, Real Estate Investments and Related Intangibles - Projected Amortization Expense and Adjustments (Details) - USD ($) $ in Thousands	Dec. 31, 2021	Oct. 31, 2021
Below-market lease liabilities:		
2022	$ 6,443	
2023	6,091	
2024	3,786	
2025	1,036	
In-place leases		
In-place leases:		
2022	94,659	
2023	73,859	
2024	49,213	
2025	21,652	
Leasing commissions		
In-place leases:		
2022	850	
2023	850	
2024	841	
2025	836	
Above-market lease assets and deferred lease incentives		
In-place leases:		
2022	5,171	
2023	4,791	
2024	2,998	
2025	$ 860	
VEREIT Office Assets		
Below-market lease liabilities:		
Remainder of 2021		$ 345
2022		2,003
2023		1,878
2024		854
2025		208
VEREIT Office Assets | In-place leases		
In-place leases:		
Remainder of 2021		2,191
2022		10,475
2023		9,142
2024		5,512
2025		1,156

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VEREIT Office Assets | Leasing commissions	
In-place leases:	
Remainder of 2021	288
2022	1,692
2023	1,290
2024	1,201
2025	1,020
VEREIT Office Assets | Above-market lease assets and deferred lease incentives	
In-place leases:	
Remainder of 2021	373
2022	2,223
2023	2,186
2024	1,104
2025	$ 354

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VEREIT Office Assets, Real Estate Investments and Related Intangibles - Consolidated Joint Ventures Narrative (Details)	10 Months Ended	12 Months Ended	
	Oct. 31, 2021 USD ($) property jointVenture	Dec. 31, 2021 USD ($) property jointVenture	Dec. 31, 2020 USD ($) jointVenture property
Schedule of Equity Method Investments [Line Items]			
Number of properties | property		92	
Total assets		$ 1,759,478,000	$ 546,431,000
Real estate investments, net		1,353,636,000	497,876,000
Long-term Debt, Gross		620,000,000	
Mortgages payable assumed in connection with acquisitions			
Schedule of Equity Method Investments [Line Items]			
Long-term Debt, Gross		$ 0	36,476,000
Joint ventures			
Schedule of Equity Method Investments [Line Items]			
Number of joint ventures | jointVenture		1	
Number of properties | property		1	
Total assets		$ 27,400,000	
Real estate investments, net		$ 26,100,000	
VEREIT Office Assets			
Schedule of Equity Method Investments [Line Items]			
Number of properties | property	52		
Total assets	$ 1,336,725,000		1,412,359,000
Real estate investments, net	$ 1,122,726,000		$ 1,196,015,000
VEREIT Office Assets | Joint ventures			
Schedule of Equity Method Investments [Line Items]			
Number of joint ventures | jointVenture	1		1
Number of properties | property	1		1
Total assets	$ 30,700,000		$ 33,000,000
Real estate investments, net	27,700,000		29,100,000
VEREIT Office Assets | Joint ventures | Consolidated Properties | Mortgages payable assumed in connection with acquisitions			
Schedule of Equity Method Investments [Line Items]			
Long-term Debt, Gross	$ 0		$ 14,800,000

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VEREIT Office Assets, Real Estate Investments and Related Intangibles - Impairments (Details)	10 Months Ended	12 Months Ended		
	Oct. 31, 2021 USD ($) property	Dec. 31, 2021 USD ($) property	Dec. 31, 2020 USD ($) property	Dec. 31, 2019 USD ($) property
Real Estate Properties [Line Items]				
Number of properties | property		10	1	
Provisions for impairment | $		$ 49,859,000	$ 18,671,000	$ 0
VEREIT Office Assets				
Real Estate Properties [Line Items]				
Number of properties | property	4		2	2
Provisions for impairment | $	$ 28,100,000		$ 9,300,000	$ 3,500,000
VEREIT Office Assets | Discount Rate | Assets impaired during the ten months ended October 31, 2021 | Weighted Average				
Real Estate Properties [Line Items]				
Alternative investment, measurement input	0.090			
VEREIT Office Assets | Discount Rate | Assets Impaired During The Twelve Months Ended December 31 2020 | Weighted Average				
Real Estate Properties [Line Items]				
Alternative investment, measurement input			0.089	
VEREIT Office Assets | Capitalization Rate | Assets impaired during the ten months ended October 31, 2021 | Weighted Average				
Real Estate Properties [Line Items]				
Alternative investment, measurement input	0.085			
VEREIT Office Assets | Capitalization Rate | Assets Impaired During The Twelve Months Ended December 31 2020 | Weighted Average				
Real Estate Properties [Line Items]				
Alternative investment, measurement input			0.084	

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VEREIT Office Assets, Mortgage Notes Payable, Net - Narrative (Details) $ in Thousands	Dec. 31, 2021 USD ($)	Dec. 31, 2020 USD ($) property
Debt Instrument [Line Items]		
Mortgages outstanding	$ 616,847	$ 37,052
Weighted average interest rate	2.77%	
Mortgages payable assumed in connection with acquisitions		
Debt Instrument [Line Items]		
Mortgages outstanding	$ 0	37,052
VEREIT Office Assets | Mortgages payable assumed in connection with acquisitions		
Debt Instrument [Line Items]		
Mortgages outstanding		217,600
Unamortized premium, net		100
Debt issuance costs, net		$ 300
Weighted average interest rate		4.64%
Number of real estate properties used as collateral | property		12
Net carrying value of collateralized properties		$ 368,400
Fair value of debt		$ 222,500

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VEREIT Office Assets, Leases - Narrative (Details) $ in Thousands	10 Months Ended	12 Months Ended		
	Oct. 31, 2021 USD ($) property lease	Dec. 31, 2021 USD ($) property	Dec. 31, 2020 USD ($)	Dec. 31, 2019 USD ($)
Lessor, Lease, Description [Line Items]				
Number of properties | property		92		
Lessee, operating lease, discount rate		3.14%		
Operating lease, cost | $		$ 300	$ 100	$ 100
Minimum				
Lessor, Lease, Description [Line Items]				
Lessor, operating leases, term		29 days	3 months 18 days	
Lessee, operating lease, remaining lease term		10 months 24 days		
Maximum				
Lessor, Lease, Description [Line Items]				
Lessor, operating leases, term		16 years 3 months 3 days	13 years 1 month 13 days	
Lessee, operating lease, remaining lease term		63 years		
VEREIT Office Assets				
Lessor, Lease, Description [Line Items]				
Number of properties | property	52			
Number of properties subject to ground leases | lease	1			
Lessee, operating lease, remaining lease term	35 years 9 months 18 days			
Lessee, operating lease, discount rate	5.17%			
Operating lease, cost | $	$ 246		$ 328	$ 328
VEREIT Office Assets | Minimum				
Lessor, Lease, Description [Line Items]				
Lessor, operating leases, term	2 months 1 day			
VEREIT Office Assets | Maximum				
Lessor, Lease, Description [Line Items]				
Lessor, operating leases, term	11 years 7 months 2 days			

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VEREIT Office Assets, Leases - Rental Revenue (Details) - VEREIT Office Assets - USD ($) $ in Thousands	10 Months Ended	12 Months Ended	
	Oct. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Lessor, Lease, Description [Line Items]			
Cash rent	$ 109,582	$ 132,402	$ 141,541
Straight-line rent	(4,889)	(869)	(42)
Lease intangible amortization	(29)	(67)	231
Property operating cost reimbursements	3,270	3,794	3,690
Total fixed	107,934	135,260	145,420
Variable	26,806	35,044	36,649
Total rental revenue	$ 134,740	$ 170,304	$ 182,069

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VEREIT Office Assets, Leases - Maturities of Lease Payments Receivable (Details) - USD ($) $ in Thousands	Dec. 31, 2021	Oct. 31, 2021
Future Minimum Operating Lease Payments		
2022	$ 153,592	
2023	128,580	
2024	96,850	
2025	64,544	
2026	61,916	
Thereafter	239,317	
Total	$ 744,799	
VEREIT Office Assets		
Future Minimum Operating Lease Payments		
November 1, 2021 - December 31, 2021		$ 15,683
2022		110,872
2023		95,130
2024		72,361
2025		38,980
2026		29,951
Thereafter		34,357
Total		$ 397,334

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VEREIT Office Assets, Leases - Future Minimum Lease Payments (Details) - USD ($) $ in Thousands	Dec. 31, 2021	Oct. 31, 2021	Dec. 31, 2020
Lessee, Lease, Description [Line Items]			
2022	$ 1,008		$ 107
2023	778		111
2024	452		113
2025	442		113
2026	442		113
Thereafter	13,383		3,432
Total	16,505		3,989
Less: imputed interest	6,248		1,887
Operating lease liabilities	$ 10,257		2,102
VEREIT Office Assets			
Lessee, Lease, Description [Line Items]			
November 1, 2021 - December 31, 2021		$ 55	
2022		329	
2023		329	
2024		329	
2025		329	
2026		329	
Thereafter		10,062	
Total		11,762	
Less: imputed interest		6,403	
Operating lease liabilities		$ 5,359	$ 5,403

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