File No. 333-

As filed with the U.S. Securities and Exchange Commission on October 4, 2021.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10

GENERAL FORM FOR REGISTRATION OF SECURITIES PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934

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, Floor 8, Phoenix, AZ	**85016**
(Address of principal executive offices)	(Zip Code)

(602) 698-1002

(Registrant's telephone number, including area code)

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

Title of each class to be so registered	Name of each exchange on which each class is to be registered
Common Stock, par value $0.01 per share	**New York Stock Exchange**

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

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Securities Exchange Act of 1934, as amended. (Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒ (Do not check if a smaller reporting company)	Smaller reporting company	☐
		Emerging growth company	☒

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

INFORMATION REQUIRED IN REGISTRATION STATEMENT

CROSS-REFERENCE SHEET BETWEEN INFORMATION STATEMENT AND ITEMS OF FORM 10

Certain information required to be included herein is incorporated by reference to specifically identified portions of the body of the information statement filed herewith as Exhibit 99.1. None of the information contained in the information statement shall be incorporated by reference herein or deemed to be a part hereof unless such information is specifically incorporated by reference herein.

Item 1. ***Business.***

The information required by this item is contained under the sections of the information statement entitled "Information Statement Summary," "Risk Factors," "Cautionary Statement Concerning Forward-Looking Statements," "The Separation and the Distribution," "Unaudited Pro Forma Condensed Combined Financial Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business and Properties," "Management," "Certain Relationships and Related Person Transactions" and "Where You Can Find More Information." Those sections are incorporated herein by reference.

Item 1A. ***Risk Factors.***

The information required by this item is contained under the section of the information statement entitled "Risk Factors." That section is incorporated herein by reference.

Item 2. ***Financial Information.***

The information required by this item is contained under the sections of the information statement entitled "Information Statement Summary — Summary Historical Combined Financial Data — Realty Income Office Assets," "Information Statement Summary — Summary Historical Combined Financial Data — VEREIT Office Assets," "Unaudited Pro Forma Condensed Combined Financial Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Index to Financial Statements" and the statements referenced therein. Those sections are incorporated herein by reference.

Item 3. ***Properties.***

The information required by this item is contained under the sections of the information statement entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business and Properties." Those sections are incorporated herein by reference.

Item 4. ***Security Ownership of Certain Beneficial Owners and Management.***

The information required by this item is contained under the section of the information statement entitled "Security Ownership of Certain Beneficial Owners and Management." That section is incorporated herein by reference.

Item 5. ***Directors and Executive Officers.***

The information required by this item is contained under the section of the information statement entitled "Management." That section is incorporated herein by reference.

Item 6. ***Executive Compensation.***

The information required by this item is contained under the sections of the information statement entitled "Management" and "Executive and Director Compensation." That section is incorporated herein by reference.

Item 7. ***Certain Relationships and Related Transactions, and Director Independence.***

The information required by this item is contained under the sections of the information statement entitled "Management" and "Certain Relationships and Related Person Transactions." Those sections are incorporated herein by reference.

Item 8. ***Legal Proceedings.***

The information required by this item is contained under the section of the information statement entitled "Business and Properties — Legal Proceedings." That section is incorporated herein by reference.

Item 9. ***Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters.***

The information required by this item is contained under the sections of the information statement entitled "Risk Factors," "The Separation and the Distribution," "Dividend Policy," "Executive and Director Compensation," "Description of Our Capital Stock" and "Shares Eligible for Future Sale." Those sections are incorporated herein by reference.

Item 10. ***Recent Sales of Unregistered Securities.***

The information required by this item is contained under the sections of the information statement entitled "Description of Our Capital Stock." That section is incorporated herein by reference.

Item 11. ***Description of Registrant's Securities to be Registered.***

The information required by this item is contained under the sections of the information statement entitled "Risk Factors," "Dividend Policy," "The Separation and the Distribution," "Description of Our Capital Stock" and "Shares Eligible for Future Sale." Those sections are incorporated herein by reference.

Item 12. ***Indemnification of Directors and Officers.***

The information required by this item is contained under the section of the information statement entitled "Description of Our Capital Stock — Indemnification and Limitation of Directors' and Officers' Liability." That section is incorporated herein by reference.

Item 13. ***Financial Statements and Supplementary Data.***

The information required by this item is contained under the section of the information statement entitled "Unaudited Pro Forma Condensed Combined Financial Statements" and "Index to Financial Statements" and the financial statements referenced therein. Those sections are incorporated herein by reference.

Item 14. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.***

None.

Item 15. ***Financial Statements and Exhibits.***

(a) Financial Statements

The information required by this item is contained under the section of the information statement entitled "Index to Financial Statements" and the financial statements referenced therein. That section is incorporated herein by reference.

(b) Exhibits

See below.

The following documents are filed as exhibits hereto:

Exhibit Number	Exhibit Description
2.1	Form of Separation and Distribution Agreement, by and among Realty Income Corporation, VEREIT, Inc., Orion Office REIT Inc., and Orion Office REIT LP.**
2.2	Agreement of Limited Partnership of Orion Office REIT LP.**
2.3	Form of Transition Services Agreement by and among Realty Income and Orion Office REIT Inc.**
2.4	Form of Tax Matters Agreement by and among Realty Income and Orion Office REIT Inc.**
2.5	Form of Employee Matters Agreement by and among Realty Income VEREIT, Inc., VEREIT Operating Partnership, L.P., Orion Office REIT LP and Orion Office REIT Inc.**
3.1	Articles of Incorporation of Orion Office REIT Inc., dated July 1, 2021.**
3.2	Bylaws of Orion Office REIT Inc., dated July 1, 2021.**
3.3	Form of Articles of Amendment and Restatement of Orion Office REIT Inc.**
3.4	Form of Amended and Restated Bylaws of Orion Office REIT Inc.**
10.1	Form of Employment Agreement, by and among Orion Services, LLC, Orion Office REIT Inc. and each named executive officer of Orion Office REIT Inc.**
10.2	Form of Orion Office REIT Inc. 2021 Equity Incentive Plan**
10.3	Form of Indemnification Agreement to be entered into between Orion Office REIT Inc. and each of its directors and executive officers**
10.4	Limited Liability Company Agreement of OAP/VER Venture, LLC, dated January 13, 2020, by and between VEREIT Real Estate, L.P. and OAP Holdings LLC**
21.1	Subsidiaries of Orion Office REIT Inc.**
99.1	Information Statement of Orion Office REIT Inc., preliminary and subject to completion, dated _____, 2021.**

* To be filed by amendment.

** Filed herewith.

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

Orion Office REIT Inc.

By: /s/ Sumit Roy

Name: Sumit Roy
Title: President, Chief Executive Officer

Date: October 4, 2021

Exhibit 2.1

SEPARATION AND DISTRIBUTION AGREEMENT

by and among

REALTY INCOME CORPORATION,

VEREIT, INC.,

ORION OFFICE REIT INC.,

and

ORION OFFICE REIT LP

Dated as of [●], 2021

SEPARATION AND DISTRIBUTION AGREEMENT

THIS SEPARATION AND DISTRIBUTION AGREEMENT, dated as of , 2021 (this "Agreement"), is by and among Realty Income Corporation, a Maryland corporation ("Realty Income"), VEREIT, Inc., a Maryland corporation ("VEREIT"), Orion Office REIT Inc., a Maryland corporation ("Orion") and Orion Office REIT LP, a Maryland limited partnership ("Orion OP").

RECITALS

WHEREAS, Realty Income and VEREIT entered into an Agreement and Plan of Merger, dated April 29, 2021 (as amended from time to time, the "Merger Agreement"), by and among Realty Income, Rams MD Subsidiary I, Inc., Maryland corporation and a direct wholly owned Subsidiary of Realty Income ("Merger Sub 1"), Rams Acquisition Sub II, LLC, a Delaware limited liability company and a direct wholly owned Subsidiary of Realty Income ("Merger Sub 2"), VEREIT, and VEREIT Operating Partnership, L.P., a Delaware limited partnership ("VEREIT OP"), pursuant to which (i) Merger Sub 2 will merge with and into VEREIT OP (the "Partnership Merger"), with VEREIT OP continuing as the surviving entity, and (ii) immediately thereafter, VEREIT will merge with and into Merger Sub 1 (the "Merger" and together with the Partnership Merger, the "Mergers"), with Merger Sub 1 continuing as the surviving corporation as a wholly owned Subsidiary of Realty Income;

WHEREAS, the Merger became effective at [ ] (the "Effective Time");

WHEREAS, the Parties have determined that, following the execution of this agreement and before the open of business on the [ ], the Parties will consummate a series of reorganization and separation transactions (the "Separation"), pursuant to which, among other things, the direct or indirect ownership interests in certain office real property of each of VEREIT and Realty Income, respectively, as well as certain other Assets and Liabilities related to such office real property, will be contributed to Orion OP, a newly formed limited partnership that will serve as the operating partnership of Orion following consummation of the transactions described in this Agreement;

WHEREAS, following the Separation, as contemplated under the Merger Agreement, Realty Income will distribute to the stockholders of Realty Income (which then will include former VEREIT common stockholders and certain former VEREIT OP common unitholders who hold shares of Realty Income stock as of the close of Business on the Record Date) all of the issued and outstanding Orion Common Stock (the "Distribution," and together with the Separation, the "Separation Transactions");

WHEREAS, the Parties have completed certain preliminary actions in connection with the Separation and the Distribution, including the formation of Orion as a wholly owned Subsidiary of Realty Income, and the formation of Orion OP, in each case, in accordance with this Agreement;

WHEREAS, Orion has prepared and filed with the Securities and Exchange Commission (the "SEC") a registration statement on Form 10, which includes an information statement, with respect to the shares of Orion Common Stock to be distributed by Realty Income in the Distribution;

WHEREAS, contemporaneously with the execution of this Agreement, in furtherance of the foregoing, the board of directors of Realty Income (the "Realty Income Board") has approved the Distribution of all of the issued and outstanding shares of Orion common stock, par value $0.01 per share ("Orion Common Stock"), at a ratio of one share of Orion Common Stock for each ten shares of Realty Income common stock, par value $0.01 per share held as of the close of business on the Record Date, subject to the satisfaction of the conditions of the Distribution set forth in this Agreement; and

WHEREAS, the Parties desire to enter into this Agreement to set forth each of the Separation Transactions to be effectuated by the Parties, and to set forth certain other agreements relating to the Separation Transactions and the relationship of Realty Income, Orion and their respective Affiliates following the Distribution.

NOW, THEREFORE, in consideration of the foregoing and the respective agreements, provisions and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I
DEFINITIONS

For the purpose of this Agreement, the following terms shall have the following meanings:

"AAA" shall have the meaning set forth in Section 7.2(a).

"Accounting Principles" shall mean GAAP applied on a consistent basis.

"Action" shall mean any demand, action, claim, dispute, suit, countersuit, arbitration, subpoena, proceeding or investigation of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial or otherwise) by or before any federal, state, local, foreign or international Governmental Authority or any arbitration or mediation tribunal.

"Adjustment Amount" shall mean an amount, without duplication, equal to the sum of (i) the cash amount of monthly rent payments actually collected by either the Realty Income Group or the VEREIT Group from tenants in the properties comprising the Transferred Business prior to the Distribution Effective Time with respect to the month in which the Distribution Effective Time occurs, *multiplied by* (2) a fraction equal to (A) the number of days left in the month in which the Distribution Effective Time occurs after the Distribution Effective Time (including the date on which the Distribution Effective Time occurs), *divided by* (B) the total number of days in the month in which the Distribution Effective Time occurs.

"Affiliate" shall mean, when used with respect to a specified Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified Person. For the purpose of this definition, "control" (including with correlative meanings, "controlled by" and "under common control with"), when used with respect to any specified Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment, undertaking or otherwise. It is expressly agreed that, prior to, from and after the Distribution Effective Time, for purposes of this Agreement and the Ancillary Agreements, (a) no member of the Orion Group shall be deemed to be an Affiliate of any member of the Realty Income Group or the VEREIT Group and (b) no member of the Realty Income Group or the VEREIT Group shall be deemed to be an Affiliate of any member of the Orion Group.

"Agent" shall mean a distribution agent, transfer agent and registrar that is duly appointed by Realty Income to act in such capacities for the Orion Stock in connection with the Distribution.

"Agreement" shall have the meaning set forth in the preamble hereof.

"Ancillary Agreement" shall mean all agreements (other than this Agreement) entered into by the Parties and/or members of their respective Groups (but as to which no Third Party is a party) in connection with the Separation Transactions or the other transactions contemplated by this Agreement, including the Tax Matters Agreement, the Employee Matters Agreement and the Transfer Documents.

"Appraiser" shall mean an independent appraisal firm selected by the Realty Income Board.

"Approvals or Notifications" shall mean any consents, waivers, approvals, Permits or authorizations to be obtained from, notices, registrations or reports to be submitted to, or other filings to be made with, any Third Party, including any Governmental Authority.

"Arbitration Request" shall have the meaning set forth in Section 7.2(a).

"Assets" shall mean, with respect to any Person, the assets, properties, claims and rights (including goodwill) of such Person, wherever located (including in the possession of vendors or other Third Parties or elsewhere), of every kind, character and description, whether real, personal or mixed, tangible, intangible or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of such Person, including rights and benefits pursuant to any contract, license, Permit, indenture, note, bond, mortgage, agreement, concession, franchise, instrument, undertaking, commitment, understanding or other arrangement. Except as otherwise specifically set forth herein or in the Tax Matters Agreement, the rights and obligations of the Parties with respect to Taxes shall be governed by the Tax Matters Agreement and, therefore, Tax assets (including any Tax items, attributes or rights to receive any Tax Benefit) shall not be treated as Assets governed by this Agreement.

"Assumed Liabilities" shall mean (i) each of the Liabilities identified as Assumed Liabilities on **Exhibit A**, taking into account the effect to the Separation Transactions, and (ii) all Liabilities and obligations arising under the Orion Credit Facilities.

"Business Day" shall mean any day other than a Saturday, Sunday or any other day on which banks in New York, New York are closed for business.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Disclosure Document" shall mean any registration statement (including the Form 10) filed with the SEC by or on behalf of any Party or any member of its Group, and also includes any information statement (including the Information Statement), prospectus, offering memorandum, offering circular, periodic report or similar disclosure document, whether or not filed with the SEC or any other Governmental Authority, in each case which describes the Separation, the Distribution or the Orion Group, or primarily relates to the transactions contemplated hereby.

"Dispute" shall have the meaning set forth in Section 7.1.

"Distribution" shall have the meaning set forth in the recitals hereof.

"Distribution Date" shall mean the date on which the Distribution occurs.

"Distribution Effective Time" shall mean 12:01 a.m., Eastern time, on the Distribution Date.

"Effective Time" shall have the meaning set forth in the recitals hereof.

"Employee Matters Agreement" shall mean the employee matters agreement to be entered into by and between Realty Income, VEREIT and Orion or the members of their respective Groups in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement, as it may be amended from time to time.

"Environmental Law" shall mean any Law relating to (a) releases, discharges, emissions or disposals to air, water, land or groundwater of Hazardous Materials, (b) the use, handling or disposal of polychlorinated biphenyls, asbestos or urea formaldehyde or any other Hazardous Material, (c) the treatment, storage, disposal or management of Hazardous Materials, (d) exposure to Hazardous Materials or any other toxic, hazardous or other controlled, prohibited or regulated substances, (e) the transportation, release or any other use of Hazardous Materials, or (f) the pollution, protection or regulation of the environmental or natural resources.

"Environmental Liabilities" shall mean all Liabilities relating to, arising out of or resulting from any Hazardous Materials, Environmental Law or contract or agreement relating to environmental, health or safety matters (including all removal, remediation or cleanup costs, investigatory costs, response costs, natural resources damages, property damages, personal injury damages, costs of compliance with any product take-back requirements or with any settlement, judgment or other determination of Liability and indemnity, contribution or similar obligations) and all costs and expenses, interest, fines, penalties or other monetary sanctions in connection therewith.

"Estimated Adjustment Amount" shall have the meaning set forth in Section 2.12(a).

"Exchange Act" shall mean the U.S. Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

"Excluded Assets" shall mean, other than the Transferred Assets, all of the Assets of Realty Income and VEREIT, as the context requires. Without limiting the foregoing, the Excluded Assets shall include each of the Assets set forth on **Exhibit C**.

"Excluded Business" shall mean, other than the Transferred Business, the businesses, operations and activities of Realty Income and VEREIT, as the context requires.

"Excluded Liabilities" shall mean, other than the Assumed Liabilities, the Liabilities of Realty Income and VEREIT, as the context requires. Without limiting the foregoing, the Excluded Liabilities shall include each of the Liabilities set forth on **Exhibit C**.

"Final Adjustment Amount" shall have the meaning set forth in Section 2.12(f).

"Final Rent Collections" shall have the meaning set forth in Section 2.12(f).

"Final Statement" shall have the meaning set forth in Section 2.12(f).

"Financial Statements" shall have the meaning set forth in Section 5.8(d).

"Form 10" shall mean the registration statement on Form 10 filed by Orion with the SEC to effect the registration of Orion Common Stock pursuant to the Exchange Act in connection with the Distribution, as such registration statement may be amended or supplemented from time to time prior to the Distribution.

"GAAP" shall have the meaning set forth in Section 5.8(d).

"Governmental Authority" shall mean any nation or government, any state, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal, industry self-regulatory organization or other instrumentality, whether federal, state, local, domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory, administrative or other similar functions of, or pertaining to, government and any executive official thereof.

"Group" shall mean either the VEREIT Group, the Orion Group or the Realty Income Group, as the context requires.

"Hazardous Materials" shall mean each element, compound, chemical mixture, contaminant, pollutant, material, waste or other substance which is defined, regulated or identified under applicable Environmental Laws because of its hazardous, toxic, dangerous or deleterious properties.

"Indemnifying Party" shall have the meaning set forth in Section 4.4(a).

"Indemnitee" shall have the meaning set forth in Section 4.4(a).

"Indemnity Payment" shall have the meaning set forth in Section 4.4(a).

"Independent Accounting Firm" shall have the meaning set forth in Section 2.12(e).

"Information" shall mean information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memos and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data.

"Information Statement" shall mean the information statement to be sent to the holders of Realty Income capital stock, including former VEREIT stockholders, in connection with the Distribution, as such information statement may be amended or supplemented from time to time prior to the Distribution.

"Initial Notice" shall have the meaning set forth in Section 7.1.

"Insurance Proceeds" shall mean those monies (i) received by an insured from an insurance carrier; or (ii) paid by an insurance carrier on behalf of the insured; in any such case net of any applicable premium adjustments (including reserves and retrospectively rated premium adjustments) and net of any costs or expenses incurred in the collection thereof.

"Insured Party" shall have the meaning set forth in Section 5.1(d).

"Intellectual Property" shall mean all of the following anywhere in the world: (a) all inventions and designs (whether patentable or unpatentable and whether or not reduced to practice), patents and patent applications, and all continuations and continuations in part, divisions, reissues, reexaminations, renewals, and extensions thereof, (b) all copyrightable works, copyrights, mask works, and industrial designs, and all registrations, and applications for registration thereof, (c) all trademarks, service marks, trade dress trade names, logos, and other indicia of origin, and all registrations and applications for the registration thereof, and all goodwill of the business connected with the use thereof and symbolized thereby, (d) all trade secrets, and other intellectual property and proprietary rights in know-how, technology, technical data, confidential business information, manufacturing and production processes and techniques, research and development information, financial, marketing and business data, pricing and cost information, business and marketing plans, advertising and promotional materials, customer, distributor, reseller and supplier lists and information, correspondence, records, and other documentation, and all other proprietary information of every kind, (e) all software (including source and object code), firmware, development tools, algorithms, files, records, technical drawings and related documentation, data and manuals, (f) all databases and data collections, (g) all other intellectual property rights, and (h) all copies and tangible embodiments of any of the foregoing (in whatever form or medium).

"IRS" shall mean the U.S. Internal Revenue Service.

"Joint Proxy Statement / Prospectus" shall mean the joint proxy statement / prospectus of Realty Income filed on Form S-4 with the SEC on, and declared effective by the SEC on, [●].

"Law" shall mean any national, supranational, federal, state, provincial, local or similar law (including common law), statute, code, order, ordinance, rule, regulation, treaty, license, Permit, authorization, approval, consent, decree, injunction, binding judicial or administrative interpretation or other requirement, in each case, enacted, promulgated, issued or entered by a Governmental Authority.

"Liabilities" shall mean all debts, guarantees, assurances, commitments, liabilities, responsibilities, Losses, remediation, deficiencies, damages, fines, penalties, settlements, sanctions, costs, expenses, interest and obligations of any nature or kind, whether accrued or fixed, absolute or contingent, matured or unmatured, accrued or not accrued, asserted or unasserted, liquidated or unliquidated, foreseen or unforeseen, known or unknown, reserved or unreserved, or determined or determinable, including those arising under any Law, claim (including any Third-Party Claim), demand, Action, or order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority or arbitration tribunal, and those arising under any contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment or undertaking, or any fines, damages or equitable relief that is imposed, in each case, including all costs and expenses relating thereto. Except as otherwise specifically set forth herein or in the Tax Matters Agreement, the rights and obligations of the Parties with respect to Taxes shall be governed by the Tax Matters Agreement and, therefore, Taxes shall not be treated as Liabilities governed by this Agreement.

"Linked" shall have the meaning set forth in Section 2.10(a).

"Loss Party" shall have the meaning set forth in Section 5.1(d).

"Losses" shall mean actual losses (including any diminution in value), costs, damages, Taxes, penalties and expenses (including legal and accounting fees, and expenses and costs of investigation and litigation), whether or not involving a Third-Party Claim.

"Merger" shall have the meaning set forth in the recitals hereof.

"Merger Agreement" shall have the meaning set forth in the recitals hereof.

"Mergers" shall have the meaning set forth in the recitals hereof.

"Merger Sub 1" shall have the meaning set forth in the recitals hereof.

"Merger Sub 2" shall have the meaning set forth in the recitals hereof.

"Notice of Disagreement" shall have the meaning set forth in Section 2.12(d).

"NYSE" shall mean the New York Stock Exchange.

"Orion" shall have the meaning set forth in the preamble hereof.

"Orion Account" shall have the meaning set forth in Section 2.10(a).

"Orion Articles of Incorporation" shall mean the Amended and Restated Articles of Incorporation of Orion, substantially in the form of **Exhibit D**.

"Orion Bylaws" shall mean the Amended and Restated Bylaws of Orion, substantially in the form of **Exhibit E**.

"Orion Common Stock" shall have the meaning set forth in the recitals hereof.

"Orion Credit Facilities" shall mean, collectively, a $175.0 million term loan facility, a $350.0 million revolving credit facility and a $355.0 million commercial mortgage backed security bridge loan, each entered into by Orion OP in connection with the Distribution.

"Orion Group" shall mean (a) prior to the Distribution Effective Time, Orion and each Person that will be a Subsidiary of Orion as of or immediately after the Distribution Effective Time, including the Transferred Entities, even if, prior to the Distribution Effective Time, such Person is not a Subsidiary of Orion; and (b) from and after the Distribution Effective Time, Orion and each Person that is a Subsidiary of Orion.

"Orion Indemnitees" shall have the meaning set forth in Section 4.3.

"Orion Indemnity Payments" shall have the meaning set forth in Section 4.11(a)(i).

"Orion OP" shall have the meaning set forth in the preamble hereof.

"Orion OP Agreement" shall mean the Amended and Restated Partnership Agreement of Orion OP, substantially in the form of **Exhibit F**.

"Orion Statement" shall have the meaning set forth in Section 2.12(c).

"Orion Stock" shall have the meaning set forth in the recitals hereof.

"Orion Voting Stock" shall have the meaning set forth in the recitals hereof.

"Parties" shall mean the parties to this Agreement.

"Permit" shall mean a permit, approval, authorization, consent, license or certificate of any kind issued by any Governmental Authority.

"Person" shall mean an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability entity, any

other entity and any Governmental Authority.

"Privileged Information" shall mean any information, in written, oral, electronic, or other tangible or intangible forms, including any communications by or to attorneys (including attorney-client privileged communications), memoranda and other materials prepared by attorneys or under their direction (including attorney work product), as to which a Party or any member of its Group would be entitled to assert or have asserted a privilege, including the attorney-client and attorney work product privileges.

"Realty Income" shall have the meaning set forth in the preamble hereof.

"Realty Income Account" shall have the meaning set forth in Section 2.10(a).

"Realty Income Board" shall have the meaning set forth in the recitals hereof.

"Realty Income Group" shall mean Realty Income and each Person that is a Subsidiary of Realty Income (other than Orion and any other member of the Orion Group).

"Realty Income Indemnitees" shall have the meaning set forth in Section 4.2.

"Realty Income Statement" shall have the meaning set forth in Section 2.12(a).

"Record Date" shall mean the close of business on the date to be determined by the Realty Income Board as the record date for determining holders of Realty Income capital stock entitled to receive shares of Orion Stock pursuant to the Distribution.

"Record Holders" shall mean the holders of record of Realty Income capital stock as of the Record Date.

"REIT" shall mean "a real estate investment trust" within the meaning of Section 856 of the Code.

"Rent Allocation Factor" shall mean a percentage equal to (x) the number of days in the month in which the Distribution Effective Time occurs prior the Distribution Effective Time (excluding the date on which the Distribution Effective Time occurs), *divided by* (y) the total number of days in the month in which the Distribution Effective Time occurs.

"Rent Collections" shall mean the aggregate cash amount of monthly rent payments actually collected, following the Distribution Effective Time by the Orion Group with respect to the month in which the Distribution Effective Time occurs.

"Representatives" shall mean, with respect to any Person, any of such Person's directors, officers, employees, agents, consultants, advisors, accountants, attorneys or other representatives.

"Resolution Period" shall have the meaning set forth in Section 2.12(d).

"Review Period" shall have the meaning set forth in Section 2.12(d).

"SEC" shall mean the U.S. Securities and Exchange Commission.

"Security Interest" shall mean any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer, or other encumbrance of any nature whatsoever.

"Separation" shall have the meaning set forth in the recitals hereof.

"Separation Transactions" shall have the meaning set forth in the recitals hereof.

"Services" shall have the meaning set forth in Section 5.8(e).

"Shared Contract" shall have the meaning set forth in Section 2.9(a).

"Specified REIT Requirements" shall have the meaning set forth in Section 4.11(a)(i).

"Subsidiary" shall mean, with respect to any Person, any corporation, partnership, limited liability company, joint venture, real estate investment trust, or other organization, whether incorporated or unincorporated, or other legal entity of which such Person (i) beneficially owns, either directly or indirectly, more than fifty percent (50%) of (a) the total combined voting power of all classes of voting securities of such entity; (b) the total combined equity interests of such entity, or (c) the capital or profit interests, in the case of a partnership, or (ii) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body of such entity.

"Tangible Information" shall mean information that is contained in written, electronic or other tangible forms.

"Tax" or "Taxes" means any income, gross income, gross receipts, profits, capital stock, franchise, withholding, payroll, social security, workers compensation, unemployment, disability, property, ad valorem, value added, stamp, excise, severance, occupation, service, sales, use, license, lease, transfer, import, export, escheat, alternative minimum, universal service fund, estimated or other tax (including any fee, assessment, or other charge in the nature of or in lieu of any tax), imposed by any Governmental Authority or political subdivision thereof, and any interest, penalty, additions to tax or additional amounts in respect of the foregoing.

"Tax Benefit" shall mean any refund, credit, or other item that causes reduction in otherwise required liability for Taxes.

"Tax Contest" means an audit, review, examination, contest, litigation, investigation or any other administrative or judicial proceeding with the purpose or effect of redetermining Taxes (including any administrative or judicial review of any claim for refund).

"Tax Matters Agreement" shall mean the Tax Matters Agreement to be entered into by and between Realty Income and Orion or any members of their respective Groups in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement, as it may be amended from time to time.

"Third Party" shall mean any Person other than the Parties or any members of their respective Groups.

"Third-Party Claim" shall have the meaning set forth in Section 4.5(a).

"Transfer" shall have the meaning set forth in Section 2.1(a).

"Transfer Documents" shall mean any documents relating to the transfer of Assets and/or Liabilities in connection with the Separation Transactions, including such deeds, bills of sale, asset transfer agreements, business transfer agreements, demerger plans, deeds or agreements, endorsements, assignments, assumptions (including liability assumption agreements), leases, subleases, affidavits and other instruments of sale, conveyance, contribution, distribution, lease, transfer and assignment between the Parties or members of their respective Groups, as applicable, as may be necessary or advisable under the Laws of the relevant jurisdictions to effect the Separation Transactions.

"Transferred Assets" shall mean (i) each of the Assets identified as Transferred Assets on **Exhibit B**, taking into account the effect to the Separation Transactions, (ii) the cash proceeds from the Orion Credit Facilities (net of the Realty Income Distribution) (the "Net Financing Proceeds"), and (iii) the Final Adjustment Amount.

"Transferred Business" shall mean the businesses, operations, activities, Assets and Liabilities of Realty Income and VEREIT prior to the Separation Transactions related to the real properties set forth on **Exhibit B** other than the real properties set forth on **Exhibit C**.

"Transferred Entities" shall have the meaning set forth on **Exhibit B**.

"Transition Information" shall have the meaning set forth in Section 5.8(e).

"VEREIT" shall have the meaning set forth in the preamble hereof.

"VEREIT Group" shall mean each Person that is a Subsidiary of VEREIT immediately prior to the Effective Time.

"VEREIT OP" shall have the meaning set forth in the preamble hereof.

ARTICLE II
THE SEPARATION

2.1 Separation Transactions. Promptly following the execution of this Agreement, the Parties shall engage in and effectuate the Separation Transactions in accordance with this Agreement, including the Distribution Steps Plan attached hereto as **Exhibit A** (the "Distribution Steps Plan"). The Parties acknowledge that the Separation Transactions are intended to result in Realty Income Group retaining the Excluded Assets and the Excluded Liabilities and the Orion Group owning the Transferred Assets and assuming the Assumed Liabilities, and, following the Distribution, Realty Income will operate the Excluded Business, and Orion will operate the Transferred Business. For the avoidance of doubt, the Distribution Steps Plan shall take precedence in the event of any conflict between the terms of this Article II and the Distribution Steps Plan, and any transfers of assets or liabilities made pursuant to this Agreement or any Ancillary Agreement after the Distribution Effective Time shall be deemed to have been made prior to the Distribution Effective Time consistent with the Distribution Steps Plan. Upon the terms and subject to the conditions set forth in this Agreement:

(a) *Transferred Assets.* Each of Realty Income and VEREIT shall, and shall cause the applicable members of its respective Group to, contribute, convey, transfer, assign and/or deliver ("Transfer") to Orion, Orion OP or the applicable Orion Group member, and Orion, Orion OP or the applicable Orion Group member shall acquire and accept from Realty Income, VEREIT or the applicable member of their Groups, all of the respective right, title and interest of Realty Income, VEREIT or its applicable Group member in and to the Transferred Assets. The Parties acknowledge and agree that any Transferred Asset held by any Transferred Entity shall be Transferred for all purposes hereunder as a result of the Transfer of the equity interests in such Transferred Entity. For the avoidance of doubt, the Transferred Assets do not include any Excluded Assets, and Realty Income, VEREIT or the applicable member of its respective Group shall retain all right, title and interest in and to any and all Excluded Assets.

(b) *Assumed Liabilities*. Orion shall, and shall cause the applicable Orion Group member to, assume and agree to perform and fulfill when due and, to the extent applicable, comply with, any and all of the Assumed Liabilities in accordance with their respective terms. The Parties acknowledge and agree that any Assumed Liability of any Transferred Entity shall be assumed for all purposes hereunder as a result of the Transfer of the equity interests in such Transferred Entity. For the avoidance of doubt, the Assumed Liabilities do not include any Excluded Liabilities, and no Orion Group member is assuming or agreeing to perform and fulfill when due or comply with any Excluded Liabilities.

2.2 Transfer Documents. Following the execution of this Agreement and prior to the Distribution Effective Time, the Parties shall, and shall cause the applicable members of their respective Groups to, execute and deliver all Transfer Documents that are necessary or desirable to effect the Separation. The Parties agree that each Transfer Document shall be in a form consistent with the terms and conditions of this Agreement or the applicable Ancillary Agreement(s) with such provisions as are required by applicable Law in the jurisdiction in which the relevant Assets or Liabilities are located.

2.3 Waiver of Bulk-Sale and Bulk-Transfer Laws. Each Party hereby waives compliance by each other Party and its respective Group members with the requirements and provisions of any "bulk-sale" or "bulk-transfer" Laws of any jurisdiction that may otherwise be applicable with respect to any of the Separation Transactions.

2.4 Approvals and Notifications.

(a) To the extent that the Transfer of any Asset or assumption of any Liability contemplated by Section 2.1 requires any Approvals or Notifications, from and after the date hereof, the Parties shall use their commercially reasonable efforts to obtain or make such Approvals or Notifications as soon as reasonably practicable; provided that none of Realty Income, VEREIT or their respective Group members shall be required to make any payment, incur any Liability or offer or grant any accommodation to any Third Party to obtain any such Approvals or Notifications except to the extent that Orion agrees to reimburse and make whole the Party making such payment, incurring such Liability or granting such accommodation, to such Party's reasonable satisfaction, for any such payment, Liability or other accommodation made by the Party retaining an Asset or a Liability at Orion's request.

(b) If and to the extent that the valid and complete Transfer of any Asset or the valid and complete assumption of any Liability contemplated by Section 2.1 would be a violation of applicable Law or require any Approvals or Notifications that have not been obtained or made prior to the Distribution Effective Time, then, unless the Parties

mutually shall otherwise determine, the Transfer of such Asset, or assumption of such Liability, as the case may be, shall be automatically deemed deferred and any such purported Transfer or assumption shall be null and void until such time as all legal impediments are removed or such Approvals or Notifications have been obtained or made. Notwithstanding the foregoing, any Asset that constitutes an Excluded Asset or Transferred Asset shall continue to constitute an Excluded Asset or Transferred Asset, and any Liability that constitutes an Excluded Liability or Assumed Liability shall continue to constitute an Excluded Liability or Assumed Liability for all other purposes of this Agreement and be subject to Section 2.4(c). In respect of the deferral of any such Liabilities, the applicable Group member to whom such Liability shall Transfer shall, to the extent not prohibited by Law, (i) indemnify, defend and hold harmless the Group of each other Party and pay, perform and discharge fully all of its obligations or other Liabilities that constitute a deferred Liability from and after the Distribution Effective Time, and (ii) use its commercially reasonable efforts to effect such payment, performance or discharge prior to any demand for such payment, performance or discharge is permitted to be made by the obligee thereunder on any member of the applicable Group. If and when the legal or contractual impediments the presence of which caused the deferral of Transfer or assumption of any Asset or Liability pursuant to this Section 2.4(b) are removed or any Approvals or Notifications the absence of which caused the deferral of Transfer or assumption of any Asset or Liability pursuant to this Section 2.4(b) are obtained or made, the Transfer or assumption of the applicable Asset or Liability shall be effected promptly without further consideration in accordance with the terms of this Agreement and shall, to the extent possible without the imposition of any undue cost on any Party, be deemed to have become effective as of the Distribution Effective Time.

(c) If the Transfer or assumption of any Asset or Liability intended to be Transferred or assumed pursuant to Section 2.1 is not consummated prior to or at the Distribution Effective Time as a result of the provisions of Section 2.4(b) or for any other reason (including any misallocated transfers subject to Section 3.2), then, insofar as reasonably possible and to the extent permitted by applicable Law, the Person retaining such Asset or Liability, as the case may be, (i) shall thereafter hold such Asset or Liability, as the case may be, in trust for the use and benefit and burden of the Person entitled thereto (and at such Person's sole expense) until the consummation of the Transfer or assumption thereof (or as otherwise determined by the Parties); and (ii) with respect to any deferred Assets or Liabilities, use commercially reasonable efforts to develop and implement mutually acceptable arrangements to place the Person entitled to receive such Asset or Liability in substantially the same economic position as if such Asset or Liability had been Transferred or assumed as contemplated by Section 2.1 and so that all the benefits and burdens relating to such Asset or Liability, including possession, use, risk of loss, potential for gain, dominion, ability to enforce the rights under or with respect to and control and command over such Asset or Liability, are to inure from and after the Distribution Effective Time to the applicable member or members of the Group entitled to the receipt of such Asset or required to assume such Liability. Subject to Section 2.4(a), any Person retaining an Asset or a Liability due to the deferral of the Transfer or assumption of such Asset or Liability, as the case may be, shall not be required, in connection with the foregoing, to make any payments, incur any Liability or offer or grant any accommodation to any Third Party, except to the extent that the Person entitled to the Asset or responsible for the Liability, as applicable, agrees to reimburse and make whole the Person retaining an Asset or a Liability, to such Person's reasonable satisfaction, for any payment or other accommodation made by the Person retaining an Asset or a Liability at the request of the Person entitled to the Asset or responsible for the Liability.

2.5 [Reserved].

2.6 Release of Guarantees. In furtherance of, and not in limitation of, the obligations set forth in Section 2.4:

(a) Each of Realty Income and Orion shall, at the request of the other Party and with the reasonable cooperation of such other Party and the applicable member(s) of such Party's Group, use commercially reasonable efforts to, as soon as reasonably practicable following the applicable Separation Transactions, (i) have any member(s) of the Realty Income Group removed as guarantor of, indemnitor of or obligor for any Assumed Liability, including the termination and release of any Security Interest on or in any Excluded Asset that may serve as collateral or security for any such Assumed Liability; and (ii) have any member(s) of the Orion Group removed as guarantor of, indemnitor of or obligor for any Excluded Liability, including the termination and release of any Security Interest on or in any Transferred Asset that may serve as collateral or security for any such Excluded Liability.

(b) If and to the extent required:

(i) to obtain a release of any member of the Realty Income Group from a guarantee or indemnity for any Assumed Liability, Orion or one or more members of the Orion Group shall execute a guarantee or indemnity agreement in substantially the form of the existing guarantee or indemnity or such other form as is reasonably agreed to by the relevant parties to such guarantee or indemnity agreement, which agreement shall include the termination and release of any Security Interest on or in any Excluded Asset that may serve as collateral or security for any such Assumed Liability; *provided*, that, except in the case of the guarantees and indemnities set forth on Schedule 2.6(b)(i), no such new guarantee or indemnity shall be required to the extent that the corresponding existing guarantee or indemnity contains representations, covenants or other terms or provisions either (i) with which Orion or the Orion Group would be reasonably unable to comply or (ii) which Orion or the Orion Group would not reasonably be able to avoid breaching;

(ii) to obtain a release of any member of the Orion Group from a guarantee or indemnity for any Excluded Liability any member of the Orion Group, Realty Income or one or more members of the Realty Income Group shall execute a guarantee or indemnity agreement in substantially the form of the existing guarantee or indemnity or such other form as is reasonably agreed to by the relevant parties to such guarantee or indemnity agreement, which agreement shall include the termination and release of any Security Interest on or in any Transferred Asset that may serve as collateral or security for any such Excluded Liability; *provided*, that, except in the case of the guarantees and indemnities set forth on Schedule 2.6(b)(ii), no such new guarantee or indemnity shall be required to the extent that the corresponding existing guarantee or indemnity contains representations, covenants or other terms or provisions either (i) with which Realty Income or the Realty Income Group would be reasonably unable to comply or (ii) which Realty Income or the Realty Income Group would not reasonably be able to avoid breaching.

(c) Until such time as Realty Income or Orion has obtained, or has caused to be obtained, any removal or release as set forth in clauses (a) and (b) of this Section 2.6, (i) the Party or the relevant member of its Group that has assumed the Liability related to such guarantee shall indemnify, defend and hold harmless the guarantor or obligor against or from any Liability (in respect of a mortgage or otherwise) arising from or relating thereto in accordance with the provisions of Article IV and shall, as agent or subcontractor for such guarantor, indemnitor or obligor, pay, perform and discharge fully all the obligations or other Liabilities (in respect of mortgages or otherwise) of such guarantor, indemnitor or obligor thereunder; and (ii) each of Realty Income and Orion, on behalf of itself and the other members of their respective Group, agree not to renew or extend the term of, increase any obligations under, decrease any rights under or transfer to a Third Party, any loan, guarantee, lease, contract or other obligation for which the other Party or a member of its Group is or may be liable unless all obligations of such other Party and the members of such other Party's Group with respect thereto have theretofore terminated by documentation satisfactory in form and substance to such other Party.

2.7 [Reserved].

2.8 Termination of Agreements, Settlement of Accounts between Realty Income and Orion

(a) Except as set forth in Section 2.8(b), in furtherance of the releases and other provisions of Section 4.1, Orion and each member of the Orion Group, on the one hand, and Realty Income and each member of the Realty Income Group, on the other hand, hereby terminate all contracts and agreements between such Groups,

effective as of the Distribution Effective Time. No such terminated agreement, arrangement, commitment or understanding (including any provision thereof which purports to survive termination) shall be of any further force or effect after the Distribution Effective Time. Each Party shall, at the reasonable request of the other Party, take, or cause to be taken, such other actions as may be necessary to effect the foregoing.

(b) The provisions of Section 2.8(a) shall not apply to any of the following agreements, arrangements, commitments or understandings: (i) the Merger Agreement and any other agreement entered into in connection with the Merger Agreement, the Mergers or the Separation Transactions, including this Agreement and the Ancillary Agreements (and each other agreement or instrument expressly contemplated by the Merger Agreement, this Agreement or any Ancillary Agreement to be entered into by any of the Parties or any of the members of their respective Groups or to be continued from and after the Distribution Effective Time); (ii) any agreements, arrangements, commitments or understandings listed or described on Schedule 2.8(b)(ii); (iii) any agreements, arrangements, commitments or understandings to which any Third Party is a party thereto; (iv) any intercompany accounts payable or accounts receivable accrued as of the Distribution Effective Time that are reflected in the books and records of the Parties or otherwise documented in writing in accordance with past practices, which shall be settled in the manner contemplated by Section 2.8(c); (v) any agreements, arrangements, commitments or understandings to which any non-wholly owned Subsidiary of Realty Income or Orion, as the case may be, is a party (it being understood that directors' qualifying shares or similar interests will be disregarded for purposes of determining whether a Subsidiary is wholly owned); and (vi) any Shared Contracts.

(c) Except as provided for in Section 2.12, all of the intercompany accounts receivable and accounts payable between any member of the Realty Income Group, on the one hand, and any member of the Orion Group, on the other hand, outstanding as of the Distribution Effective Time shall, as promptly as practicable after the Distribution Effective Time, but in any event, no later than the last day of the quarter in which the Distribution Effective Time occurs, be repaid, settled or otherwise eliminated by means of cash payments or otherwise as determined by the Parties acting in good faith.

2.9 Treatment of Shared Contracts.

(a) Subject to applicable Law and without limiting the generality of the obligations set forth in Section 2.1, unless the Parties otherwise agree, the portion of any contract, agreement, arrangement, commitment or understanding to which any member of the Realty Income Group or the VEREIT Group is a party or by which any of their respective Assets is bound, in each case, as of immediately prior to the Distribution Effective Time, that is related to the Transferred Business (any such contract, agreement, arrangement, commitment or understanding, including those set forth on Schedule 2.9(a), a "Shared Contract"), shall be assigned, at or prior to the Distribution Effective Time, in relevant part to the applicable member(s) of the Orion Group, or appropriately amended prior to, at or after the Distribution Effective Time, so that the applicable member(s) of the Orion Group shall, as of the Distribution Effective Time, be entitled to the rights and benefits, and shall assume the related portion of any Liabilities, inuring to the Transferred Business to the same extent received and borne as of immediately prior to the Distribution Effective Time with respect to such Shared Contract; provided, however, that (i) in no event shall any member of any Realty Income Group or VEREIT Group be required to assign (or amend) any portion of any Shared Contract which is not so assignable (or cannot be so amended) by its terms (including any terms imposing consents or conditions on an assignment where such consents or conditions have not been obtained or fulfilled) and (ii) if any Shared Contract cannot be so partially assigned by its terms or otherwise, or cannot be amended or if such assignment or amendment would impair the benefit the parties thereto derive from such Shared Contract, then the Parties shall, and shall cause each of the members of their respective Groups to, take such other reasonable and permissible actions (including by providing prompt notice to the other Party with respect to any relevant claim of Liability or other relevant matters arising in connection with a Shared Contract so as to allow such other Party the ability to exercise any applicable rights under such Shared Contract) to cause a member of the Orion Group to receive the rights and benefits of that portion of each Shared Contract that relates to the Transferred Business, as the case may be (in each case, to the extent so related), as if such Shared Contract had been assigned to (or amended to allow) a member of the Orion Group pursuant to this Section 2.9(a), and to bear the burden of the corresponding Liabilities (including any Liabilities that may arise by reason of such arrangement), as if such Liabilities had been assumed by a member of the Orion Group pursuant to this Section 2.9. Notwithstanding the foregoing, no member of the Realty Income Group or VEREIT Group shall be required by this Section 2.9 to maintain in effect any Shared Contract, and no member of the Orion Group shall have any approval or other rights with respect to any amendment, termination or other modification of any Shared Contract.

2.10 Bank Accounts.

(a) Each Party agrees to use commercially reasonable efforts to take, or cause the members of its Group to take, at the Distribution Effective Time (or such earlier time as the Parties may agree), all actions necessary to amend or substitute all contracts or agreements governing each bank and brokerage account owned by Orion (including any VEREIT bank or brokerage account that is part of the Transferred Business) or any other member of the Orion Group (collectively, the "Orion Accounts") and all contracts or agreements governing each bank or brokerage account owned by Realty Income (including any VEREIT bank or brokerage account that is not part of the Transferred Business) or any other member of the Realty Income Group (collectively, the "Realty Income Accounts") so that each such Orion Account and Realty Income Account, if currently linked (whether by automatic withdrawal, automatic deposit or any other authorization to transfer funds from or to, hereinafter "Linked") to any Realty Income Account or Orion Account, respectively, is de-Linked from such Realty Income Account or Orion Account, respectively.

(b) With respect to any outstanding checks issued or payments initiated by Realty Income, Orion, or any of the members of their respective Groups prior to the Distribution Effective Time, such outstanding checks and payments shall be honored following the Distribution Effective Time by the Person or Group owning the account on which the check is drawn or from which the payment was initiated, respectively.

2.11 Retained Cash Assets.

(a) In the Separation Transactions, the Orion Group will retain and/or the Realty Income Group shall contribute to a member of the Orion Group, an amount of cash-on-hand (the "Initial Retained Amount") up to and not exceeding the lesser of (i) the Orion Group's actual cash-on-hand immediately prior to entering into the Orion Credit Facilities, and (ii) $ (the "Retained Amount Cap").

(b) To the extent that the Initial Retained Amount is less than the Retained Amount Cap, Orion shall, pursuant to this Section 2.11, retain an additional amount equal to the sum of (i) the Retained Amount Cap, less (ii) the Initial Retained Amount (such amount, the "Retained Make-Up Amount"), which amount otherwise would have been distributed to Merger Sub, as Orion's distributive share of the proceeds of the Orion Credit Facilities. If any Retained Make-Up Amount is retained (and offset against the amount otherwise distributable to Merger Sub) pursuant to this Section 2.11(b), then the term "Final Retained Amount" shall mean such Retained Make-Up Amount together with the Initial Retained Amount. If there is no Retained Make-Up Amount pursuant to this Section 2.11(b), the term "Final Retained Amount" shall mean the Initial Retained Amount. The Final Retained Amount, together with the Final Adjustment Amount, shall be deemed to fully satisfy all rights pertaining to any that Orion shall not be entitled to cash or cash equivalents related to or reserved for the Transferred Business. The Parties agree that as a result of the Separation Transactions, and no other Transferred Assets, cash or cash equivalents are payable or deliverable to Orion pertaining to cash or cash equivalents, other than the Net Financing Proceeds and as set forth in Section 2.12.

2.12 Adjustment Amount; Rent Collections.

(a) Within fifteen (15) Business Days following the Distribution Effective Time, Realty Income shall prepare and deliver to Orion a statement setting forth its good faith calculation of the Adjustment Amount (the "Estimated Adjustment Amount"), prepared in accordance with the Accounting Principles, along with a summary showing in reasonable detail Realty Income's calculation of each component thereof (collectively the "Realty Income Statement").

(b) Within fifteen (15) Business Days following the date on which Realty Income shall have delivered the Realty Income Statement, Realty Income shall pay, or cause to be paid, to Orion or its designee the Estimated Adjustment Amount, to an account designated in writing by Orion.

(c) As promptly as practicable, but in any event no sooner than the last day of the month in which the Distribution Effective Time occurs and no later than the date that is forty five (45) days following the payment of the Estimated Adjustment Amount, Orion shall prepare and deliver to Realty Income a statement setting forth its good faith calculation of the Adjustment Amount and the Rent Collection, prepared in accordance with the Accounting Principles, along with a summary showing in reasonable detail Orion's calculation of each component thereof (collectively, the "Orion Statement"). If no Orion Statement is received by Realty Income by such date, or if Orion accepts in writing the Estimated Adjustment Amount set forth in the Realty Income Statement, then the Parties shall be deemed to have agreed that the Final Adjustment Amount is equal to the Estimated Adjustment Amount as set forth in the Realty Income Statement, and the Realty Income Statement shall be deemed to have been accepted by the Parties and shall become final and binding upon the Parties in accordance with Section 2.12(f).

(d) Realty Income shall notify Orion in writing within thirty (30) days following Realty Income's receipt of the Orion Statement (the "Review Period"), if Realty Income objects to any matter set forth in the Orion Statement, which notice shall describe the basis for such objection (the "Notice of Disagreement"); *provided* that the Parties shall be deemed to have agreed upon all items and amounts that are not so disputed by Realty Income in the Notice of Disagreement. During the thirty (30) days immediately following the delivery of a Notice of Disagreement (the "Resolution Period"), the Parties shall seek in good faith to resolve any disagreements that they may have with respect to the matters properly specified in the Notice of Disagreement. All such discussions related thereto shall be governed by Rule 408 of the Federal Rules of Evidence and any applicable similar state rule, and evidence of such discussions shall not be admissible or used by any Party in any future proceedings between the Parties, including before the Independent Accounting Firm.

(e) If, at the end of the Resolution Period, the Parties have been unable to resolve any disagreements that they may have with respect to the matters specified in the Notice of Disagreement, the Parties shall each submit all matters that remain in dispute with respect to the Notice of Disagreement (along with a copy of the Orion Statement marked to indicate those line items that are not in dispute) to a firm of independent public accountants, selected promptly by and mutually reasonably acceptable to the Parties, or, if that firm declines to act as provided in this Section 2.12(e) or it is determined that such firm would not be considered "independent" under applicable professional standards, another firm of independent public accountants, selected promptly by and mutually reasonably acceptable to the Parties (the "Independent Accounting Firm"). During the review by the Independent Accounting Firm, the Parties will each provide the Independent Accounting Firm with such access to their respective books, records, accountants, audit work papers and relevant employees as may be reasonably required by the Independent Accounting Firm to fulfill its obligations under this Section 2.12; *provided*, *however*, that nothing contained in this Section 2.12 shall require the Parties or any of their respective Affiliates to disclose any attorney-client privileged information to the extent that disclosure thereof might result in the loss of attorney-client privilege. The Independent Accounting Firm shall be instructed to make, within thirty (30) days after the expiration of the Resolution Period or, if applicable, the Independent Accounting Firm's selection pursuant to this Section 2.12(e), a final determination in accordance with this Agreement, binding on the Parties, of the appropriate amount of each of the line items in the Orion Statement which remain in dispute as indicated in the Notice of Disagreement which the Parties have submitted to the Independent Accounting Firm, including any proceedings before or with the Independent Accounting Firm, and to promptly notify the Parties in writing of its determination. With respect to each amount in dispute, the Independent Accounting Firm's determination, if not in accordance with the position of either the Parties, shall not be in excess of the higher, nor less than the lower, of the amounts advocated by Realty Income in the Notice of Disagreement or by Orion in the Orion Statement with respect to such disputed amount. For the avoidance of doubt, no Party may introduce any additional claims to the Independent Accounting Firm that such Party did not originally raise in the Orion Statement or the Notice of Disagreement, as the case may be. The Parties shall not authorize the Independent Accounting Firm to modify or amend any term or provision of this Agreement or modify items or amounts previously agreed upon (or deemed agreed upon) among the Parties. All fees and expenses relating to the work, if any, to be performed by the Independent Accounting Firm shall be paid by Orion.

(f) The statement of the Adjustment Amount and the Rent Collections that is final and binding on the Parties, as determined in accordance with this Agreement, by mutual agreement of the Parties or the action of the Independent Accounting Firm pursuant to Section 2.12(e), is referred to as the "Final Statement," the Adjustment Amount set forth therein as the "Final Adjustment Amount" and the Rent Collections set forth therein as the "Final Rent Collections".

(g) No later than five (5) Business Days after the Adjustment Amount is finally determined pursuant to Section 2.12(f):

(i) If the Final Adjustment Amount is *less than* the Estimated Adjustment Amount, then Orion, or a member of the Orion Group, shall pay in cash to Realty Income, or a member of the Realty Income Group designated in writing by Realty Income, the amount of such difference; or

(ii) If the Final Adjustment Amount is *greater than* the Estimated Adjustment Amount, then Realty Income, or a member of the Realty Income Group, shall pay in cash to Orion, or a member of the Orion Group designated in writing by Orion, the amount of such difference.

(h) Orion, or a member of the Orion Group, shall pay in cash to Realty Income, or a member of the Realty Income Group designated in writing by Realty Income, an amount equal to (i) the Final Rent Collections *multiplied by* (ii) the Rent Allocation Factor, within five (5) Business Days after the Final Statement becomes final and binding.

(i) Following the determination of the Final Rent Collections, Orion shall promptly pay to Realty Income, or a member of the Realty Income Group designated in writing by Realty Income a portion of any Rent Collections equal to the Rent Allocation Factor promptly following the receipt of such Rent Collections, to the extent such Rent Collections were not reflected in the Orion Statement.

2.13 Disclaimer of Representations and Warranties. EACH OF REALTY INCOME (ON BEHALF OF ITSELF AND EACH MEMBER OF THE REALTY INCOME GROUP) AND ORION (ON BEHALF OF ITSELF AND EACH MEMBER OF THE ORION GROUP) UNDERSTANDS AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY ANCILLARY AGREEMENT, NO PARTY TO THIS AGREEMENT, ANY ANCILLARY AGREEMENT OR ANY OTHER AGREEMENT OR DOCUMENT CONTEMPLATED BY THIS AGREEMENT, ANY ANCILLARY AGREEMENT OR OTHERWISE, IS REPRESENTING OR WARRANTING IN ANY WAY, EXPRESS OR IMPLIED, AS TO THE ASSETS, BUSINESSES OR LIABILITIES TRANSFERRED OR ASSUMED AS

CONTEMPLATED HEREBY OR THEREBY, AS TO ANY CONSENTS OR APPROVALS REQUIRED IN CONNECTION THEREWITH, AS TO THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF, AS TO THE PHYSICAL CONDITION OF ANY ASSETS, RIGHTS OR PROPERTIES COMPRISING ANY PART OF ANY TRANSFERRED ASSET OR EXCLUDED ASSET OR WHICH IS THE SUBJECT OF ANY LEASE OR CONTRACT TO BE ASSUMED AT THE DISTRIBUTION EFFECTIVE TIME, THE ENVIRONMENTAL CONDITION OR OTHER MATTER RELATING TO THE PHYSICAL CONDITION OF ANY REAL PROPERTY OR IMPROVEMENTS WHICH ARE THE SUBJECT OF ANY REAL PROPERTY LEASE TO BE ASSUMED AT THE DISTRIBUTION EFFECTIVE TIME, THE ZONING OF ANY SUCH REAL PROPERTY OR IMPROVEMENTS, OR ANY OTHER MATTER CONCERNING, ANY ASSETS OF SUCH PARTY, OR AS TO THE ABSENCE OF ANY DEFENSES OR RIGHT OF SET-OFF OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY CLAIM OR OTHER ASSET, INCLUDING ANY ACCOUNTS RECEIVABLE, OF ANY PARTY, OR AS TO THE LEGAL SUFFICIENCY OF ANY ASSIGNMENT, DOCUMENT OR INSTRUMENT DELIVERED HEREUNDER TO CONVEY TITLE TO ANY ASSET OR THING OF VALUE UPON THE EXECUTION, DELIVERY AND FILING HEREOF OR THEREOF. WITHOUT IN ANY WAY LIMITING THE FOREGOING, EXCEPT AS MAY EXPRESSLY BE SET FORTH HEREIN OR IN ANY ANCILLARY AGREEMENT, EACH OF REALTY INCOME (ON BEHALF OF ITSELF AND EACH MEMBER OF THE REALTY INCOME GROUP) AND ORION (ON BEHALF OF ITSELF AND EACH MEMBER OF THE ORION GROUP) HEREBY DISCLAIMS ANY WARRANTY, EXPRESS OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE AS TO ANY PORTION OF ANY ASSETS TRANSFERRED HEREUNDER. EACH PARTY FURTHER ACKNOWLEDGES AND AGREES THAT IT HAS CONDUCTED, OR HAS HAD AN OPPORTUNITY TO CONDUCT, AN INDEPENDENT INSPECTION AND INVESTIGATION OF THE PHYSICAL CONDITION OF THE ASSETS TRANSFERRED HEREUNDER AND ALL SUCH OTHER MATTERS RELATING TO OR AFFECTING THE ASSETS TRANSFERRED HEREUNDER AS SUCH PARTY HAS DEEMED NECESSARY OR APPROPRIATE, EXCEPT AS MAY EXPRESSLY BE SET FORTH HEREIN OR IN ANY ANCILLARY AGREEMENT. EXCEPT AS MAY EXPRESSLY BE SET FORTH HEREIN OR IN ANY ANCILLARY AGREEMENT, ALL SUCH ASSETS ARE BEING TRANSFERRED ON AN "AS IS, WHERE IS" BASIS (AND, IN THE CASE OF ANY REAL PROPERTY, BY MEANS OF A QUITCLAIM OR SIMILAR FORM OF DEED OR CONVEYANCE) AND THE RESPECTIVE TRANSFEREES SHALL BEAR THE ECONOMIC AND LEGAL RISKS THAT (A) ANY CONVEYANCE WILL PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD AND MARKETABLE TITLE, FREE AND CLEAR OF ANY SECURITY INTEREST, AND (B) ANY NECESSARY APPROVALS OR NOTIFICATIONS ARE NOT OBTAINED OR MADE OR THAT ANY REQUIREMENTS OF LAWS OR JUDGMENTS ARE NOT COMPLIED WITH.

ARTICLE III
ADDITIONAL COVENANTS; CONDITIONS

3.1 Commercially Reasonable Efforts. Upon the terms and subject to the conditions set forth in this Agreement, in addition to the actions specifically provided for elsewhere in this Agreement, and subject to Section 2.4, each of the Parties agrees to use commercially reasonable efforts, prior to, at and after the Distribution Effective Time, to take or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other Parties in doing, all things necessary to consummate and make effective the Separation Transactions and the other transactions contemplated by this Agreement and the Ancillary Agreements, including using commercially reasonable efforts to (a) cause the conditions precedent set forth in Section 3.4 to be satisfied; (b) obtain all necessary actions, waivers, consents, approvals, waiting period expirations or terminations, orders and authorizations from Governmental Authorities and the making of all necessary registrations, declarations and filings (including registrations, declarations and filings with Governmental Authority, if any); (c) obtain all third party consents required to be obtained in order to effectuate the Separation Transactions (subject to Article II above); and (d) execute and/or deliver such other instruments as may be reasonably necessary to consummate the transactions contemplated by, and to fully carry out the purposes of, this Agreement. To the extent any Liability to any Governmental Authority or any Third Party arises out of any such action or inaction described in clauses (a) through (d), the transferee of the applicable Asset hereby assumes and agrees to pay any such Liability subject to Section 2.4.

3.2 Cooperation; Misallocations.

(a) Without limiting the foregoing, each Party shall, and shall cause each of its respective Group members to, cooperate with the other Party, subject to Section 2.4, to execute and deliver, or use its commercially reasonable efforts to cause to be executed and delivered, all Transfer Documents and to make all filings with and provide all required Approvals or Notifications to, and to obtain all required Approvals or Notifications from, any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument, and to take all such other actions as such Party may reasonably be requested to take by the other Party from time to time, consistent with the terms of this Agreement and the Ancillary Agreements, in order to effectuate the provisions and purposes of this Agreement and the Ancillary Agreements and the transfers of the Transferred Assets and the Excluded Assets and the assignment and assumption of the Assumed Liabilities and the Excluded Liabilities and the other transactions contemplated hereby and thereby.

(b) To the extent that, from time to time after the Distribution Effective Time, any Asset (including the receipt of payments made pursuant to contracts and proceeds from accounts receivable) retained by Orion or the Orion Group is ultimately determined to be an Excluded Asset, or Orion or the Orion Group is found to be subject to an Excluded Liability or otherwise identifies, receives or otherwise comes to possess an Asset (including the receipt of payments made pursuant to contracts and proceeds from accounts receivable) or Liability that is allocated under this Agreement to the Realty Income Group but is received by or otherwise in the possession of Orion or the Orion Group, Orion will or will cause the applicable Orion Group member to Transfer (for no additional consideration) such Asset or Liability to the Person to which such Asset or Liability has been allocated under this Agreement or is otherwise determined to be an Excluded Asset or Excluded Liability, and such Person shall accept such Asset or Liability. Conversely, to the extent that, from time to time after the Distribution Effective Time, any Asset (including the receipt of payments made pursuant to contracts and proceeds from accounts receivable) retained by Realty Income or the Realty Income Group is ultimately determined to be a Transferred Asset, or Realty Income or the Realty Income Group is found to be subject to an Assumed Liability or otherwise identifies, receives or otherwise comes to possess an Asset (including the receipt of payments made pursuant to contracts and proceeds from accounts receivable) or Liability that is allocated under this Agreement to the Orion Group but is received by or otherwise in the possession of Realty Income or the Realty Income Group, Realty Income will or will cause the applicable Realty Income Group member to Transfer (for no additional consideration) such Asset or Liability to the Person to which such Asset or Liability has been allocated under this Agreement or is otherwise determined to be a Transferred Asset or Assumed Liability, and such Person shall accept such Asset or Liability.

(c) In each of the scenarios described in Section 3.2(b), the Parties or their respective Group members shall execute such Transfer Documents and take such further acts which are reasonably necessary or desirable to effect the Transfer of such Assets or Liability to the Person to which such Asset or Liability has been allocated or determined under this Agreement, in each case such that each Party is put into the same after-Tax economic position as if such action had been taken on or prior to the Distribution Effective Time. In furtherance of the foregoing, each Party shall promptly pay or deliver to the Person to which such Asset or Liability has been allocated or otherwise determined under this Agreement any monies or checks which have been sent to such Party or its respective Group members by customers, suppliers or other contracting parties of the relevant business in respect of that business and which should have been sent to the Person to which such Asset or Liability has been allocated or otherwise determined (including promptly forwarding any invoices or similar documentation received in connection therewith).

(d) Prior to the time any such Asset or Liability is so transferred, assigned or delivered to the applicable Person pursuant to this Section 3.2, such Asset or Liability shall be held in accordance with Section 2.4.

(e) On or prior to the Distribution Effective Time, Realty Income and Orion in their respective capacities as direct and indirect stockholders of the members of

their Groups, shall each ratify any actions which are reasonably necessary or desirable to be taken by Realty Income, Orion or any of the members of their respective Groups, as the case may be, to effectuate the transactions contemplated by this Agreement and the Ancillary Agreements.

3.3 Confirmation of Readiness to Close. Prior to the Distribution Effective Time, Realty Income, on behalf of the Realty Income Group, shall waive or confirm that all of the conditions to the Distribution set forth in Section 3.4(a) below (other than the conditions set forth in clause (ii) thereof) have been satisfied and shall confirm that Realty Income and the members of the Realty Income Group are prepared to proceed immediately with the closing of the Distribution.

3.4 Conditions to the Distribution.

(a) The consummation of the Distribution will be subject to the satisfaction of, or waiver by Realty Income of, the following conditions:

(i) the Mergers shall have been consummated;

(ii) the Orion Credit Facilities shall have been executed and the conditions for borrowing thereunder satisfied, and $595.8 million from the borrowings under the Orion Credit Facilities shall have been distributed to the partners of Orion LP and then shall have been contributed, directly or indirectly, to Realty Income (the "Realty Income Distribution");

(iii) the SEC shall have declared effective the Form 10, with no order suspending the effectiveness of the Form 10 in effect, and with no proceedings for such purposes instituted or threatened by the SEC;

(iv) the Information Statement shall have been mailed to, or shall be concurrently mailed to, the Record Holders;

(v) each of the Ancillary Agreements shall have been duly executed and delivered by the applicable parties thereto;

(vi) no order, injunction or decree issued by any Governmental Authority of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Separation Transactions, the Distribution or any of the transactions related thereto shall be in effect; and

(vii) the Orion Common Stock to be distributed to the Realty Income stockholders in the Distribution shall have been accepted for listing on the NYSE, subject to official notice of distribution.

(b) The foregoing conditions are for the sole benefit of Realty Income and shall not give rise to or create any duty on the part of Realty Income or the Realty Income Board to waive or not waive any such condition or in any way limit Realty Income's right to terminate this Agreement as set forth in Article VIII or alter the consequences of any such termination from those specified in Article VIII. Any determination made by the Realty Income Board prior to the Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in Section 3.4(a) shall be conclusive and binding on the Parties.

3.5 Certain Provisions Regarding the Distribution.

(a) Subject to Section 3.4, on or prior to the Distribution Effective Time, Realty Income will deliver to the Agent, for the benefit of the Record Holders, book-entry transfer authorizations for such number of the outstanding shares of Orion Stock as is necessary to effect the Distribution, and shall cause the transfer agent for the Realty Income capital stock to instruct the Agent to distribute at the Distribution Effective Time the appropriate number of shares of Orion Stock to each such holder or designated transferee or transferees of such holder by way of direct registration in book-entry form. Orion will not issue paper stock certificates in respect of shares of Orion Stock. The Distribution shall be effective at the Distribution Effective Time.

(b) No fractional shares will be distributed or credited to book-entry accounts in connection with the Distribution, and any such fractional shares interests to which a Record Holder would otherwise be entitled shall not entitle such Record Holder to vote or to any other rights as a stockholder of Orion. In lieu of any such fractional shares, each Record Holder who, but for the provisions of this Section 3.5(b), would be entitled to receive a fractional share interest of a share of Orion Stock pursuant to the Distribution, shall be paid cash, without any interest thereon, as hereinafter provided. As soon as practicable after the Distribution Effective Time, Realty Income shall direct the Agent to determine the number of whole and fractional shares of Orion Stock allocable to each Record Holder, to aggregate all such fractional shares into whole shares, and to sell the whole shares obtained thereby in the open market at the then-prevailing market prices on behalf of each Record Holder who otherwise would be entitled to receive fractional share interests (with the Agent, in its sole and absolute discretion, determining when, how and through which broker-dealer and at what price to make such sales), and to cause to be distributed to each such Record Holder, in lieu of any fractional share, such Record Holder's or owner's ratable share of the total proceeds of such sale, after deducting any Taxes required to be withheld and applicable transfer Taxes, and after deducting the costs and expenses of such sale and distribution, including brokers fees and commissions. None of Realty Income, Orion or the Agent will be required to guarantee any minimum sale price for the fractional shares of Orion Common Stock sold in accordance with this Section 3.5(b). Neither Realty Income nor Orion will be required to pay any interest on the proceeds from the sale of fractional shares. Neither the Agent nor the broker-dealers through which the aggregated fractional shares are sold shall be Affiliates of Realty Income or Orion. Solely for purposes of computing fractional share interests pursuant to this Section 3.5(b) and Section 3.5(c), the beneficial owner of Realty Income capital stock held of record in the name of a nominee in any nominee account shall be treated as the Record Holder with respect to such shares.

(c) Any shares of Orion Stock or cash in lieu of fractional shares with respect to shares of Orion Common Stock that remain unclaimed by any Record Holder one hundred and eighty (180) days after the Distribution Date shall be delivered to Orion, and Orion shall hold such shares of Orion Stock for the account of such Record Holder, and the Parties agree that all obligations to provide such shares of Orion Stock and cash, if any, in lieu of fractional share interests shall be obligations of Orion, subject in each case to applicable escheat or other abandoned property Laws, and Realty Income shall have no Liability with respect thereto.

(d) Until the shares of Orion Stock are duly transferred in accordance with thisSection 3.5 and applicable Law, from and after the Distribution Effective Time, Orion will regard the Persons entitled to receive such shares of Orion Stock as record holders of Orion Stock in accordance with the terms of the Distribution without requiring any action on the part of such Persons. Orion agrees that, subject to any transfers of such shares, from and after the Distribution Effective Time (i) each such holder will be entitled to receive all dividends payable on, and exercise voting rights and all other rights and privileges with respect to, the shares of Orion Stock then held by such holder, and (ii) each such holder will be entitled, without any action on the part of such holder, to receive evidence of ownership of the shares of Orion Stock then held by such holder.

ARTICLE IV
MUTUAL RELEASES; INDEMNIFICATION

4.1 Release of Pre-Distribution Claims.

(a) *Release of Realty Income.* Except as provided in Sections 4.1(c) and 4.1(d), effective as of the Distribution Effective Time, Orion does hereby, for itself and each other member of the Orion Group, and their respective successors and assigns, and, to the extent permitted by Law, all Persons who at any time prior to the Distribution Effective Time have been stockholders, directors, officers, agents or employees of any member of the Orion Group (in each case, in their respective capacities as such), remise, release and forever discharge (i) Realty Income and the members of the Realty Income Group, and their respective successors and assigns, (ii) all Persons who at any time prior to the Distribution Effective Time have been stockholders, directors, officers, agents or employees of any member of the Realty Income Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, and (iii) all Persons who at any time prior to the Distribution Effective Time are or have been stockholders, directors, officers, agents or employees of any Transferred Entity and who are not, as of immediately following the Distribution Effective Time, directors, officers or employees of Orion or a member of the Orion Group, in each case from: (A) all Assumed Liabilities, (B) all Liabilities arising from or in connection with the transactions and all other activities to implement the Separation Transactions, (C) all Liabilities arising from or in connection with all actions or activities undertaken pursuant to Section 5.8, including, but not limited to, the provision of the Services and the Transition Information and (D) all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Distribution Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Distribution Effective Time), in each case to the extent relating to, arising out of or resulting from the Transferred Business, the Transferred Assets or the Assumed Liabilities.

(b) *Release of Orion.* Except as provided in (i) Sections 4.1(c) and 4.1(d), effective as of the Distribution Effective Time, Realty Income does hereby, for itself and each other member of the Realty Income Group and their respective successors and assigns, and, to the extent permitted by Law, all Persons who at any time prior to the Distribution Effective Time have been stockholders, directors, officers, agents or employees of any member of the Realty Income Group (in each case, in their respective capacities as such), remise, release and forever discharge (i) Orion and the members of the Orion Group, and their respective successors and assigns and (ii) all Persons who at any time prior to the Distribution Effective Time have been stockholders, directors, officers, agents or employees of any member of the Orion Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, in each case from: (A) all Excluded Liabilities, (B) all Liabilities arising from or in connection with the transactions and all other activities to implement the Separation Transactions, (C) all Liabilities arising from or in connection with all actions or activities undertaken pursuant to Section 5.8, including, but not limited to, the provision of the Services and the Transition Information and (D) all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Distribution Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Distribution Effective Time), in each case to the extent relating to, arising out of or resulting from the Excluded Business, the Excluded Assets or the Excluded Liabilities.

(c) *Obligations Not Affected.* Nothing contained in Section 4.1(a) or 4.1(b) shall impair any right of any Person to enforce this Agreement, any Ancillary Agreement or any agreements, arrangements, commitments or understandings that are specified in Section 2.8(b) or the applicable Schedules thereto as not to terminate as of the Distribution Effective Time, in each case in accordance with its terms. For the avoidance of doubt, nothing contained in Section 4.1(a) or 4.1(b) shall release any Person from:

(i) any Liability provided in or resulting from any agreement among any members of the Realty Income Group or the Orion Group that is specified in Section 2.8(b) or the applicable Schedules thereto as not to terminate as of the Distribution Effective Time, or any other Liability specified in Section 2.8(b) as not to terminate as of the Distribution Effective Time;

(ii) any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other Liability of any member of any Group under, this Agreement or any Ancillary Agreement;

(iii) any Liability for the sale, lease, construction or receipt of goods, property or services purchased, obtained or used in the ordinary course of business by a member of one Group from a member of the other Group prior to the Distribution Effective Time, except for those Liabilities set forth on Schedule 4.1(c)(iii);

(iv) any Liability that the Parties may have arising out of any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in any Disclosure Document filed by Orion, Realty Income or any member of their respective Groups;

(v) any Liability that the Parties may have with respect to indemnification or contribution or other obligation pursuant to this Agreement, any Ancillary Agreement or otherwise for claims brought against the Parties by Third Parties, which Liability shall be governed by the provisions of this Article IV and Article V and, if applicable, the appropriate provisions of the Ancillary Agreements;

(vi) any Liability that the Parties may have arising out of such Party's willful or intentional misconduct, fraud, gross negligence or bad faith; or

(vii) any Liability the release of which would result in the release of any Person other than a Person released pursuant to this Section 4.1.

In addition, nothing contained in Section 4.1(a) shall release any member of the Realty Income Group from honoring its existing obligations to indemnify any director, officer or employee of Orion who was a director, officer or employee of any member of the Realty Income Group on or prior to the Distribution Effective Time, or who was a director, officer or employee of VEREIT who is entitled to indemnification pursuant to the Merger Agreement, subject to the applicable exceptions in any indemnification agreement to which such director, officer, or employee is a party, to the extent such director, officer or employee becomes a named defendant in any Action with respect to which such director, officer or employee was entitled to such indemnification pursuant to such existing obligations; it being understood that, if the underlying obligation giving rise to such Action is an Assumed Liability, Orion shall indemnify Realty Income for such Liability (including Realty Income's costs to indemnify the director, officer or employee) in accordance with the provisions set forth in this Article IV.

(d) *No Actions.* Orion shall not make, and shall not permit any member of the Orion Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against Realty Income or any other member of the Realty Income Group, or any other Person released pursuant to Section 4.1(a), with respect to any Liabilities released pursuant to Section 4.1(a), except for Liabilities excluded pursuant to Section 4.1(c). Realty Income shall not make, and shall not permit any other member of the Realty Income Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification against Orion or any other member of the Orion Group, or any other Person released pursuant to Section 4.1(b), with respect to any Liabilities released pursuant to Section 4.1(b), except for Liabilities excluded pursuant to Section 4.1(c).

(e) *Execution of Further Releases*. At any time at or after the Distribution Effective Time, at the request of either Party, the other Party shall cause each member of its respective Group to execute and deliver releases reflecting the provisions of this Section 4.1.

4.2 Indemnification by Orion. Except as otherwise specifically set forth in this Agreement (including Section 9.13) or in any Ancillary Agreement, from and after the Distribution Effective Time, to the fullest extent permitted by Law, Orion OP shall, and shall cause its Subsidiaries to, indemnify, defend and hold harmless Realty Income, each other member of the Realty Income Group and each of their respective past, present and future directors, officers, employees and agents, in each case in their respective capacities as such, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "Realty Income Indemnitees"), from and against any and all Liabilities of the Realty Income Indemnitees to the extent relating to, arising out of or resulting from, directly or indirectly, any of the following items (without duplication):

(a) any Assumed Liability, or any failure of Orion, any other member of the Orion Group or any other Person to pay, perform or otherwise promptly discharge any Assumed Liabilities in accordance with their terms, whether prior to, on or after the Distribution Effective Time;

(b) third-party claims relating to the Transferred Business or Transferred Assets;

(c) any breach by Orion or any other member of the Orion Group of this Agreement or any of the Ancillary Agreements;

(d) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in the Form 10, the Information Statement, or any other Disclosure Document filed by Orion or any member of the Orion Group, other than the matters described in Section 4.3(d); and

(e) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to statements made explicitly in Orion's or any Orion Group member's name in the Joint Proxy Statement / Prospectus or any other Disclosure Document filed by Realty Income or any member of the Realty Income Group; it being agreed that the statements set forth on Schedule 4.2(e) shall be the only statements made explicitly in Orion's or any Orion Group member's name in the Joint Proxy Statement / Prospectus or any other Disclosure Document filed by Realty Income or any member of the Realty Income Group, and all other information in the Joint Proxy Statement / Prospectus or any other Disclosure Document filed by Realty Income or any member of the Realty Income Group shall be deemed to be information supplied by Realty Income or any member of the Realty Income Group.

4.3 Indemnification by Realty Income. Except as otherwise specifically set forth in this Agreement (including Section 9.13) or in any Ancillary Agreement, from and after the Distribution Effective Time, to the fullest extent permitted by Law, Realty Income shall, and shall cause its Subsidiaries to, indemnify, defend and hold harmless Orion, Orion OP, each other member of the Orion Group and each of their respective past, present and future directors, officers, employees or agents, in each case in their respective capacities as such, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "Orion Indemnitees"), from and against any and all Liabilities of the Orion Indemnitees to the extent relating to, arising out of or resulting from, directly or indirectly, any of the following items (without duplication):

(a) any Excluded Liability, or any failure of Realty Income, any other member of the Realty Income Group or any other Person to pay, perform or otherwise promptly discharge any Excluded Liabilities in accordance with their terms, whether prior to, on or after the Distribution Effective Time;

(b) third-party claims relating to the Excluded Business or Excluded Assets;

(c) a breach by Realty Income or any other member of the Realty Income Group of this Agreement or any of the Ancillary Agreements;

(d) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to statements made explicitly in Realty Income or any Realty Income Group member's name in the Form 10, the Information Statement or any other Disclosure Document filed by Orion or any member of the Orion Group; it being agreed that the statements set forth on Schedule 4.3(d) shall be the only statements made explicitly in Realty Income or any Realty Income Group member's name in the Form 10, the Information Statement or any other Disclosure Document filed by Orion or any member of the Orion Group, and all other information in the Form 10, the Information Statement or any other Disclosure Document filed by Orion or any member of the Orion Group shall be deemed to be information supplied by Orion or any member of the Orion Group; and

(e) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in the Joint Proxy Statement / Prospectus or any other Disclosure Document filed by Realty Income or any member of the Realty Income Group, other than the matters described in Section 4.2(e).

4.4 Limitations on Indemnification Obligations.

(a) The Parties intend that any Liability subject to indemnification, contribution or reimbursement pursuant to this Article IV or Article V will be net of Insurance Proceeds or other amounts actually recovered (net of any out-of-pocket costs or expenses incurred in the collection thereof) from any Person by or on behalf of the Indemnitee in respect of any indemnifiable Liability. Accordingly, the amount which either Party (an "Indemnifying Party") is required to pay to any Person entitled to indemnification or contribution hereunder (an "Indemnitee") will be reduced by any Insurance Proceeds or other amounts actually recovered (net of any out-of-pocket costs or expenses incurred in the collection thereof) from any Person by or on behalf of the Indemnitee in respect of the related Liability. If an Indemnitee receives a payment (an "Indemnity Payment") required by this Agreement from an Indemnifying Party in respect of any Liability and subsequently receives Insurance Proceeds or any other amounts in respect of the related Liability, then the Indemnitee will pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been due if the Insurance Proceeds or such other amounts (net of any out-of-pocket costs or expenses incurred in the collection thereof) had been received, realized or recovered before the Indemnity Payment was made.

(b) The Parties agree that an insurer that would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of any provision contained in this Agreement or any Ancillary Agreement, have any subrogation rights with respect thereto, it being understood that no insurer or any other Third Party shall be entitled to a "windfall" (i.e., a benefit they would not be entitled to receive in the absence of the indemnification provisions) by virtue of the indemnification and contribution provisions hereof. Each Party shall, and shall cause the members of its Group to, use commercially reasonable efforts (taking into account the probability of success on the merits and the cost of expending such efforts, including attorneys' fees and expenses) to collect or recover any Insurance Proceeds that may be collectible or recoverable respecting the Liabilities for which indemnification or contribution may be available under this Article IV. Notwithstanding the foregoing, an Indemnifying Party may not delay making any indemnification payment required under the terms of this Agreement, or otherwise satisfying any indemnification obligation, pending the outcome of any Action to collect or recover Insurance Proceeds, and an Indemnitee need not attempt to collect any Insurance Proceeds prior to making a claim for indemnification or contribution or receiving any Indemnity Payment otherwise owed to it under this Agreement or any Ancillary Agreement.

(c) The Parties agree that no Indemnitee shall be entitled to indemnification, contribution or reimbursement pursuant to this Article IV for any (i) special, punitive or exemplary damages, (ii) any loss of enterprise value, diminution in value of any business, damage to reputation or loss of goodwill, (iii) any lost profits, consequential, indirect or incidental damages, or (iv) any damages calculated based on a multiple of profits, revenue or any other financial metric, except, in each case, to the extent such damages are finally awarded and actually paid by the Indemnitee to a Third Party in connection with a Third-Party Claim.

4.5 Procedures for Indemnification of Third-Party Claims.

(a) *Notice of Claims.* If, at or following the date of this Agreement, an Indemnitee shall receive notice or otherwise learn of the assertion by a Person (including any Governmental Authority) who is not a member of the Realty Income Group or the Orion Group of any claim or of the commencement by any such Person of any Action (collectively, a "Third-Party Claim") with respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnitee pursuant to Section 4.2 or 4.3, or any other Section of this Agreement or any Ancillary Agreement, such Indemnitee shall give such Indemnifying Party written notice thereof as soon as practicable, but in any event within twenty (20) days (or sooner if the nature of the Third-Party Claim so requires) after becoming aware of such Third-Party Claim. Any such notice shall describe the Third-Party Claim in reasonable detail, and include copies of all notices and documents (including court papers) received by the Indemnitee relating to the Third-Party Claim. Notwithstanding the foregoing, the failure of an Indemnitee to provide notice in accordance with this Section 4.5(a) shall not relieve an Indemnifying Party of its indemnification obligations under this Agreement, except to the extent to which the Indemnifying Party is materially prejudiced by the Indemnitee's failure to provide notice in accordance with this Section 4.5(a).

(b) *Control of Defense.* An Indemnifying Party may elect to defend (and seek to settle or compromise), at its own expense and with its own counsel, any Third-Party Claim; *provided* that, prior to the Indemnifying Party assuming and controlling defense of such Third-Party Claim, it shall first confirm to the Indemnitee in writing that, assuming the facts presented to the Indemnifying Party by the Indemnitee being true, the Indemnifying Party shall indemnify the Indemnitee for any such damages to the extent resulting from, or arising out of, such Third-Party Claim. Notwithstanding the foregoing, if the Indemnifying Party assumes such defense and, in the course of defending such Third-Party Claim, (i) the Indemnifying Party discovers that the facts presented at the time the Indemnifying Party acknowledged its indemnification obligation in respect of such Third-Party Claim were not true in all material respects and (ii) such untruth provides a reasonable basis for asserting that the Indemnifying Party does not have an indemnification obligation in respect of such Third-Party Claim, then (A) the Indemnifying Party shall not be bound by such acknowledgment, (B) the Indemnifying Party shall promptly thereafter provide the Indemnitee written notice of its assertion that it does not have an indemnification obligation in respect of such Third-Party Claim, and (C) the Indemnitee shall have the right to assume the defense of such Third-Party Claim. Within thirty (30) days after the receipt of a notice from an Indemnitee in accordance with Section 4.5(a) (or sooner, if the nature of the Third-Party Claim so requires), the Indemnifying Party shall provide written notice to the Indemnitee indicating whether the Indemnifying Party shall assume responsibility for defending the Third-Party Claim. If an Indemnifying Party elects not to assume responsibility for defending any Third-Party Claim or fails to notify an Indemnitee of its election within thirty (30) days after receipt of the notice from an Indemnitee as provided in Section 4.5(a), then the Indemnitee that is the subject of such Third-Party Claim shall be entitled to continue to conduct and control the defense of such Third-Party Claim.

(c) *Allocation of Defense Costs.* If an Indemnifying Party has elected to assume the defense of a Third-Party Claim, then such Indemnifying Party shall be solely liable for all fees and expenses incurred by it in connection with the defense of such Third-Party Claim and shall not be entitled to seek any indemnification or reimbursement from the Indemnitee for any such fees or expenses incurred by the Indemnifying Party during the course of the defense of such Third-Party Claim by such Indemnifying Party, regardless of any subsequent decision by the Indemnifying Party to reject or otherwise abandon its assumption of such defense. If an Indemnifying Party elects not to assume responsibility for defending any Third-Party Claim or fails to notify an Indemnitee of its election within thirty (30) days after receipt of a notice from an Indemnitee as provided in Section 4.5(a), and the Indemnitee conducts and controls the defense of such Third-Party Claim and the Indemnifying Party has an indemnification obligation with respect to such Third-Party Claim, then the Indemnifying Party shall be liable for all reasonable fees and expenses incurred by the Indemnitee in connection with the defense of such Third-Party Claim.

(d) *Right to Monitor and Participate.* An Indemnitee that does not conduct and control the defense of any Third-Party Claim, or an Indemnifying Party that has failed to elect to defend any Third-Party Claim as contemplated hereby, nevertheless shall have the right to employ separate counsel (including local counsel as necessary) of its own choosing to monitor and participate in (but not control) the defense of any Third-Party Claim for which it is a potential Indemnitee or Indemnifying Party, but the fees and expenses of such counsel shall be at the expense of such Indemnitee or Indemnifying Party, as the case may be, and the provisions of Section 4.5(c) shall not apply to such fees and expenses. Notwithstanding the foregoing, but subject to Sections 6.7 and 6.8, such Party shall cooperate with the Party entitled to conduct and control the defense of such Third-Party Claim in such defense and make available to the controlling Party, at the non-controlling Party's expense, all witnesses, information and materials in such Party's possession or under such Party's control relating thereto as are reasonably required by the controlling Party. In addition to the foregoing, if any Indemnitee shall in good faith determine that such Indemnitee and the Indemnifying Party have actual or potential differing defenses or conflicts of interest between them that make joint representation inappropriate, then the Indemnitee shall have the right to employ separate counsel (including local counsel as necessary) and to participate in (but not control) the defense, compromise, or settlement thereof, and the Indemnifying Party shall bear the reasonable fees and expenses of such counsel for all Indemnitees if the Indemnifying Party has an indemnification obligation with respect to such Third-Party Claim.

(e) *No Settlement.* Neither Party may settle or compromise any Third-Party Claim for which either Party is seeking to be indemnified hereunder without the prior written consent of the other Party, which consent may not be unreasonably withheld, unless such settlement or compromise is solely for monetary damages that are fully payable by the settling or compromising Party, does not involve any admission, finding or determination of wrongdoing or violation of Law by the other Party and provides for a full, unconditional and irrevocable release of the other Party from all Liability in connection with the Third-Party Claim. The Parties hereby agree that if a Party presents the other Party with a written notice containing a proposal to settle or compromise a Third-Party Claim for which either Party is seeking to be indemnified hereunder and the Party receiving such proposal does not respond in any manner to the Party presenting such proposal within thirty (30) days (or within any such shorter time period that may be required by applicable Law or court order) of receipt of such proposal, then the Party receiving such proposal shall be deemed to have consented to the terms of such proposal.

(f) *Tax Matters Agreement Governs.* The above provisions of this Section 4.5 (other than this Section 4.5(f)) and the provisions of Section 4.6 do not apply to Tax Contests (Tax Contests being governed by the Tax Matters Agreement). In the case of any conflict between this Agreement and the Tax Matters Agreement in relation to any matters addressed by the Tax Matters Agreement, the Tax Matters Agreement shall prevail.

4.6 Additional Matters.

(a) *Timing of Payments*. Indemnification or contribution payments in respect of any Liabilities for which an Indemnitee is entitled to indemnification or contribution under this Article IV shall be paid reasonably promptly (but in any event within thirty (30) days of the final determination of the amount that the Indemnitee is entitled to indemnification or contribution under this Article IV) by the Indemnifying Party to the Indemnitee as such Liabilities are incurred upon demand by the Indemnitee, including reasonably satisfactory documentation setting forth the basis for the amount of such indemnification or contribution payment, including documentation with respect to calculations made and consideration of any Insurance Proceeds that actually reduce the amount of such Liabilities. The indemnity and contribution provisions contained in this Article IV shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any Indemnitee, and (ii) the knowledge by the Indemnitee of Liabilities for which it might be entitled to indemnification hereunder.

(b) *Notice of Direct Claims.* Any claim for indemnification or contribution under this Agreement or any Ancillary Agreement that does not result from a Third-Party Claim shall be asserted by written notice given by the Indemnitee to the applicable Indemnifying Party; *provided* that the failure by an Indemnitee to so assert any such claim shall not prejudice the ability of the Indemnitee to do so at a later time except to the extent (if any) that the Indemnifying Party is prejudiced thereby. Such Indemnifying Party shall have a period of thirty (30) days after the receipt of such notice within which to respond thereto. If such Indemnifying Party does not respond within the thirty (30)-day period, the Indemnitee shall send a second notice to the Indemnifying Party, marked at the top in bold lettering with the following language: "A RESPONSE IS REQUIRED WITHIN 10 BUSINESS DAYS OF RECEIPT OF THIS NOTICE PURSUANT TO THE TERMS OF THE SEPARATION DISTRIBUTION, AND TRANSITION SERVICES AGREEMENT WITH THE UNDERSIGNED AND FAILURE TO RESPOND SHALL RESULT IN YOUR RIGHT TO OBJECT BEING WAIVED" and the envelope containing the notice must be marked "PRIORITY". If the Indemnifying Party does not respond within such ten (10)-day period, such specified claim shall be conclusively deemed a Liability of the Indemnifying Party under this Section 4.6(b) or, in the case of any written notice in which the amount of the claim (or any portion thereof) is estimated, on such later date when the amount of the claim (or such portion thereof) becomes finally determined. If such Indemnifying Party does not respond within such later ten (10)-day period or rejects such claim in whole or in part, such Indemnitee shall, subject to the provisions of Article VII, be free to pursue such remedies as may be available to such party as contemplated by this Agreement and the Ancillary Agreements, as applicable, without prejudice to its continuing rights to pursue indemnification or contribution hereunder.

(c) *Pursuit of Claims Against Third Parties*. If (i) a Party incurs any Liability arising out of this Agreement or any Ancillary Agreement; (ii) an adequate legal or equitable remedy is not available for any reason against the other Party to satisfy the Liability incurred by the incurring Party; and (iii) a legal or equitable remedy may be available to the other Party against a Third Party for such Liability, then the other Party shall use its commercially reasonable efforts to cooperate with the incurring Party, at the incurring Party's expense, to permit the incurring Party to obtain the benefits of such legal or equitable remedy against the Third Party.

(d) *Subrogation.* In the event of payment by or on behalf of any Indemnifying Party to any Indemnitee in connection with any Third-Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnitee as to any events or circumstances in respect of which such Indemnitee may have any right, defense or claim relating to such Third-Party Claim against any claimant or plaintiff asserting such Third-Party Claim or against any other Person. Such Indemnitee shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

(e) *Substitution.* In the event of an Action in which the Indemnifying Party is not a named defendant, if either the Indemnitee or Indemnifying Party shall so request, the Parties shall endeavor to substitute the Indemnifying Party for the named defendant. If such substitution or addition cannot be achieved for any reason or is not requested, the named defendant shall allow the Indemnifying Party to manage the Action as set forth in Section 4.5 and this Section 4.6, and the Indemnifying Party shall fully indemnify the named defendant against all costs of defending the Action (including court costs, sanctions imposed by a court, attorneys' fees, experts fees and all other external expenses), the costs of any judgment or settlement and the cost of any interest or penalties relating to any judgment or settlement.

4.7 Right of Contribution.

(a) *Contribution.* If any right of indemnification contained in Section 4.2 or Section 4.3 is held unenforceable or is unavailable for any reason, or is insufficient to hold harmless an Indemnitee in respect of any Liability for which such Indemnitee is entitled to indemnification hereunder, then the Indemnifying Party shall contribute to the amounts paid or payable by the Indemnitees as a result of such Liability (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and the members of its Group, on the one hand, and the Indemnitees entitled to contribution, on the other hand, as well as any other relevant equitable considerations.

(b) *Allocation of Relative Fault.* Solely for purposes of determining relative fault pursuant to this Section 4.7: (i) any fault associated with the ownership, operation or activities of the Transferred Business (except for the gross negligence or intentional misconduct of a member of the Realty Income Group) prior to the Distribution Effective Time shall be deemed to be the fault of Orion and the other members of the Orion Group, and no such fault shall be deemed to be the fault of Realty Income or any other member of the Realty Income Group; and (ii) any fault associated with the ownership, operation or activities of the Excluded Business prior to the Distribution Effective Time shall be deemed to be the fault of Realty Income and the other members of the Realty Income Group, and no such fault shall be deemed to be the fault of Orion or any other member of the Orion Group.

4.8 Covenant Not to Sue. Each Party hereby covenants and agrees that none of it, the members of such Party's Group or any Person claiming through it shall bring suit or otherwise assert any claim against any Indemnitee, or assert a defense against any claim asserted by any Indemnitee, before any court, arbitrator, mediator or administrative agency anywhere in the world, alleging that: (a) the assumption of any Assumed Liabilities by Orion or a member of the Orion Group on the terms and conditions set forth in this Agreement and the Ancillary Agreements is void or unenforceable for any reason; (b) the retention of any Excluded Liabilities by Realty Income or a member of the Realty Income Group on the terms and conditions set forth in this Agreement and the Ancillary Agreements is void or unenforceable for any reason; or (c) the provisions of this Article IV are void or unenforceable for any reason.

4.9 Remedies Cumulative. The remedies provided in this Article IV shall be cumulative and, subject to the provisions of Article VIII, shall not preclude assertion by any Indemnitee of any other rights or the seeking of any and all other remedies against any Indemnifying Party.

4.10 Survival of Indemnities. The rights and obligations of each of Realty Income and Orion and their respective Indemnitees under this Article IV shall survive (a) any merger, consolidation, business combination, sale of all or substantially all of its Assets; or (b) any restructuring, recapitalization, reorganization or similar transaction involving either Party or any of the members of its Group. In the event of any transaction described in clause (a) or (b), the surviving company of such transaction shall expressly assume and be bound by this Agreement.

ARTICLE V
CERTAIN OTHER MATTERS

5.1 Insurance Matters.

(a) From and after the Distribution Effective Date, (i) VEREIT and Realty Income shall be entitled to terminate, or cause to be terminated, coverage under existing property insurance policies with respect to its Excluded Assets and Excluded Liabilities, (ii) VEREIT and Realty Income shall be entitled to cause its Excluded Assets and Excluded Liabilities to be covered by existing or new property insurance policies of the Realty Income Group, and (iii) Orion shall cause the Transferred Assets and the Assumed Liabilities to be covered by existing or new property insurance policies of the Orion Group.

(b) This Agreement shall not be considered as an attempted assignment of any policy of insurance or as a contract of insurance and shall not be construed to waive any right or remedy of any member of either Group in respect of any insurance policy or any other contract or policy of insurance. For the avoidance of doubt, Realty Income shall be considered a successor beneficiary to each of the insurance contracts set forth on Schedule 5.1(b)(i) and Orion shall be considered a successor beneficiary to each of the insurance contracts set forth on Schedule 5.1(b)(ii).

(c) From and after the Distribution Effective Date, with respect to any losses, damages and Liability incurred by any member of the Orion Group or the Realty Income Group, as the case may be (the "Loss Party"), arising from events or occurrences prior to the Insurance Termination Date, Realty Income or Orion, respectively (the "Insured Party"), will provide the Loss Party with access to, and the Loss Party may, upon ten (10) days' prior written notice to the Insured Party, make claims under the Insured Party's third-party insurance policies in place prior to the Insurance Termination Date and the Insured Party's historical policies of insurance, but solely to the extent that such policies provided coverage for members of the Loss Party's Group prior to the Insurance Termination Date; *provided* that such access to, and the right to make claims under, such insurance policies, shall be subject to the terms and conditions of such insurance policies, including any limits on coverage or scope, any deductibles and other fees and expenses, and shall be subject to the following additional conditions:

(i) the Loss Party shall report any claim to the Insured Party as promptly as practicable, and in any event in sufficient time so that such claim may be made in accordance with the Insured Party's claim reporting procedures provided in advance to the Loss Party and in effect immediately prior to the Insurance Termination Date (or in accordance with any modifications to such procedures after the Insurance Termination Date communicated by the Insured Party to the Loss Party in writing in advance of any such claim);

(ii) the Loss Party and the members of its Group shall exclusively bear and be liable for (and neither the Insured Party, nor any member of its Group, shall have any obligation to repay or reimburse Loss Party or any member of its Group for), and shall indemnify, hold harmless and reimburse the Insured Party and the members of its Group for, any deductibles, self-insured retention, fees and expenses incurred by the Insured Party or any members of its Group to the extent resulting from any access by the Loss Party or any other members of its Group to, or any claims made by the Loss Party or any other members of its Group under, any insurance provided pursuant to this Section 5.1(c), including any indemnity payments, settlements, judgments, legal fees and allocated claims expenses and claim handling fees, whether such claims are made by members of the Loss Party's Group, its employees or Third Parties; and

(d) All payments and reimbursements by the Loss Party pursuant to this Section 5.1 will be made within thirty (30) days after the Loss Party's receipt of an invoice therefor from the Insured Party. If the Insured Party incurs costs to enforce the Loss Party's obligations herein, the Loss Party agrees to indemnify and hold harmless the Insured Party for such enforcement costs, including reasonable attorneys' fees. The Insured Party shall retain the exclusive right to control its insurance policies and programs, including the right to exhaust, settle, release, commute, buy-back or otherwise resolve disputes with respect to any of its insurance policies and programs and to amend, modify or waive any rights under any such insurance policies and programs, notwithstanding whether any such policies or programs apply to any Loss Party Liabilities and/or claims the Loss Party has made or could make in the future, and no member of the Loss Party's Group shall erode, exhaust, settle, release, commute, buyback or otherwise resolve disputes with the Insured Party's insurers with respect to any of the Insured Party's insurance policies and programs, or amend, modify or waive any rights under any such insurance policies and programs. The Loss Party shall cooperate with the Insured Party and share such information as is reasonably necessary in order to permit the Insured Party to manage and conduct its insurance matters as it deems appropriate. Neither the Insured Party nor any of the members of the Insured Party's Group shall have any obligation to secure extended reporting for any claims under any Liability policies of the Insured Party or any member of the Insured Party's Group for any acts or omissions by any member of the Loss Party's Group incurred prior to the Insurance Termination Date.

5.2 Late Payments. Except as expressly provided to the contrary in this Agreement or in any Ancillary Agreement, any amount not paid when due pursuant to this Agreement or any Ancillary Agreement (and any amounts billed or otherwise invoiced or demanded and properly payable that are not paid within thirty (30) days of such bill, invoice or other demand) shall accrue interest at a rate per annum equal to the prime lending rate prevailing at such time, as published in *The Wall Street Journal.*

5.3 Warranties of Title to Real Property. In connection with the transfer of the land, improvements or fixtures, or related to any real property ("Real Property") that is transferred as a Transferred Asset via a deed of trust, grant deed, or similar instrument (a "Deed"), and notwithstanding any limited or special warranties of title contained in any such deed or this Agreement, the following will apply:

(a) In connection with the transfer of any Real Property by the Realty Income Group or the VEREIT Group ("Transferor"), Transferor for itself and on behalf of its successor(s), does hereby warrant and forever defend all and singular such Real Property unto the member of the Orion Group receiving such Real Property ("Transferee") (only Transferee's successors and assigns being expressly excluded from the benefits of this Section 5.3 unless and to the extent Transferor or its successor(s) expressly agrees in its sole discretion and in writing to extend the benefits of this Section 5.3 to any such successors and/or assigns of Transferee), against every person whomsoever lawfully claiming, or to claim the same, or any part thereof in accordance with and strictly limited by the following specific limited warranty of title and not otherwise, this specific limited general warranty, as hereinafter set forth, being the only warranty of title made hereunder by Transferor with respect to each such Real Property.

(b) Transferor shall pay to Transferee (Transferee's successors and assigns being expressly excluded from the benefits of this Section 5.3, unless and to the extent Transferor or its successor(s) expressly agrees in its sole discretion and in writing to extend the benefits of this Section 5.3 to any such successors and/or assigns of Transferee) any loss Transferee may sustain by reason of defects, liens or encumbrances existing prior to or at the date of that certain Owner's Policy of Title Insurance for the Real Property (each, a "Policy"), but not thereafter, such Policy being identified on and opposite each Premises on Schedule 5.3(b) attached hereto and incorporated herein by reference, and not excluded from the coverage of the Policy by the exceptions or by the conditions and stipulations thereof, such payment and sole liability hereunder on the part of Transferor or its successor(s) not to exceed the amount of the Policy or any proportional reduction or lesser coverage thereunder. Under no circumstances shall Transferor or its successor(s) be liable to Transferee (or to any successor(s) or assign(s) of Transferee in and to any Real Property to whom Transferor or its successor(s) have expressly agreed in its sole discretion and in writing to extend the benefits of this Section 5.3) for any sum which is not recoverable or payable to Transferor under the "warrantor's coverage" provisions of the applicable Policy or for any loss or claim that is outside or otherwise barred by the applicable Policy; it being the intention of Transferor and its successor(s) to limit the exposure of Transferor and its successor(s) to any loss incurred by Transferee (or to any successor(s) or assign(s) of Transferee in and to any applicable Real Property to whom Transferor or its successor(s) have expressly agreed in its sole discretion and in writing to extend the benefits of this Section 5.3) resulting from the breach by Transferor and its successor(s) of this limited general warranty to those sums payable to Transferor or its successor(s) under the applicable Policy as a "warrantor's policy," and no other. Transferee shall be solely responsible for the payment of any and all out-of-pocket costs and expenses incurred by Transferor in order to pursue any "warrantor's coverage' provisions under the applicable Policy and Transferor shall not be required to advance the same. Notwithstanding anything to the contrary contained herein, it is the express intent of Transferor and its successor(s) and Transferee that any and all warranties made by Transferor herein are non- transferable and non-assignable

by Transferee to any future grantee, transferee or assignee of Transferee, unless and to the extent such Transferor or its successor(s) expressly agrees in its sole discretion and in writing to extend the benefits of this Section 5.3 to any such future grantee, transferee or assignee of Transferee. Transferee accepts the conveyance of the applicable Real Property by Deed from Transferor with knowledge that any future grantee, transferee or assignee of Transferee shall look solely to Transferee and not be able to look to Transferor or its successor(s) for any defects in title to the applicable Real Property regardless of when any such defect may arise, unless and to the extent Transferor or its successor(s) expressly agrees in its sole discretion and in writing to extend the benefits of this Section 5.3 to any such future grantee, transferee or assignee of Transferee. Any future grantee, transferee or assignee of Transferee is hereby charged with notice that Transferor's limited general warranty of title herein is not assignable or transferable by Transferee to any such grantee, transferee or assignee of Transferee, unless and to the extent Transferor or its successor(s) expressly agrees in its sole discretion and in writing to extend the benefits of this Section 5.3 to any such future grantee, transferee or assignee of Transferee.

(c) The provisions of this Section 5.3 and the limited general warranty of title herein shall survive the Effective Date hereof and the closing of the Separation Transactions, including those being consummated pursuant to this Agreement and shall not be deemed to merge into any Deed executed and delivered by Transferor in favor of Transferee.

5.4 Inducement. Orion acknowledges and agrees that Realty Income's willingness to cause, effect and consummate the Separation and the Distribution has been conditioned upon and induced by Orion's covenants and agreements in this Agreement and the Ancillary Agreements, including Orion's assumption of the Assumed Liabilities pursuant to the Separation Transactions and the provisions of this Agreement and Orion's covenants and agreements contained in Article IV.

5.5 Post-Effective Time Conduct. The Parties acknowledge that, after the Distribution Effective Time, each Party shall be independent of the other Party, with responsibility for its own actions and inactions and its own Liabilities relating to, arising out of or resulting from the conduct of its business, operations and activities following the Distribution Effective Time, except as may otherwise be provided in any Ancillary Agreement, and each Party shall (except as otherwise provided in Article IV) use commercially reasonable efforts to prevent such Liabilities from being inappropriately borne by the other Party or members of such other Party's Group.

5.6 Non-Solicitation Covenant. For a period of two (2) years from and after the Distribution Effective Time, neither Realty Income, Orion nor any of their respective Subsidiaries shall, and each of Realty Income and Orion shall use reasonable best efforts to cause its and its respective Subsidiaries' Representatives not to:

(a) in the case of Realty Income (and its Subsidiaries or Representatives acting on their behalf), directly or indirectly solicit for employment or employ or cause to leave the employ of Orion or any of its Subsidiaries or Affiliates any individual set forth on Schedule 5.6(a); or

(b) in the case of Orion (and its Subsidiaries or Representatives acting on their behalf), directly or indirectly solicit for employment or employ or cause to leave the employ of Realty Income or any of its Subsidiaries or Affiliates any individual set forth on Schedule 5.6(b).

Nothing in this Section 5.6 shall prohibit Realty Income (and its Subsidiaries or Representatives acting on their behalf), on the one hand, or Orion (and its Subsidiaries or Representatives acting on their behalf), on the other hand, from (i) making general solicitations for employment not specifically directed at the other party, its Subsidiaries or Affiliates or any of its employees and employing any person who responds to such solicitations or (ii) soliciting for employment, hiring or employing any person referred to it by a recruiter who has not been engaged for the purpose of specifically recruiting, nor given instructions to recruit specifically, such person or employees of the other party or its Subsidiaries or Affiliates generally.

5.8 Transition Services.

(a) From and after the Distribution Effective Time, until such time as Orion has filed its Annual Report on Form 10-K for the year ended December 31, 2022, Realty Income shall reasonably cooperate, and shall use commercially reasonable efforts to cause Realty Income's independent registered public accounting firm to reasonably cooperate, with Orion, at Orion's written request and at Orion's expense (as determined in good faith by Realty Income, in its sole discretion), in the preparation of Orion's filings with the SEC, including, without limitation, assisting with the audit and review of historical Financial Statements related to the Transferred Business that must be included in any such filings and to be reasonably available, during ordinary business hours, to reasonably answer any commercial questions Orion may have regarding such information.

(b) From and after the date hereof, VEREIT, and from and after the Distribution Effective Time, Orion, shall provide Realty Income with reasonable access to VEREIT's internal databases and email accounts so that Realty Income may fully migrate the historical e-mail information of all VEREIT employees. In addition, from and after the date hereof, VEREIT, and from and after the Distribution Effective Time, Orion, shall provide Realty Income reasonable access to their respective internal databases in order to permit Realty Income to extract any data relating to the Excluded Business.

(c) From and after the Distribution Effective Time until the one (1) year anniversary of the Distribution Effective Time, Realty Income shall provide or cause to be provided to Orion, during normal business hours, reasonable access to all Information, books and records primarily related to the Transferred Business contained on the Yardi Systems accounts of Realty Income or the Realty Income Group.

(d) From and after the Distribution Effective Time, until such time as each of Realty Income and Orion have filed their respective Annual Reports on Form 10-K for the year ended December 31, 2022, each of Realty Income and Orion will reasonably cooperate and assist one another in providing all Information necessary to accurately record the Mergers, the Separation and the Distribution in each respective Party's financial statements (the "Financial Statements"), in accordance with generally accepted accounting principles in the United States ("GAAP"). This cooperation will include, but need not be limited to, the following:

(i) all members of the Orion Group, and any Representative of the Orion Group, will reasonably assist Representatives of Realty Income or any member of the Realty Income Group (whether such Representatives are currently employed by the Realty Income Group or the VEREIT Group) in finalizing VEREIT's Financial Statements as of the Effective Time;

(ii) all members of the Orion Group, and Representatives of the Orion Group, will reasonably assist Realty Income and the Realty Income Group in determining the value of, and providing support for, any non-real estate Asset that is a Transferred Asset or an Excluded Asset and any non-real estate Liability that is an Assumed Liability or an Excluded Liability that must be included in the Mergers purchase price allocation in Realty Income's Financial Statements, in accordance with GAAP;

(iii) all members of the Orion Group, and Representatives of the Orion Group, will reasonably assist each of Realty Income and the Appraiser in the valuation of each of VEREIT's real estate Assets that is a Transferred Asset or Excluded Asset and the valuation of each of VEREIT's real estate Liabilities that is an Assumed Liability or Excluded Liability (including, for the avoidance of doubt, VEREIT's notes payable) and each of Realty Income and Orion will work in good faith and with their respective independent registered accounting firms, to reach agreement on the valuation of VEREIT's real estate Assets, including those comprising the Transferred Assets, in accordance with GAAP;

(iv) Orion will use commercially reasonable efforts to provide Realty Income's independent registered accounting firm the Information reasonably necessary to record the Mergers, the Separation and the Distribution on Realty Income's Financial Statements;

(v) Realty Income will share the results of the Appraiser's purchase price allocation analysis with Orion and Orion's independent registered accounting firm, at no cost to Orion, to facilitate and support recording of the Separation on Orion's Financial Statements;

(vi) Realty Income will use commercially reasonable efforts to provide Orion, and Orion's independent registered accounting firm, the Information, including historical balance sheet data of the Transferred Business, reasonably necessary to record the Separation on Orion's financial statements; and

(vii) Realty Income will provide up to five (5) Representatives of the Orion Group, agreed to in writing by Realty Income and Orion, with access to any Information necessary to comply with the provisions of this Section 5.8(d), including providing such Representatives access to any of Realty Income's information, accounting or other systems.

(e) The Parties acknowledge and agree that all services provided pursuant to thisSection 5.8 (the "Services"), and all Information provided pursuant to this Section 5.8 (the "Transition Information"), is provided as-is, and the Party receiving the Services or Transition Information assumes all risks and liability arising from or relating to its use of and reliance upon the Services or Transition Information and Realty Income and Orion make no representation or warranty with respect thereto. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, EACH OF REALTY INCOME AND ORION HEREBY EXPRESSLY DISCLAIM ALL REPRESENTATIONS AND WARRANTIES REGARDING THE SERVICES AND TRANSITION INFORMATION PROVIDED PURSUANT TO THIS SECTION 5.8, WHETHER EXPRESS OR IMPLIED, INCLUDING ANY REPRESENTATION OR WARRANTY IN REGARD TO QUALITY, PERFORMANCE, NONINFRINGEMENT, COMMERCIAL UTILITY, MERCHANTABILITY OR FITNESS OF THE SERVICES OR TRANSITION INFORMATION FOR A PARTICULAR PURPOSE.

ARTICLE VI
EXCHANGE OF INFORMATION; CONFIDENTIALITY

6.1 Agreement for Exchange of Information.

(a) Subject to Section 6.9 and any other applicable confidentiality obligations, each of Realty Income and Orion, on behalf of itself and each member of its Group, agrees to use commercially reasonable efforts to provide or make available, or cause to be provided or made available, to the other Party and the members of such other Party's Group, at any time before, on or after the Distribution Effective Time, as soon as reasonably practicable after written request therefor, any Information (or a copy thereof) in the possession or under the control of such Party or its Group which the requesting Party or its Group to the extent that (i) such Information relates to the Transferred Business, or any Transferred Asset or Assumed Liability, if Orion is the requesting Party, or to the Excluded Business, or any Excluded Asset or Excluded Liability, if Realty Income is the requesting Party; (ii) such Information is required by the requesting Party to comply with its obligations under this Agreement or any Ancillary Agreement; or (iii) such Information is required by the requesting Party to comply with any obligation imposed by any Governmental Authority; *provided*, *however*, that, in the event that the Party to whom the request has been made determines that any such provision of Information could be commercially detrimental to the Party providing the Information, could violate any Law or agreement or waive any privilege available under applicable Law, including any attorney-client privilege or the work product doctrine, then the Parties shall use commercially reasonable efforts to permit compliance with such obligations to the extent and in a manner that avoids any such harm or consequence. The Party providing Information pursuant to this Section 6.1 shall only be obligated to provide such Information in the form, condition and format in which it then exists, and in no event shall such Party be required to perform any improvement, modification, conversion, updating or reformatting of any such Information, and nothing in this Section 6.1 shall expand the obligations of a Party under Section 6.4.

(b) Without limiting the generality of the foregoing, until the first fiscal year-end of Orion occurring after the Distribution Effective Time (and for a reasonable period of time afterwards as required for each Party to prepare consolidated financial statements or complete a financial statement audit for the fiscal year during which the Distribution occurs), each Party shall use its commercially reasonable efforts to cooperate with the other Party's Information requests to enable (i) the other Party to meet its timetable for dissemination of its earnings releases, financial statements and management's assessment of the effectiveness of its disclosure controls and procedures and its internal control over financial reporting in accordance with Items 307 and 308, respectively, of Regulation S-K promulgated under the Exchange Act; and (ii) the other Party's accountants to timely complete their review of the quarterly financial statements and audit of the annual financial statements, including, to the extent applicable to such Party, its auditor's audit of its internal control over financial reporting and management's assessment thereof in accordance with Section 404 of the Sarbanes-Oxley Act of 2002, the SEC's and Public Company Accounting Oversight Board's rules and auditing standards thereunder and any other applicable Laws.

6.2 Ownership of Information. The provision of any Information pursuant to Section 6.1 or Section 6.7 shall not affect the ownership of such Information (which shall be determined solely in accordance with the terms of this Agreement and the Ancillary Agreements), or constitute a grant of rights in or to any such Information.

6.3 Reimbursement for Providing Information. The Party requesting Information agrees to reimburse the other Party for the reasonable costs, if any, of creating, gathering, copying, transporting and otherwise complying with the request with respect to such Information (including any reasonable costs and expenses incurred in any review of Information for purposes of protecting the Privileged Information of the providing Party or in connection with the restoration of backup media for purposes of providing the requested Information). Except as may be otherwise specifically provided elsewhere in this Agreement, any Ancillary Agreement or any other agreement between the Parties, such costs shall be computed in accordance with the providing Party's standard methodology and procedures.

6.4 Record Retention. For a period of two (2) years from and after the Distribution Effective Time or until such later date as may be required by applicable Law or the policies of Realty Income or Orion in effect as of the Distribution Effective Time, to facilitate the possible exchange of Information pursuant to this Article VI and other provisions of this Agreement after the Distribution Effective Time, the Parties agree to use their commercially reasonable efforts, which shall be no less rigorous than those used for retention of such Party's own Information, to retain all Information in their respective possession or control at the Distribution Effective Time. Notwithstanding the foregoing, the Tax Matters Agreement will govern the retention of Tax-related records, and the Employee Matters Agreement will govern the retention of employment and benefits related records.

6.5 Limitations of Liability. Neither Party shall have any Liability to the other Party in the event that any Information exchanged or provided pursuant to this

Agreement is found to be inaccurate in the absence of gross negligence, bad faith or willful misconduct by the Party providing such Information. No Party shall be liable to any other Party if any Information is destroyed after commercially reasonable efforts by such Party to comply with the provisions of Section 6.4.

6.6 Other Agreements Providing for Exchange of Information.

(a) The rights and obligations granted under this Article VI are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange, retention or confidential treatment of Information set forth in any Ancillary Agreement.

(b) Any Party that receives, pursuant to a request for Information in accordance with this Article VI, Tangible Information that is not relevant to its request shall, at the request of the providing Party, (i) return it to the providing Party or, at the providing Party's request, destroy such Tangible Information; and (ii) deliver to the providing Party written confirmation that such Tangible Information was returned or destroyed, as the case may be, which confirmation shall be signed by an authorized representative of the requesting Party.

6.7 Production of Witnesses; Records; Cooperation.

(a) Subject to Section 6.9 and any other applicable confidentiality obligations, after the Distribution Effective Time, except in the case of an adversarial Action or Dispute between Realty Income and Orion, or any members of their respective Groups, each Party shall use its commercially reasonable efforts to make available to the other Party, upon reasonable advance written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available without undue burden, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with any Action in which the requesting Party (or member of its Group) may from time to time be involved, regardless of whether such Action is a matter with respect to which indemnification may be sought hereunder. The requesting Party shall bear all costs and expenses in connection therewith.

(b) If an Indemnifying Party chooses to defend or to seek to compromise or settle any Third-Party Claim, the other Party shall make available to such Indemnifying Party, upon reasonable advance written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available without undue burden, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be, and shall otherwise cooperate in such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be.

(c) Without limiting any provision of this Section 6.7, the Parties shall cooperate and consult to the extent reasonably necessary with respect to any Actions, each of the Parties shall cooperate, and to cause each member of its respective Group to cooperate, with each other in the defense of any infringement or similar claim with respect to any Intellectual Property and shall not claim to acknowledge, or permit any member of its respective Group to claim to acknowledge, the validity or infringing use of any Intellectual Property of a Third Party in a manner that would hamper or undermine the defense of such infringement or similar claim.

(d) The obligation of the Parties to provide witnesses pursuant to this Section 6.7 is intended to be interpreted in a manner so as to facilitate cooperation and shall include the obligation to provide as witnesses, directors, officers, employees, other personnel and agents without regard to whether such persons could assert a possible business conflict (subject to the exception set forth in the first sentence of Section 6.7(a)).

6.8 Privileged Matters.

(a) The Parties recognize that legal and other professional services that have been and will be provided prior to the Distribution Effective Time have been and will be rendered for the collective benefit of each of the members of the Realty Income Group and the Orion Group, and that each of the members of the Realty Income Group and the Orion Group should be deemed to be the client with respect to such services for the purposes of asserting all privileges which may be asserted under applicable Law in connection therewith. The Parties recognize that legal and other professional services will be provided following the Distribution Effective Time, which services will be rendered solely for the benefit of the Realty Income Group or the Orion Group, as the case may be.

(b) The Parties agree as follows:

(i) Realty Income shall be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to the Excluded Business and not to the Transferred Business, whether or not the Privileged Information is in the possession or under the control of any member of the Realty Income Group or any member of the Orion Group. Realty Income shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to any Excluded Liabilities resulting from any Actions that are now pending or may be asserted in the future, whether or not the Privileged Information is in the possession or under the control of any member of the Realty Income Group or any member of the Orion Group;

(ii) Orion shall be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to the Transferred Business and not to the Excluded Business, whether or not the Privileged Information is in the possession or under the control of any member of the Orion Group or any member of the Realty Income Group. Orion shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to any Assumed Liabilities resulting from any Actions that are now pending or may be asserted in the future, whether or not the privileged Information is in the possession or under the control of any member of the Orion Group or any member of the Realty Income Group; and

(iii) if the Parties do not agree as to whether certain Information is Privileged Information, then such Information shall be treated as Privileged Information, and the Party that believes that such information is Privileged Information shall be entitled to control the assertion or waiver of all privileges and immunities in connection with any such Information unless the Parties otherwise agree. The Parties shall use the procedures set forth in Article VII to resolve any disputes as to whether any Information relates solely to the Excluded Business, solely to the Transferred Business, or to both the Excluded Business and the Transferred Business.

(c) Subject to the remaining provisions of this Section 6.8, the Parties agree that they shall have a shared privilege or immunity with respect to all privileges and immunities not allocated pursuant to Section 6.8(b) and all privileges and immunities relating to any Actions or other matters that involve both Parties (or one or more members of their respective Groups) and in respect of which both Parties have Liabilities under this Agreement, and that no such shared privilege or immunity may be waived by either Party without the consent of the other Party.

(d) If any Dispute arises between the Parties or any members of their respective Group regarding whether a privilege or immunity should be waived to protect or advance the interests of either Party and/or any member of their respective Group, each Party agrees that it shall (i) negotiate with the other Party in good faith; (ii) endeavor to minimize any prejudice to the rights of the other Party; and (iii) not unreasonably withhold consent to any request for waiver by the other Party. Further, each Party specifically agrees that it shall not withhold its consent to the waiver of a privilege or immunity for any purpose except in good faith to protect its own legitimate interests.

(e) In the event of any adversarial Action or Dispute between Realty Income and Orion, or any members of their respective Groups, either Party may waive a privilege in which the other Party or member of such other Party's Group has a shared privilege, without obtaining consent pursuant to Section 6.8(c); *provided* that such waiver of a shared privilege shall be effective only as to the use of Information with respect to the Action between the Parties and/or the applicable members of their respective Groups, and shall not operate as a waiver of the shared privilege with respect to any Third Party.

(f) Upon receipt by either Party, or by any member of its respective Group, of any subpoena, discovery or other request that may reasonably be expected to result in the production or disclosure of Privileged Information subject to a shared privilege or immunity or as to which another Party has the sole right hereunder to assert a privilege or immunity, or if either Party obtains knowledge that any of its, or any member of its respective Group's, current or former directors, officers, agents or employees have received any subpoena, discovery or other requests that may reasonably be expected to result in the production or disclosure of such Privileged Information, such Party shall promptly notify the other Party of the existence of the request (which notice shall be delivered to such other Party no later than five (5) Business Days following the receipt of any such subpoena, discovery or other request) and shall provide the other Party a reasonable opportunity to review the Privileged Information and to assert any rights it or they may have under this Section 6.8 or otherwise, to prevent the production or disclosure of such Privileged Information.

(g) In the event either Party inadvertently discloses any Privileged Information or inadvertently waives any privilege or immunity as to which the other Party has any interest, that Party shall immediately (i) advise the other Party of the inadvertent disclosure or waiver and (ii) take all reasonably available steps to claw back any waived or disclosed Information and restore the privilege or immunity.

(h) Any furnishing of, or access or transfer of, any Information pursuant to this Agreement is made in reliance on the agreement of Realty Income and Orion set forth in this Section 6.8 and in Section 6.9 to maintain the confidentiality of Privileged Information and to assert and maintain all applicable privileges and immunities. The Parties agree that their respective rights to any access to Information, witnesses and other Persons, the furnishing of notices and documents and other cooperative efforts between the Parties contemplated by this Agreement, and the transfer of Privileged Information between the Parties and members of their respective Groups pursuant to this Agreement, shall not be deemed a waiver of any privilege that has been or may be asserted under this Agreement or otherwise.

(i) In connection with any matter contemplated by Section 6.7 or this Section 6.8, the Parties agree to, and to cause the applicable members of their Group to, use commercially reasonable efforts to maintain their respective separate and joint privileges and immunities, including by executing joint defense and/or common interest agreements where necessary or useful for this purpose.

6.9 Confidentiality.

(a) *Confidentiality.* Subject to Section 6.10, from and after the Distribution Effective Time until the five (5) year anniversary of the Distribution Effective Time, each of Realty Income and Orion, on behalf of itself and each member of its respective Group, agrees to hold, and to cause its respective Representatives to hold, in strict confidence, with at least the same degree of care that is applied to protecting such Party's own Information, all confidential and proprietary Information concerning the other Party or any member of the other Party's Group or their respective businesses that is either in its possession (including confidential and proprietary Information in its possession prior to the date hereof) or furnished by any such other Party or any member of such Party's Group or their respective Representatives at any time pursuant to this Agreement, any Ancillary Agreement or otherwise, and shall not use any such confidential and proprietary Information other than for such purposes as shall be expressly permitted hereunder or thereunder, except, in each case, to the extent that such confidential and proprietary Information has been (i) in the public domain or generally available to the public, other than as a result of a disclosure by such Party or any member of such Party's Group or any of their respective Representatives in violation of this Agreement, (ii) later lawfully acquired from other sources by such Party (or any member of such Party's Group) which sources are not themselves bound by a confidentiality obligation or other contractual, legal or fiduciary obligation of confidentiality with respect to such confidential and proprietary Information, or (iii) independently developed or generated without reference to or use of any proprietary or confidential Information of the other Party or any member of such Party's Group. If any confidential and proprietary Information of one Party or any member of its Group is disclosed to the other Party or any member of such other Party's Group in connection with providing services to such first Party or any member of such first Party's Group under this Agreement or any Ancillary Agreement, then such disclosed confidential and proprietary Information shall be used only as required to perform such services.

(b) *No Release; Return or Destruction.* Each Party agrees not to release or disclose, directly or indirectly, or permit to be released or disclosed, any Information addressed in Section 6.9(a) to any other Person, except its Representatives who need to know such Information in their capacities as such (who shall be advised of their obligations hereunder with respect to such Information), and except in compliance with Section 6.10. Without limiting the foregoing, when any such Information is no longer needed for the purposes contemplated by this Agreement or any Ancillary Agreement, each Party will promptly after request of the other Party either return to the other Party all Tangible Information (including all copies thereof and all notes, extracts or summaries based thereon) or destroy, and notify the other Party in writing that it has destroyed, such Tangible Information (and such copies thereof and such notes, extracts or summaries based thereon); *provided* that the Parties may retain electronic back-up versions of such Tangible Information maintained on routine computer system backup tapes, disks or other backup storage.

(c) *Third-Party Information; Privacy or Data Protection Laws.* Each Party acknowledges that it and members of its Group may presently have and, following the Distribution Effective Time, may gain access to or possession of confidential or proprietary Information of, or personal Information relating to, Third Parties (i) that was received under confidentiality or non-disclosure agreements entered into between such Third Parties, on the one hand, and the other Party or members of such Party's Group, on the other hand, prior to the Distribution Effective Time; or (ii) that, as between the two Parties, was originally collected by the other Party or members of such Party's Group and that may be subject to and protected by privacy, data protection or other applicable Laws. Each Party agrees that it shall hold, protect and use, and shall cause the members of its Group and its and their respective Representatives to hold, protect and use, in strict confidence the confidential and proprietary Information of, or personal Information relating to, Third Parties in accordance with privacy, data protection or other applicable Laws and the terms of any agreements that were either entered into before the Distribution Effective Time or affirmative commitments or representations that were made before the Distribution Effective Time by, between or among the other Party or members of the other Party's Group, on the one hand, and such Third Parties, on the other hand.

6.10 Protective Arrangements. In the event that a Party or any member of its Group either determines on the advice of its counsel that it is required to disclose any Information pursuant to applicable Law or the rules of an applicable stock exchange or receives any request or demand under lawful process or from any Governmental Authority to disclose or provide Information of the other Party (or any member of the other Party's Group) that is subject to the confidentiality provisions hereof, such Party shall notify the other Party (to the extent legally permitted) as promptly as practicable under the circumstances prior to disclosing or providing such Information and shall cooperate, at the expense of the other Party, in seeking any appropriate protective order requested by the other Party. In the event that such other Party fails to receive such appropriate protective order in a timely manner and the Party receiving the request or demand reasonably determines that its failure to disclose or provide such Information shall prejudice the Party receiving the request or demand, then the Party that received such request or demand may thereafter disclose or provide Information to the extent required by such Law (as so advised by its counsel) or by lawful process or such Governmental Authority, and the disclosing Party shall promptly provide the other Party with a copy of the Information so disclosed, in the same form and format so disclosed, together with a list of all Persons to whom such Information was disclosed, in each case to the extent legally permitted.

ARTICLE VII
DISPUTE RESOLUTION

7.1 Good-Faith Negotiation. Subject to Section 7.4, either Party seeking resolution of any dispute, controversy or claim arising out of or relating to this Agreement or Ancillary Agreement (whether arising out of contract, tort or otherwise, including regarding whether any Assets are Transferred Assets or Excluded Assets, any Liabilities are Assumed Liabilities or Excluded Liabilities or the validity, interpretation, breach or termination of this Agreement or any Ancillary Agreement) (a " Dispute"), shall provide written notice thereof to the other Party (the "Initial Notice"), and within thirty (30) days of the delivery of the Initial Notice, the Parties shall attempt in good faith to negotiate a resolution of the Dispute. The negotiations shall be conducted by executives who hold, at a minimum, the title of vice president and who have the authority to settle the Dispute. All such negotiations shall be confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. If the Parties are unable for any reason to resolve a Dispute within thirty (30) days after the delivery of such Initial Notice or if a Party reasonably concludes that the other Party is not willing to negotiate as contemplated by this Section 7.1, the Dispute shall be submitted to arbitration in accordance withSection 7.2.

7.2 Arbitration.

(a) Any Dispute not resolved pursuant to Section 7.1 shall, upon the written request of a Party (the "Arbitration Request"), be submitted to be finally resolved by binding arbitration pursuant to the rules of the American Arbitration Association (the " AAA"). The arbitration shall be held in New York, New York or such other place as the Parties may mutually agree in writing. Unless otherwise agreed by the Parties in writing, any Dispute to be decided pursuant to this Section 7.2 will be decided (i) before a sole arbitrator if the amount in dispute, inclusive of all claims and counterclaims, totals less than $ million; or (ii) by a panel of three (3) arbitrators if the amount in dispute, inclusive of all claims and counterclaims, totals $ million or more.

(b) The panel of three (3) arbitrators will be chosen as follows: (i) within fifteen (15) days from the date of the receipt of the Arbitration Request, each Party will name an arbitrator; and (ii) the two (2) Party-appointed arbitrators will thereafter, within fifteen (15) days from the date on which the second of the two (2) arbitrators was named, name a third, independent arbitrator who will act as chairperson of the arbitral tribunal. In the event that either Party fails to name an arbitrator within fifteen (15) days from the date of receipt of the Arbitration Request, then upon written application by either Party, that arbitrator shall be appointed pursuant to the AAA Arbitration Procedure. In the event that the two (2) Party-appointed arbitrators fail to appoint the third, then the third, independent arbitrator will be appointed pursuant to the AAA Arbitration Procedure. If the arbitration will be before a sole independent arbitrator, then the sole independent arbitrator will be appointed by agreement of the Parties within fifteen (15) days of the date of receipt of the Arbitration Request. If the Parties cannot agree to a sole independent arbitrator, then upon written application by either Party, the sole independent arbitrator will be appointed pursuant to the AAA Arbitration Procedure.

(c) The arbitrator(s) will have the right to award, on an interim basis, or include in the final award, any relief which it deems proper in the circumstances, including money damages (with interest on unpaid amounts from the due date), injunctive relief (including specific performance) and attorneys' fees and costs; *provided* that the arbitrator(s) will not award any relief not specifically requested by the Parties and, in any event, will not award any indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages of the other arising in connection with the transactions contemplated hereby (other than any such Liability with respect to a Third-Party Claim). Upon selection of the arbitrator(s) following any grant of interim relief by a special arbitrator or court pursuant to Section 7.3, the arbitrator(s) may affirm or disaffirm that relief, and the Parties will seek modification or rescission of the order entered by the court as necessary to accord with the decision of the arbitrator(s). The award of the arbitrator(s) shall be final and binding on the Parties, and may be enforced in any court of competent jurisdiction. The initiation of arbitration pursuant to this Article VII will toll the applicable statute of limitations for the duration of any such proceedings.

7.3 Litigation and Unilateral Commencement of Arbitration. Notwithstanding the foregoing provisions of this Article VII, (a) a Party may seek preliminary provisional or injunctive judicial relief with respect to a Dispute without first complying with the procedures set forth in Section 7.1 and Section 7.2 if such action is reasonably necessary to avoid irreparable damage and (b) either Party may initiate arbitration before the expiration of the periods specified in Section 7.2 if such Party has submitted an Arbitration Request, as applicable, and the other Party has failed to comply with Section 7.2 in good faith with respect to commencement and engagement in arbitration. In such event, the other Party may commence and prosecute such arbitration unilaterally in accordance with the AAA Arbitration Procedure.

7.4 Conduct During Dispute Resolution Process. Unless otherwise agreed to in writing, the Parties shall, and shall cause their respective members of their Group to, continue to honor all commitments under this Agreement and each Ancillary Agreement to the extent required by such agreements during the course of dispute resolution pursuant to the provisions of this Article VII, unless such commitments are the specific subject of the Dispute at issue.

ARTICLE VIII
TERMINATION

8.1 Termination. This Agreement may be terminated prior to the Distribution Effective Time by Realty Income, on behalf of the Realty Income Group, or by VEREIT, on behalf of the Orion Group, only:

(i) if the Merger Agreement is terminated, following such termination; or

(ii) if any order, injunction or decree issued by any Governmental Authority of competent jurisdiction or any other legal restraint or prohibition shall be in effect permanently preventing the consummation of the Separation Transactions or any of the transactions related thereto, which order, decree, ruling or other action is final and nonappealable.

After the Distribution Effective Time, this Agreement may not be terminated except by an agreement in writing signed by a duly authorized officer of each of the Parties, except for VEREIT.

8.2 Effect of Termination. In the event of any termination of this Agreement prior to the Distribution Effective Time, no Party (nor any of its directors, officers or employees) shall have any Liability or further obligation to the other Party by reason of this Agreement.

ARTICLE IX
MISCELLANEOUS

9.1 Counterparts; Entire Agreement; Corporate Power.

(a) This Agreement (including the exhibits, schedules and appendices hereto), along with the Merger Agreement, the schedules and exhibits thereto and the Ancillary Agreements contain the entire agreement between the Parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties other than those set forth or referred to herein or therein.

(b) Realty Income represents on behalf of itself and each other member of the Realty Income Group, and Orion represents on behalf of itself and each other member of the Orion Group, as follows:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and each Ancillary Agreement to which it is a party and to consummate the transactions contemplated hereby and thereby; and

(ii) this Agreement and each Ancillary Agreement to which it is a party has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms thereof.

(c) This Agreement may be executed in counterparts, each of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each of the Parties and delivered to each other Party (including by means of electronic delivery), it being understood that the Parties need not sign the same counterpart. Signatures to this Agreement transmitted by facsimile transmission, by electronic mail in "portable document format" (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing the original signature.

9.2 Notices. All notices and other communications hereunder shall be in writing and shall be delivered personally, by telecopy or facsimile, by a recognized courier service, or by registered or certified mail, return receipt requested, postage prepaid, and in each case shall be deemed duly given on the date of actual delivery, upon confirmation of receipt. All notices hereunder shall be delivered as set forth below, or pursuant to such other instructions as may be designated in writing by the Party to receive such notice, and a copy of each notice shall also be sent via e-mail:

If to Realty Income, or Orion or Orion OP prior to the Distribution Effective Time, or VEREIT:

c/o Realty Income Corporation
11995 El Camino Real
San Diego, California, 92130
Attention: General Counsel
E-mail:

with a copy to:

Latham & Watkins LLP
650 Town Center Drive, 20th Floor
Costa Mesa, California 92626
Attention: Charles Ruck
William Cernius
Darren Guttenberg
Fax No.: (714) 755-8290
E-mail: charles.ruck@lw.com
william.cernius@lw.com
darren.guttenberg@lw.com

If to Orion or Orion OP after the Distribution Effective Time, to:

Orion Office REIT Inc.
2325 E. Camelback Road, 9th Floor
Phoenix, AZ 85016
Attention: Paul McDowell
E-mail:

with a copy to:

Latham & Watkins LLP
650 Town Center Drive, 20th Floor
Costa Mesa, California 92626
Attention: Charles Ruck
William Cernius
Darren Guttenberg
Fax No.: (714) 755-8290

E-mail: charles.ruck@lw.com
william.cernius@lw.com
darren.guttenberg@lw.com

A Party may, by notice to the other Party, change the address to which such notices are to be given.

9.3 Interpretation. When a reference is made in this Agreement to Sections, Exhibits or Schedules, such reference shall be to a Section of or Exhibit or Schedule to this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The phrase "made available" in this Agreement shall mean that the information referred to has been made available if requested by the Party to whom such information is to be made available. The phrases "herein," "hereof," "hereunder" and words of similar import shall be deemed to refer to this Agreement as a whole, including the Exhibits hereto, and not to any particular provision of this Agreement. Any pronoun shall include the corresponding masculine, feminine and neuter forms. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement.

9.4 Third-Party Beneficiaries. Except for the indemnification rights under this Agreement of any Realty Income Indemnitee or Orion Indemnitee in their respective capacities as such, (a) the provisions of this Agreement and each Ancillary Agreement are solely for the benefit of the Parties and are not intended to confer upon any Person except the Parties any rights or remedies hereunder, and (b) there are no third-party beneficiaries of this Agreement or any Ancillary Agreement and neither this Agreement nor any Ancillary Agreement shall provide any Third Party with any remedy, claim, Liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement or any Ancillary Agreement.

9.5 Governing Law. This Agreement and, unless expressly provided therein, each Ancillary Agreement (and any claims or disputes arising out of or related hereto or thereto or to the transactions contemplated hereby and thereby or to the inducement of any Party to enter herein and therein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common Law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the Laws of the State of Maryland irrespective of the choice of Laws principles of the State of Maryland including all matters of validity, construction, effect, enforceability, performance and remedies.

9.6 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability and, unless the effect of such invalidity or unenforceability would prevent the Parties from realizing the major portion of the economic benefits of the Distribution that they currently anticipate obtaining therefrom, shall not render invalid or unenforceable the remaining terms and provisions of this Agreement or affect the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

9.7 Assignment. Neither this Agreement, nor any of the rights, interests or obligations of the Parties hereunder, shall be assigned by any of the Parties (whether by operation of law or otherwise) without the prior written consent of the other Parties, and any attempt to make any such assignment without such consent shall be null and void. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors and permitted assigns. Notwithstanding the foregoing, subject to Section 4.10, (a) any merger, consolidation, business combination, sale of all or substantially all of a Parties' Assets; or (b) any restructuring, recapitalization, reorganization or similar transaction involving either Party or any of the members of its Group shall not require the prior written consent of the other Parties.

9.8 No Set-Off. Except as set forth in this Agreement or any Ancillary Agreement or as otherwise mutually agreed to in writing by the Parties, neither Party nor any member of such Party's group shall have any right of set-off or other similar rights with respect to (a) any amounts received pursuant to this Agreement or any Ancillary Agreement; or (b) any other amounts claimed to be owed to either such Party or any member of its Group arising out of this Agreement or any Ancillary Agreement.

9.9 Specific Performance. In the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement or any Ancillary Agreement, the Party or Parties who are, or are to be, thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief in respect of its or their rights under this Agreement or such Ancillary Agreement, in addition to any and all other rights and remedies at Law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at Law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at Law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the Parties.

9.10 Survival of Covenants. Except as expressly set forth in this Agreement or any Ancillary Agreement, the covenants, representations and warranties contained in this Agreement and each Ancillary Agreement, and Liability for the breach of any obligations contained herein, shall survive the Separation Transactions and shall remain in full force and effect.

9.11 Waivers of Default. Waiver by a Party of any default by the other Party of any provision of this Agreement or any Ancillary Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of the other Party. No failure or delay by a Party in exercising any right, power or privilege under this Agreement or any Ancillary Agreement shall operate as a waiver thereof, nor shall a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege.

9.12 Amendments. No provisions of this Agreement or any Ancillary Agreement shall be deemed waived, amended, supplemented or modified by a Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it is sought to enforce such waiver, amendment, supplement or modification.

9.13 Limitations of Liability. Notwithstanding anything in this Agreement to the contrary, but without limiting any recovery expressly provided by Section 7.2 or 7.3, neither Orion or any member of the VEREIT Group, on the one hand, nor Realty Income or any member of the Realty Income Group, on the other hand, shall be liable under this Agreement to the other for any indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages of the other arising in connection with the transactions contemplated hereby (other than any such Liability with respect to a Third-Party Claim).

9.14 Performance. Realty Income will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the Realty Income Group. Orion will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the Orion Group. Each Party (including its permitted successors and assigns) further agrees that it will (a) give timely notice of the terms, conditions and continuing obligations contained in this Agreement and any applicable Ancillary Agreement to all of the other members of its Group and (b) cause all of the other members of its Group not to take any action or fail to take any such action inconsistent with such Party's obligations under this Agreement, any Ancillary Agreement or the transactions contemplated hereby or thereby.

9.15 Responsibility for Expenses.

(a) Except as otherwise expressly set forth in this Agreement or any Ancillary Agreement, or as otherwise agreed to in writing by the Parties, all costs and expenses incurred on or prior to the Distribution Effective Time in connection with the preparation, execution, delivery and consummation of this Agreement and any Ancillary Agreement and the consummation of the transactions contemplated hereby and thereby shall be charged to and paid by Orion.

(b) Except as otherwise expressly set forth in this Agreement or any Ancillary Agreement, or as otherwise agreed to in writing by the Parties, each Party shall bear its own costs and expenses incurred or accrued after the Distribution Effective Time.

9.16 Exclusivity of Tax Matters. Notwithstanding any other provision of this Agreement, the Tax Matters Agreement shall exclusively govern all matters related to Taxes (including allocations thereof) addressed therein.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

REALTY INCOME CORPORATION

By: _____
Name:
Title:

VEREIT, INC.

By: _____
Name:
Title:

ORION OFFICE REIT INC.

By: _____
Name:
Title:

ORION OFFICE REIT LP

By: _____
Name:
Title:

[Signature Page to Separation and Distribution Agreement]

Exhibit 2.2

AGREEMENT OF LIMITED PARTNERSHIP
OF
ORION OFFICE REIT LP
a Maryland limited partnership

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "*SECURITIES ACT*"),OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION, UNLESS IN THE OPINION OF COUNSEL SATISFACTORY TO THE PARTNERSHIP THE PROPOSED SALE, TRANSFER OR OTHER DISPOSITION MAY BE EFFECTED WITHOUT REGISTRATION UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS.

dated as of August 1, 2021

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AGREEMENT OF LIMITED PARTNERSHIP
OF ORION OFFICE REIT LP

THIS AGREEMENT OF LIMITED PARTNERSHIP OF ORION OFFICE REIT LP, dated as of August 1, 2021 (the "*Effective Date"*), is made and entered into by and among ORION OFFICE REIT INC., a Maryland corporation, as the General Partner and the Persons from time to time party hereto, as limited partners.

WHEREAS, the Partners (as hereinafter defined) of the Partnership desire to enter into this Agreement of Limited Partnership of ORION OFFICE REIT LP, (as hereafter amended, restated, modified, supplemented or replaced, this "*Agreement*") effective as of the Effective Date.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE 1
DEFINED TERMS

The following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in this Agreement:

"*Act*" means the Maryland Revised Uniform Limited Partnership Act, Title 10 of the Corporations and Associations Article of the Annotated Code of Maryland, as it may be amended from time to time, and any successor to such statute.

"*Actions*" has the meaning set forth in Section 7.7 hereof.

"*Additional Funds*" has the meaning set forth in Section 4.3(a) hereof.

"*Additional Limited Partner*" means a Person who is admitted to the Partnership as a limited partner pursuant to the Act and Section 4.2 and Section 12.2 hereof and who is shown as such on the books and records of the Partnership.

"*Adjusted Capital Account*" means, with respect to any Partner, the balance in such Partner's Capital Account as of the end of the relevant Partnership Year or other applicable period, after giving effect to the following adjustments:

(a) increase such Capital Account by any amounts that such Partner is obligated to restore pursuant to this Agreement upon liquidation of such Partner's Partnership Interest or that such Person is deemed to be obligated to restore pursuant to Regulations Section 1.704-1(b)(2)(ii)(c) or the penultimate sentence of each of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(b) decrease such Capital Account by the items described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

The foregoing definition of "Adjusted Capital Account" is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"*Adjusted Capital Account Deficit*" means, with respect to any Partner, the deficit balance, if any, in such Partner's Adjusted Capital Account as of the end of the relevant Partnership Year or other applicable period.

"*Adjustment Event*" has the meaning set forth in Section 16.3 hereof.

"*Adjustment Factor*" means 1.0; *provided*, *however*, that in the event that:

(a) the General Partner (i) declares or pays a dividend on its outstanding REIT Shares wholly or partly in REIT Shares or makes a distribution to all holders of its outstanding REIT Shares wholly or partly in REIT Shares, (ii) splits or subdivides its outstanding REIT Shares or (iii) effects a reverse stock split or otherwise combines its outstanding REIT Shares into a smaller number of REIT Shares, the Adjustment Factor shall be adjusted by multiplying the Adjustment Factor previously in effect by a fraction, (A) the numerator of which shall be the number of REIT Shares issued and outstanding on the record date for such dividend, distribution, split, subdivision, reverse split or combination (assuming for such purposes that such dividend, distribution, split, subdivision, reverse split or combination has occurred as of such time) and (B) the denominator of which shall be the actual number of REIT Shares (determined without the above assumption) issued and outstanding on the record date for such dividend, distribution, split, subdivision, reverse split or combination;

(b) the General Partner distributes any rights, options or warrants to all holders of its REIT Shares to subscribe for or to purchase or to otherwise acquire REIT Shares, or other securities or rights convertible into, exchangeable for or exercisable for REIT Shares, at a price per share less than the Value of a REIT Share on the record date for such distribution (each a "*Distributed Right*"), then, as of the distribution date of such Distributed Rights or, if later, the time such Distributed Rights become exercisable, the Adjustment Factor shall be adjusted by multiplying the Adjustment Factor previously in effect by a fraction (i) the numerator of which shall be the number of REIT Shares issued and outstanding on the record date (or, if later, the date such Distributed Rights become exercisable) plus the maximum number of REIT Shares purchasable under such Distributed Rights and (ii) the denominator of which shall be the number of REIT Shares issued and outstanding on the record date (or, if later, the date such Distributed Rights become exercisable) plus a fraction (A) the numerator of which is the maximum number of REIT Shares purchasable under such Distributed Rights times the minimum purchase price per REIT Share under such Distributed Rights and (B) the denominator of which is the Value of a REIT Share as of the record date (or, if later, the date such Distributed Rights become exercisable); *provided*, *however*, that, if any such Distributed Rights expire or become no longer exercisable, then the Adjustment Factor shall be adjusted, effective retroactive to the date of distribution of the Distributed Rights (or, if applicable, the later time that the Distributed Rights became exercisable), to reflect a reduced maximum number of REIT Shares or any change in the minimum purchase price for the purposes of the above fraction; and

(c) the General Partner shall, by dividend or otherwise, distribute to all holders of its REIT Shares evidences of its indebtedness or assets (including securities, but excluding any dividend or distribution referred to in subsection (a) or (b) above), which evidences of indebtedness or assets relate to assets not received by the General Partner pursuant to a pro rata distribution by the Partnership, then the Adjustment Factor shall be adjusted to equal the amount determined by multiplying the Adjustment Factor in effect immediately prior to the close of business as of the applicable record date by a fraction (i) the numerator of which shall be such Value of a REIT Share as of the record date and (ii) the denominator of which shall be the Value of a REIT Share as of the record date less the then fair market value (as determined by the General Partner, whose determination shall be conclusive) of the portion of the evidences of indebtedness or assets so distributed applicable to one REIT Share.

Notwithstanding the foregoing, no adjustments to the Adjustment Factor will be made for any class or series of Partnership Interests to the extent that the Partnership makes or effects any correlative distribution or payment to all of the Partners holding Partnership Interests of such class or series, or effects any correlative split or reverse split in respect of the Partnership Interests of such class or series. Any adjustments to the Adjustment Factor shall become effective immediately after such event, retroactive to the record date, if any, for such event. For illustrative purposes, examples of adjustments to the Adjustment Factor are set forth on Exhibit A attached hereto.

"*Affiliate*" means, with respect to any Person, any Person directly or indirectly controlling or controlled by or under common control with such Person. For the purposes of this definition, "control" when used with respect to any Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"*Agreement*" means this Agreement of Limited Partnership of Orion Office REIT LP, , as now or hereafter amended, restated, modified, supplemented or replaced.

"*Applicable Percentage*" has the meaning set forth in Section 15.1(b) hereof.

"*Appraisal*" means, with respect to any assets, the written opinion of an independent third party experienced in the valuation of similar assets, selected by the General Partner. Such opinion may be in the form of an opinion by such independent third party that the value for such property or asset as set by the General Partner is fair, from a financial point of view, to the Partnership.

"*Assignee*" means a Person to whom a Partnership Interest has been Transferred in a manner permitted under this Agreement, but who has not become a Substituted Limited Partner, and who has the rights set forth in Section 11.5 hereof.

"*Available Cash*" means, with respect to any period for which such calculation is being made,

(a) the sum, without duplication, of:

(i) the Partnership's Net Income or Net Loss (as the case may be) for such period,

(ii) Depreciation and all other noncash charges to the extent deducted in determining Net Income or Net Loss for such period,

(iii) the amount of any reduction in reserves of the Partnership referred to in clause (b)(vi) below (including, without limitation, reductions resulting because the General Partner determines such amounts are no longer necessary),

(iv) the excess, if any, of the net cash proceeds from the sale, exchange, disposition, financing or refinancing of Partnership property for such period over the gain (or loss, as the case may be) recognized from such sale, exchange, disposition, financing or refinancing during such period (excluding Terminating Capital Transactions), and

(v) all other cash received (including amounts previously accrued as Net Income and amounts of deferred income) or any net amounts borrowed by the Partnership for such period that was not included in determining Net Income or Net Loss for such period;

(b) less the sum, without duplication, of:

(i) all principal debt payments made during such period by the Partnership,

(ii) capital expenditures made by the Partnership during such period,

(iii) investments in any entity (including loans made thereto) to the extent that such investments are not otherwise described in clause (b)(i) or clause (b)(ii) above,

(iv) all other expenditures and payments not deducted in determining Net Income or Net Loss for such period (including amounts paid in respect of expenses previously accrued),

(v) any amount included in determining Net Income or Net Loss for such period that was not received by the Partnership during such period,

(vi) the amount of any increase in reserves (including, without limitation, working capital reserves) established during such period that the General Partner determines are necessary or appropriate in its sole and absolute discretion,

(vii) any amount distributed or paid in redemption of any Limited Partner Interest or Partnership Units, including, without limitation, any Cash Amount paid, and

(viii) the amount of any working capital accounts and other cash or similar balances that the General Partner determines to be necessary or appropriate in its sole and absolute discretion.

Notwithstanding the foregoing, Available Cash shall not include (a) any cash received or reductions in reserves, or take into account any disbursements made, or reserves established, after dissolution and the commencement of the liquidation and winding up of the Partnership or (b) any Capital Contributions, whenever received or any payments, expenditures or investments made with such Capital Contributions.

"*Board of Directors*" means the Board of Directors of the General Partner.

"*Business Day*" means any day except a Saturday, Sunday or other day on which commercial banks in the City of New York, New York are authorized by law to close.

"*Capital Account*" means, with respect to any Partner, the capital account maintained by the General Partner for such Partner on the Partnership's books and records in accordance with the following provisions:

(a) To each Partner's Capital Account, there shall be added such Partner's Capital Contributions, such Partner's distributive share of Net Income and any items in the nature of income or gain that are specially allocated pursuant to Section 6.3 or 6.4 hereof, and the amount of any Partnership liabilities assumed by such Partner or that are secured by any property distributed to such Partner.

(b) From each Partner's Capital Account, there shall be subtracted the amount of cash and the Gross Asset Value of any Partnership property distributed to such Partner pursuant to any provision of this Agreement, such Partner's distributive share of Net Losses and any items in the nature of expenses or losses that are specially allocated pursuant to Section 6.3 or 6.4 hereof, and the amount of any liabilities of such Partner assumed by the Partnership or that are secured by any property contributed by such Partner to the Partnership (except to the extent already reflected in the amount of such Partner's Capital Contribution).

(c) In the event any interest in the Partnership is Transferred in accordance with the terms of this Agreement (which Transfer does not result in the termination of the Partnership for U.S. federal income tax purposes), the transferee shall succeed to the Capital Account of the transferor to the extent that it relates to the Transferred interest.

(d) In determining the amount of any liability for purposes of subsections (a) and (b) hereof, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

(e) The provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations promulgated under Section 704 of the Code, and shall be interpreted and applied in a manner consistent with such Regulations. If the General Partner shall determine that it is necessary or appropriate to modify the manner in which the Capital Accounts are maintained in order to comply with such Regulations, the General Partner may make such modification, *provided* that such modification is not likely to have any material effect on the amounts distributable to any Partner pursuant to Article 13 hereof upon the dissolution of the Partnership. The General Partner may, in its sole discretion, (i) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Partners and the amount of Partnership capital reflected on the Partnership's balance sheet, as computed for book purposes, in accordance with Regulations Section 1.704-1(b)(2)(iv)(q) and (ii) make any modifications that are necessary or appropriate in the event that unanticipated events might otherwise cause this Agreement not to comply with Regulations Section 1.704-1(b) or Section 1.704-2.

"*Capital Account Limitation*" has the meaning set forth in Section 16.9(b) hereof.

"*Capital Contribution*" means, with respect to any Partner, the amount of money and the initial Gross Asset Value of any Contributed Property that such Partner contributes or is deemed to contribute pursuant to Article 4 hereof.

"*Capital Share*" means a share of any class or series of stock of the General Partner now or hereafter authorized other than a REIT Share.

"*Cash Amount*" means an amount of cash equal to the product of (a) the Value of a REIT Share and (b) the REIT Shares Amount determined as of the applicable Valuation Date.

"*Certificate*" means the Certificate of Limited Partnership of the Partnership filed with the SDAT, as amended from time to time in accordance with the terms hereof and the Act.

"*Charity*" means an entity described in Section 501(c)(3) of the Code or any trust all the beneficiaries of which are such entities.

"*Charter*" means the charter of the General Partner, within the meaning of Section 1-101(e) of the Maryland General Corporation Law.

"*Closing Price*" has the meaning set forth in the definition of "*Value*."

"*Code*" means the Internal Revenue Code of 1986, as amended and in effect from time to time or any successor statute thereto, as interpreted by the applicable Regulations thereunder. Any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of future law.

"*Common Unit Economic Balance*" means (i) the Capital Account balance of the General Partner, plus the amount of the General Partner's share of any Partner Minimum Gain or Partnership Minimum Gain, in either case to the extent attributable to the General Partner's ownership of Partnership Common Units and computed on a hypothetical basis after taking into account all allocations through the date on which any allocation is made under Section 6.2(d) hereof, divided by (ii) the number of the General Partner's Partnership Common Units.

"*Consent*" means the consent to, approval of, or vote in favor of a proposed action by a Partner given in accordance with Article 14 hereof. The terms "*Consented*" and "*Consenting*" have correlative meanings.

"*Consent of the General Partner*" means the Consent of the sole General Partner, which Consent, except as otherwise specifically required by this Agreement, may be obtained prior to or after the taking of any action for which it is required by this Agreement and may be given or withheld by the General Partner in its sole and absolute discretion.

"*Consent of the Limited Partners*" means the Consent of a Majority in Interest of the Limited Partners, which Consent shall be obtained prior to the taking of any action for which it is required by this Agreement and, except as otherwise provided in this Agreement, may be given or withheld by each Limited Partner in its sole and absolute discretion.

"*Consent of the Partners*" means the Consent of the General Partner and the Consent of a Majority in Interest of the Partners, which Consent shall be obtained prior to the taking of any action for which it is required by this Agreement and, except as otherwise provided in this Agreement, may be given or withheld by the General Partner or the Limited Partners in their sole and absolute discretion; *provided*, *however*, that, if any such action affects only certain classes or series of Partnership Interests, "Consent of the Partners" means the Consent of the General Partner and the Consent of a Majority in Interest of the Partners of the affected classes or series of Partnership Interests.

"*Constituent Person*" has the meaning set forth in Section 16.9(f) hereof.

"*Contributed Property*" means each Property or other asset, in such form as may be permitted by the Act, but excluding cash, contributed or deemed contributed to the Partnership (or deemed contributed by the Partnership to a "new" partnership pursuant to Code Section 708).

"*Controlled Entity*" means, as to any Partner, (a) any corporation more than fifty percent (50%) of the outstanding voting stock of which is owned by such Partner or such Partner's Family Members or Affiliates, (b) any trust, whether or not revocable, of which such Partner or such Partner's Family Members or Affiliates are the sole beneficiaries, (c) any partnership of which such Partner or its Affiliates are the managing partners and in which such Partner, such Partner's Family Members or Affiliates hold partnership interests representing at least twenty-five percent (25%) of such partnership's capital and profits and (d) any limited liability company of which such Partner or its Affiliates are the managers and in which such Partner, such Partner's Family Members or Affiliates hold membership interests representing at least twenty-five percent (25%) of such limited liability company's capital and profits.

"*Conversion Date*" has the meaning set forth in Section 16.9(b) hereof.

"*Conversion Notice*" has the meaning set forth in Section 16.9(b) hereof.

"*Conversion Right*" has the meaning set forth in Section 16.9(a) hereof.

"*Cut-Off Date*" means the fifth (5th) Business Day after the General Partner's receipt of a Notice of Redemption.

"*Debt*" means, as to any Person, as of any date of determination: (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services; (b) all amounts owed by such Person to banks or other Persons in respect of reimbursement obligations under letters of credit, surety bonds and other similar instruments guaranteeing payment or other performance of obligations by such Person; (c) all indebtedness for borrowed money or for the deferred purchase price of property or services secured by any lien on any property owned by such Person, to the extent attributable to such Person's interest in such property, even though such Person has not assumed or become liable for the payment thereof; and (d) lease obligations of such Person that, in accordance with generally accepted accounting principles, should be capitalized.

"*Depreciation*" means, for each Partnership Year or other applicable period, an amount equal to the federal income tax depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount that bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis; *provided*, *however*, that if the federal income tax depreciation, amortization or other cost recovery deduction for such year or other period is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the General Partner.

"*Disregarded Entity*" means, with respect to any Person, (i) any "qualified REIT subsidiary" (within the meaning of Code Section 856(i)(2)) of such Person, (ii) any entity treated as a disregarded entity for Federal income tax purposes with respect to such Person, or (iii) any grantor trust if the sole owner of the assets of such trust for Federal income tax purposes is such Person.

"*Distributed Right*" has the meaning set forth in the definition of "*Adjustment Factor*."

"*Economic Capital Account Balance*" means, with respect to a Holder of LTIP Units, its Capital Account balance, plus the amount of its share of any Partner Minimum Gain or Partnership Minimum Gain, in either case to the extent attributable to its ownership of LTIP Units.

"*ERISA*" means the Employee Retirement Income Security Act of 1974, as amended.

"*Equity Plan*" means any stock or equity purchase plan, restricted stock or equity plan or other similar equity compensation plan now or hereafter adopted by the Partnership or the General Partner, including the Plan.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and any successor statute thereto, and the rules and regulations of the SEC promulgated thereunder.

"*Family Members*" means, as to a Person that is an individual, such Person's spouse, ancestors, descendants (whether by blood or by adoption or step-descendants by

marriage), brothers and sisters, nieces and nephews and *inter vivos* or testamentary trusts (whether revocable or irrevocable) of which only such Person and his or her spouse, ancestors, descendants (whether by blood or by adoption or step-descendants by marriage), brothers and sisters and nieces and nephews are beneficiaries.

"*Final Adjustment*" has the meaning set forth in Section 10.3(b)(ii) hereof.

"*Forced Conversion*" has the meaning set forth in Section 16.9(c) hereof.

"*Forced Conversion Notice*" has the meaning set forth in Section 16.9(c) hereof.

"*Funding Debt*" means any Debt incurred by or on behalf of the General Partner for the purpose of providing funds to the Partnership.

"*General Partner*" means Orion Office REIT INC. and its successors and assigns as a general partner of the Partnership, in each case, that is admitted from time to time to the Partnership as a general partner, and has not ceased to be a general partner, pursuant to the Act and this Agreement, in such Person's capacity as a general partner of the Partnership.

"*General Partner Interest*" means the entire Partnership Interest held by a General Partner hereof, which Partnership Interest may be expressed as a number of Partnership Common Units, Partnership Preferred Units or any other Partnership Units.

"*Gross Asset Value*" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by a Partner to the Partnership shall be the gross fair market value of such asset on the date of contribution, as determined by the General Partner and agreed to by the contributing Person.

(b) The Gross Asset Values of all Partnership assets immediately prior to the occurrence of any event described in clauses (i) through (v) below shall be adjusted to equal their respective gross fair market values, as determined by the General Partner using such reasonable method of valuation as it may adopt, as of the following times:

(i) the acquisition of an additional interest in the Partnership (other than in connection with the execution of this Agreement but including, without limitation, acquisitions pursuant to Section 4.2 hereof or contributions or deemed contributions by the General Partner pursuant to Section 4.2 hereof) by a new or existing Partner in exchange for more than a *de minimis* Capital Contribution;

(ii) the distribution by the Partnership to a Partner of more than a *de minimis* amount of Partnership property as consideration for an interest in the Partnership;

(iii) the liquidation of the Partnership within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g);

(iv) the grant of an interest in the Partnership (other than a *de minimis* interest) as consideration for the provision of services to or for the benefit of the Partnership by an existing Partner acting in a partner capacity, or by a new Partner acting in a partner capacity or in anticipation of becoming a Partner of the Partnership (including the grant of an LTIP Unit; and

(v) at such other times as the General Partner shall reasonably determine necessary or advisable in order to comply with Regulations Sections 1.704-1(b) and 1.704-2.

(c) The Gross Asset Value of any Partnership asset distributed to a Partner shall be the gross fair market value of such asset on the date of distribution, as determined by the distributee and the General Partner; *provided*, *however*, that if the distributee is the General Partner or if the distributee and the General Partner cannot agree on such a determination, such gross fair market value shall be determined by Appraisal.

(d) The Gross Asset Values of Partnership assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m); *provided*, *however*, that Gross Asset Values shall not be adjusted pursuant to this subsection (d) to the extent that the General Partner reasonably determines that an adjustment pursuant to subsection (b) above is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this subsection (d).

(e) If the Gross Asset Value of a Partnership asset has been determined or adjusted pursuant to subsection (a), subsection (b) or subsection (d) above, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Net Income and Net Losses.

(f) If any unvested LTIP Units are forfeited, as described in Section 16.2(b), upon such forfeiture, the Gross Asset Value of the Partnership's assets shall be reduced by the amount of any reduction of such Partner's Capital Account attributable to the forfeiture of such LTIP Units.

"*Hart-Scott-Rodino Act*" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"*Holder*" means either (a) a Partner or (b) an Assignee owning a Partnership Interest.

"*Incapacity*" or "*Incapacitated*" means: (a) as to any Partner who is an individual, death, total physical disability or entry by a court of competent jurisdiction adjudicating such Partner incompetent to manage his or her person or his or her estate; (b) as to any Partner that is a corporation or limited liability company, the filing of a certificate of dissolution, or its equivalent, for the corporation or the revocation of its charter; (c) as to any Partner that is a partnership, the dissolution and commencement of winding up of the partnership; (d) as to any Partner that is an estate, the distribution by the fiduciary of the estate's entire interest in the Partnership; (e) as to any trustee of a trust that is a Partner, the termination of the trust (but not the substitution of a new trustee); or (f) as to any Partner, the bankruptcy of such Partner. For purposes of this definition, bankruptcy of a Partner shall be deemed to have occurred when (i) the Partner commences a voluntary proceeding seeking liquidation, reorganization or other relief of or against such Partner under any bankruptcy, insolvency or other similar law now or hereafter in effect, (ii) the Partner is adjudged as bankrupt or insolvent, or a final and non-appealable order for relief under any bankruptcy, insolvency or similar law now or hereafter in effect has been entered against the Partner, (iii) the Partner executes and delivers a general assignment for the benefit of the Partner's creditors, (iv) the Partner files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the Partner in any proceeding of the nature described in clause (ii) above, (v) the Partner seeks, consents to or acquiesces in the appointment of a trustee, receiver or Liquidator for the Partner or for all or any substantial part of the Partner's properties, (vi) any proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or other similar law now or hereafter in effect has not been dismissed within one hundred twenty (120) days after the commencement thereof, (vii) the appointment without the Partner's consent or acquiescence of a trustee, receiver or liquidator has not been vacated or stayed within ninety (90) days of such appointment, or (viii) an appointment referred to in clause (vii) above is not vacated within ninety (90) days after the expiration of any such stay.

"*Indemnitee*" means (a) any Person made, or threatened to be made, a party to a proceeding by reason of its status as (i) the General Partner or (ii) a director of the General Partner or an officer of the Partnership or the General Partner and (b) such other Persons (including Affiliates or employees of the General Partner or the Partnership) as the General Partner may designate from time to time (whether before or after the event giving rise to potential liability), in its sole and absolute discretion.

"*Initial Holding Period*" means, respect to any Partnership Common Units held by a Qualifying Party or any of their successors-in-interest, a period ending on the day before the first fourteen-month anniversary of such date that the Qualifying Party first became a Holder of such Partnership Common Units; provided, however, that the General Partner may, in its sole and absolute discretion, by written agreement with a Qualifying Party or any such successor-in-interest, shorten or lengthen the Initial Holding Period applicable to any Partnership Common Units, held by a Qualifying Party and/or its successors-in-interest to a period of shorter or longer than fourteen (14) months or six (6) months, as applicable. For sake of clarity, as applied to a Partnership Common Unit that is issued upon conversion of an LTIP Unit pursuant to Section 16.9 (and subject to the proviso in the immediately preceding sentence, if applicable), the Initial Holding Period of such Partnership Common Unit shall end on the day before the first fourteen-month anniversary of the date that the underlying LTIP Unit was first issued.

"*IRS*" means the United States Internal Revenue Service.

"*Limited Partner*" means any Person that is admitted from time to time to the Partnership as a limited partner, and has not ceased to be a limited partner pursuant to the Act and this Agreement, of the Partnership, including any Substituted Limited Partner or Additional Limited Partner, in such Person's capacity as a limited partner of the Partnership.

"*Limited Partner Interest*" means a Partnership Interest of a Limited Partner in the Partnership representing a fractional part of the Partnership Interests of all Limited Partners and includes any and all benefits to which the holder of such a Partnership Interest may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement. A Limited Partner Interest may be expressed as a number of Partnership Common Units, Partnership Preferred Units or other Partnership Units.

"*Liquidating Event*" has the meaning set forth in Section 13.1 hereof.

"*Liquidating Gains*" means any net gain realized in connection with the actual or hypothetical sale of all or substantially all of the assets of the Partnership (including upon the occurrence of any Liquidating Event or Terminating Capital Transaction), including but not limited to net gain realized in connection with an adjustment to the Gross Asset Value of Partnership assets under the definition of Gross Asset Value in Section 1 of this Agreement.

"*Liquidator*" has the meaning set forth in Section 13.2(a) hereof.

"*LTIP Unit Agreement*" means any written agreement(s) between the Partnership and any recipient of LTIP Units evidencing the terms and conditions of any LTIP Units, including any vesting, forfeiture and other terms and conditions as may apply to such LTIP Units, consistent with the terms hereof and of the Plan (or other applicable Equity Plan governing such LTIP Units).

"*LTIP Unit Distribution Payment Date*" has the meaning set forth in Section 16.4(c) hereof.

"*LTIP Units*" means the Partnership Units designated as such having the rights, powers, privileges, restrictions, qualifications and limitations set forth herein and in the Plan. LTIP Units can be issued in one or more classes, or one or more series of any such classes bearing such relationship to one another as to allocations, distributions, and other rights as the General Partner shall determine in its sole and absolute discretion subject to Maryland law and this Agreement.

"*Majority in Interest of the Limited Partners*" means Limited Partners (other than any Limited Partner fifty percent (50%) or more of whose equity is owned, directly or indirectly, by the General Partner) holding in the aggregate Percentage Interests that are greater than fifty percent (50%) of the aggregate Percentage Interests of all such Limited Partners entitled to Consent to or withhold Consent from a proposed action.

"*Majority in Interest of the Partners*" means Partners holding in the aggregate Percentage Interests that are greater than fifty percent (50%) of the aggregate Percentage Interests of all Partners entitled to Consent to or withhold Consent from a proposed action.

"*Market Price*" has the meaning set forth in the definition of "*Value*."

"*Maryland Courts*" has the meaning set forth in Section 15.9(b) hereof.

"*Net Income*" or "*Net Loss*" means, for each Partnership Year or other applicable period, an amount equal to the Partnership's taxable income or loss for such year or other applicable period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(a) Any income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Net Income (or Net Loss) pursuant to this definition of "Net Income" or "Net Loss" shall be added to (or subtracted from, as the case may be) such taxable income (or loss);

(b) Any expenditure of the Partnership described in Code Section 705(a)(2)(B) or treated as a Code Section 705(a)(2)(B) expenditure pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Income (or Net Loss) pursuant to this definition of "Net Income" or "Net Loss," shall be subtracted from (or added to, as the case may be) such taxable income (or loss);

(c) In the event the Gross Asset Value of any Partnership asset is adjusted pursuant to subsection (b) or subsection (c) of the definition of "Gross Asset Value," the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Net Income or Net Loss;

(d) Gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(e) In lieu of the depreciation, amortization and other cost recovery deductions that would otherwise be taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Partnership Year or other applicable period;

(f) To the extent that an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Partner's interest in the Partnership, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Net Income or Net Loss; and

(g) Notwithstanding any other provision of this definition of "Net Income" or "Net Loss," any item that is specially allocated pursuant to Article 6 hereof shall not be taken into account in computing Net Income or Net Loss. The amounts of the items of Partnership income, gain, loss or deduction available to be specially allocated pursuant to Section 6.3 or 6.4 hereof shall be determined by applying rules analogous to those set forth in this definition of "Net Income" or "Net Loss."

"*New Securities*" means (a) any rights, options, warrants or convertible or exchangeable securities having the right to subscribe for or purchase REIT Shares or Preferred Shares, excluding grants under the Stock Option Plans, or (b) any Debt issued by the General Partner that provides any of the rights described in clause (a).

"*Nonrecourse Deductions*" has the meaning set forth in Regulations Section 1.704-2(b)(1), and the amount of Nonrecourse Deductions for a Partnership Year shall be determined in accordance with the rules of Regulations Section 1.704-2(c).

"*Nonrecourse Liability*" has the meaning set forth in Regulations Sections 1.704-2(b)(3) and 1.752-1(a)(2).

"*Notice of Redemption*" means the Notice of Redemption substantially in the form of Exhibit B attached to this Agreement.

"*Optionee*" means a Person to whom a stock option is granted under any Stock Option Plan.

"*Original Limited Partner*" means any Person that is a Limited Partner as of the close of business on the date of the closing of the issuance of REIT Shares pursuant to the initial offering of REIT Shares, and does not include any Assignee or other transferee, including, without limitation, any Substituted Limited Partner succeeding to all or any part of the Partnership Interest of any such Person.

"*Ownership Limit*" means the restriction or restrictions on the ownership and transfer of stock of the General Partner imposed under the Charter.

"*Partner*" means the General Partner or a Limited Partner, and "*Partners*" means the General Partner and the Limited Partners.

"*Partner Minimum Gain*" means an amount, with respect to each Partner Nonrecourse Debt, equal to the Partnership Minimum Gain that would result if such Partner Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Regulations Section 1.704-2(i)(3).

"*Partner Nonrecourse Debt*" has the meaning set forth in Regulations Section 1.704-2(b)(4).

"*Partner Nonrecourse Deductions*" has the meaning set forth in Regulations Section 1.704-2(i)(1), and the amount of Partner Nonrecourse Deductions with respect to a Partner Nonrecourse Debt for a Partnership Year shall be determined in accordance with the rules of Regulations Section 1.704-2(i)(2).

"*Partnership*" means the limited partnership formed and continued under the Act and pursuant to this Agreement, and any successor thereto.

"*Partnership Common Unit*" means a fractional, undivided share of the Partnership Interests of all Partners issued pursuant to Sections 4.1 and 4.2 hereof, but does not include any Partnership Preferred Unit, LTIP Unit or any other Partnership Unit specified in a Partnership Unit Designation as being other than a Partnership Common Unit.

"*Partnership Employee*" means an employee or other service provider of the Partnership or of a Subsidiary of the Partnership, if any, acting in such capacity.

"*Partnership Equivalent Units*" has the meaning set forth in Section 4.7(a) hereof.

"*Partnership Interest*" means an ownership interest in the Partnership held by either a Limited Partner or a General Partner and includes any and all benefits to which the holder of such a Partnership Interest may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement. There may be one or more classes or series of Partnership Interests. A Partnership Interest may be expressed as a number of Partnership Common Units, Partnership Preferred Units or other Partnership Units; however, notwithstanding that the General Partner, and any Limited Partner may have different rights and privileges as specified in this Agreement (including differences in rights and privileges with respect to their Partnership Interests), the Partnership Interest held by the General Partner or any other Partner and designated as being of a particular class or series shall not be deemed to be a separate class or series of Partnership Interest from a Partnership Interest having the same designation as to class and series that is held by any other Partner solely because such Partnership Interest is held by the General Partner or any other Partner having different rights and privileges as specified under this Agreement. A Partnership Interest may be expressed as a number of Partnership Common Units, Partnership Preferred Units or other Partnership Units.

"*Partnership Minimum Gain*" has the meaning set forth in Regulations Section 1.704-2(b)(2), and the amount of Partnership Minimum Gain, as well as any net increase or decrease in Partnership Minimum Gain, for a Partnership Year shall be determined in accordance with the rules of Regulations Section 1.704-2(d).

"*Partnership Preferred Unit*" means a fractional, undivided share of the Partnership Interests of a particular class or series that the General Partner has authorized pursuant to Section 4.2 hereof that has distribution rights, or rights upon liquidation, winding up and dissolution, that are superior or prior to the Partnership Common Units.

"*Partnership Record Date*" means the record date established by the General Partner for the purpose of determining the Partners entitled to notice of or to vote at any meeting of Partners or to consent to any matter, or to receive any distribution or the allotment of any other rights, or in order to make a determination of Partners for any other proper purpose, which, in the case of a distribution of Available Cash pursuant to Section 5.1 hereof, shall generally be the same as the record date established by the General Partner for a distribution to its stockholders of some or all of its portion of such distribution.

"*Partnership Unit*" means a Partnership Common Unit, a Partnership Preferred Unit, a LTIP Unit or any other unit of the fractional, undivided share of the Partnership Interests that the General Partner has authorized pursuant to Section 4.2 hereof.

"*Partnership Unit Designation*" shall have the meaning set forth in Section 4.2(a) hereof.

"*Partnership Year*" means the fiscal year of the Partnership, which shall be the calendar year.

"*Percentage Interest*" means, with respect to each Partner, the fraction, expressed as a percentage, the numerator of which is the aggregate number of Partnership Units of all classes and series held by such Partner and the denominator of which is the total number of Partnership Units of all classes and series held by all Partners; *provided*, *however*, that, to the extent applicable in context, the term "Percentage Interest" means, with respect to a Partner, the fraction, expressed as a percentage, the numerator of which is the aggregate number of Partnership Units of a specified class or series (or specified group of classes and/or series) held by such Partner and the denominator of which is the total number of Partnership Units of such specified class or series (or specified group of classes and/or series) held by all Partners.

"*Permitted Transfer*" has the meaning set forth in Section 11.3(a) hereof.

"*Person*" means an individual or a corporation, partnership, trust, unincorporated organization, association, limited liability company or other entity.

"*Plan*" means the Orion Office REIT Inc. 2021 Equity Incentive Plan.

"*Pledge*" has the meaning set forth in Section 11.3(a) hereof.

"*Preferred Share*" means a share of stock of the General Partner of any class or series now or hereafter authorized or reclassified that has dividend rights, or rights upon liquidation, winding up and dissolution, that are superior or prior to the REIT Shares.

"*Properties*" means any assets and property of the Partnership such as, but not limited to, interests in real property and personal property, including, without limitation, fee interests, interests in ground leases, easements and rights of way, interests in limited liability companies, joint ventures or partnerships, interests in mortgages, and Debt instruments as the Partnership may hold from time to time and "Property" means any one such asset or property.

"*Proposed Section 83 Safe Harbor Regulation*" has the meaning set forth in Section 16.11 hereof.

"*Qualified Transferee*" means an "accredited investor" as defined in Rule 501 promulgated under the Securities Act.

"*Qualifying Party*" means (a) a Limited Partner, (b) an Assignee or (c) a Person, including a lending institution as the pledgee of a Pledge, who is the transferee of a Limited Partner Interest in a Permitted Transfer; *provided*, *however*, that a Qualifying Party shall not include the General Partner.

"*Redemption*" has the meaning set forth in Section 15.1(a) hereof.

"*Regulations*" means the income tax regulations under the Code, whether such regulations are in proposed, temporary or final form, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"*Regulatory Allocations*" has the meaning set forth in Section 6.4(a)(viii) hereof.

"*REIT*" means a real estate investment trust qualifying under Code Section 856.

"*REIT Partner*" means (a) the General Partner or any Affiliate of the General Partner to the extent such person has in place an election to qualify as a REIT and, (b) any Disregarded Entity with respect to any such Person.

"*REIT Payment*" has the meaning set forth in Section 15.12 hereof.

"*REIT Requirements*" has the meaning set forth in Section 5.1 hereof.

"*REIT Share*" means a share of common stock of the General Partner, $0.01 par value per share, but shall not include any class or series of the General Partner's common stock classified after the date of this Agreement.

"*REIT Shares Amount*" means a number of REIT Shares equal to the product of (a) the number of Tendered Units and (b) the Adjustment Factor; *provided*, *however*, that, in the event that the General Partner issues to all holders of REIT Shares as of a certain record date rights, options, warrants or convertible or exchangeable securities entitling the General Partner's stockholders to subscribe for or purchase REIT Shares, or any other securities or property (collectively, the "*Rights*"), with the record date for such Rights issuance falling within the period starting on the date of the Notice of Redemption and ending on the day immediately preceding the Specified Redemption Date, which Rights will not be distributed before the relevant Specified Redemption Date, then the REIT Shares Amount shall also include such Rights that a holder of that number of REIT Shares would be entitled to receive, expressed, where relevant hereunder, in a number of REIT Shares determined by the General Partner.

"*Related Party*" means, with respect to any Person, any other Person to whom ownership of shares of the General Partner's stock by the first such Person would be attributed under Code Section 544 (as modified by Code Section 856(h)(1)(B)) or Code Section 318(a) (as modified by Code Section 856(d)(5)).

"*Rights*" has the meaning set forth in the definition of "*REIT Shares Amount*."

"*Safe Harbors*" has the meaning set forth in Section 11.3(c) hereof.

"*SDAT*" means the State Department of Assessments and Taxation of Maryland.

"*SEC*" means the Securities and Exchange Commission.

"*Section 83 Safe Harbor*" has the meaning set forth in Section 16.11 hereof.

"*Securities Act*" means the Securities Act of 1933, as amended, and any successor statute thereto, and the rules and regulations of the SEC promulgated thereunder.

"*Special Redemption*" has the meaning set forth in Section 15.1(a) hereof.

"*Specified Redemption Date*" means the tenth (10th) Business Day after the receipt by the General Partner of a Notice of Redemption;*provided*, *however*, that no Specified Redemption Date shall occur during the first Initial Holding Period (except pursuant to a Special Redemption).

"*Stock Option Plans*" means any stock option plan now or hereafter adopted by the Partnership or the General Partner.

"*Subsidiary*" means, with respect to any Person, any corporation or other entity of which a majority of (a) the voting power of the voting equity securities or (b) the outstanding equity interests is owned, directly or indirectly, by such Person; *provided*, *however*, that, with respect to the Partnership, "Subsidiary" means solely a partnership or limited liability company (taxed, for federal income tax purposes, as a partnership or as a Disregarded Entity and not as an association or publicly traded partnership taxable as a corporation) of which the Partnership is a member or any "taxable REIT subsidiary" of the General Partner in which the Partnership owns shares of stock, unless the ownership of shares of stock of a corporation or other entity (other than a "*taxable REIT subsidiary*") will not jeopardize the General Partner's status as a REIT or any General Partner Affiliate's status as a "qualified REIT subsidiary" (within the meaning of Code Section 856(i)(2)), in which event the term "Subsidiary" shall include such corporation or other entity.

"*Substituted Limited Partner*" means a Person who is admitted as a Limited Partner to the Partnership pursuant to the Act and (a) Section 11.4 hereof or (b) pursuant to any Partnership Unit Designation.

"*Surviving Partnership*" has the meaning set forth in Section 11.2(b)(ii) hereof.

"*Tax Items*" has the meaning set forth in Section 6.5(a) hereof.

"*Tendered Units*" has the meaning set forth in Section 15.1(a) hereof.

"*Tendering Party*" has the meaning set forth in Section 15.1(a) hereof.

"*Terminating Capital Transaction*" means any sale or other disposition of all or substantially all of the assets of the Partnership or a related series of transactions that, taken together, result in the sale or other disposition of all or substantially all of the assets of the Partnership, in any case, not in the ordinary course of the Partnership's business.

"*Termination Transaction*" has the meaning set forth in Section 11.2(b) hereof.

"*Transfer*" means any sale, assignment, bequest, conveyance, devise, gift (outright or in trust), Pledge, encumbrance, hypothecation, mortgage, exchange, transfer or other disposition or act of alienation, whether voluntary, involuntary or by operation of law; *provided*, *however*, that when the term is used in Article 11 hereof, except as otherwise expressly provided, "Transfer" does not include (a) any Redemption of Partnership Common Units by the Partnership, or acquisition of Tendered Units by the General Partner, pursuant to Section 15.1, (b) any conversion of LTIP Units into Common Units pursuant to Section 16.9 hereof or (c) any redemption of Partnership Units pursuant to any Partnership Unit Designation. The terms "Transferred" and "Transferring" have correlative meanings.

"*Valuation Date*" means the date of receipt by the General Partner of a Notice of Redemption pursuant to Section 15.1 herein, or such other date as specified herein, or, if such date is not a Business Day, the immediately preceding Business Day.

"*Value*" means, on any Valuation Date with respect to a REIT Share, the average of the daily Market Prices for ten (10) consecutive trading days immediately preceding the Valuation Date (except that the Market Price for the trading day immediately preceding the date of exercise of a stock option under any Stock Option Plans shall be substituted for such average of daily market prices for purposes of Section 4.4 hereof). The term "*Market Price*" on any date means, with respect to any class or series of outstanding REIT Shares, the Closing Price for such REIT Shares on such date. The "*Closing Price*" on any date means the last sale price for such REIT Shares, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, for such REIT Shares, in either case as reported on the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which such REIT Shares are listed or admitted to trading or, if such REIT Shares are not listed or admitted to trading on any national securities exchange, the last quoted price, or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the National Association of Securities Dealers, Inc. Automated Quotation System or, if such system is no longer in use, the principal other automated quotation system that may then be in use or, if such REIT Shares are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in such REIT Shares selected by the Board of Directors or, in the event that no trading price is available for such REIT Shares, the fair market value of the REIT Shares, as determined by the Board of Directors.

In the event that the REIT Shares Amount includes Rights that a holder of REIT Shares would be entitled to receive, then the Value of such Rights shall be determined by the General Partner on the basis of such quotations and other information as it considers appropriate.

"*Vested LTIP Units*" has the meaning set forth in Section 16.2(a) hereof.

"*Vesting Agreement*" has the meaning set forth in Section 16.2(a) hereof.

ARTICLE 2
ORGANIZATIONAL MATTERS

Section 2.1 *Formation*. The Partnership is a limited partnership heretofore formed and continued pursuant to the provisions of the Act and upon the terms and subject to the conditions set forth in this Agreement. Except as expressly provided herein to the contrary, the rights and obligations of the Partners and the administration and termination of the Partnership shall be governed by the Act. The Partnership Interest of each Partner shall be personal property for all purposes.

Section 2.2 *Name*. The name of the Partnership is "Orion Office REIT LP" The Partnership's business may be conducted under any other name or names deemed advisable by the General Partner, including the name of the General Partner or any Affiliate thereof. The words "Limited Partnership," "L.P.," "Ltd." or similar words or letters shall be included in the Partnership's name where necessary for the purposes of complying with the laws of any jurisdiction that so requires. The General Partner in its sole and absolute discretion may change the name of the Partnership at any time and from time to time and shall notify the Partners of such change in the next regular communication to the Partners.

Section 2.3 *Principal Office and Resident Agent; Principal Executive Office.* The address of the principal office of the Partnership in the State of Maryland is located at c/o CSC-Lawyers Incorporating Service Company, 7 St. Paul Street, Suite 820, Baltimore, Maryland 21202, or such other place within the State of Maryland as the General Partner may from time to time designate, and the resident agent of the Partnership in the State of Maryland is a Maryland corporation, or such other resident of the State of Maryland as the General Partner may from time to time designate. The principal office of the Partnership is located at c/o Orion Office REIT Inc., 2325 E. Camelback Road, Floor 8, Phoenix, AZ 85016, or such other place as the General Partner may from time to time designate by notice to the Limited Partners. The Partnership may maintain offices at such other place or places within or outside the State of Maryland as the General Partner may from time to time designate.

Section 2.4 *Power of Attorney*.

(a)Each Limited Partner and Assignee hereby irrevocably constitutes and appoints the General Partner, any Liquidator, and authorized officers and attorneys-in-fact of each, and each of those acting singly, in each case with full power of substitution, as its true and lawful agent and attorney-in-fact, with full power and authority in its name, place and stead to:

(i)execute, swear to, seal, acknowledge, deliver, file and record in the appropriate public offices: (A) all certificates, documents and other instruments (including, without limitation, this Agreement and the Certificate and all amendments, supplements or restatements thereof) that the General Partner or the Liquidator deems appropriate or necessary to form, qualify or continue the existence or qualification of the Partnership as a limited partnership (or a partnership in which the limited partners have limited liability to the extent provided by applicable law) in the State of Maryland and in all other jurisdictions in which the Partnership may conduct business or own property; (B) all instruments that the General Partner or any Liquidator deems appropriate or necessary to reflect any amendment, change, modification or restatement of this Agreement in accordance with its terms; (C) all conveyances and other instruments or documents that the General Partner or the Liquidator deems appropriate or necessary to reflect the dissolution and liquidation of the Partnership pursuant to the terms of this Agreement, including, without limitation, a certificate of cancellation; (D) all conveyances and other instruments or documents that the General Partner or the Liquidator deems appropriate or necessary to reflect the distribution or exchange of assets of the Partnership pursuant to the terms of this Agreement; (E) all instruments relating to the admission, acceptance, withdrawal, removal or substitution of any Partner pursuant to the terms of this Agreement or the Capital Contribution of any Partner; and (F) all certificates, documents and other instruments relating to the determination of the rights, preferences and privileges relating to Partnership Interests; and

(ii)execute, swear to, acknowledge and file all ballots, consents, approvals, waivers, certificates and other instruments appropriate or necessary, in the sole and absolute discretion of the General Partner or any Liquidator, to make, evidence, give, confirm or ratify any vote, consent, approval, agreement or other action that is made or given by the Partners hereunder or is consistent with the terms of this Agreement.

Nothing contained herein shall be construed as authorizing the General Partner or any Liquidator to amend this Agreement except in accordance with Section 14.2 hereof or as may be otherwise expressly provided for in this Agreement.

(b)The foregoing power of attorney is hereby declared to be irrevocable and a special power coupled with an interest, in recognition of the fact that each of the Limited Partners and Assignees will be relying upon the power of the General Partner or the Liquidator to act as contemplated by this Agreement in any filing or other action by it on behalf of the Partnership, and it shall survive and not be affected by the subsequent Incapacity of any Limited Partner or Assignee and the Transfer of all or any portion of such Person's Partnership Interest and shall extend to such Person's heirs, successors, assigns and personal representatives. Each such Limited Partner and Assignee hereby agrees to be bound by any representation made by the General Partner or the Liquidator, acting in good faith pursuant to such power of attorney; and each such Limited Partner and Assignee hereby waives any and all defenses that may be available to contest, negate or disaffirm the action of the General Partner or the Liquidator, taken in good faith under such power of attorney. Each Limited Partner and Assignee shall execute and deliver to the General Partner or the Liquidator, within fifteen (15) days after receipt of the General Partner's or the Liquidator's request therefor, such further designation, powers of attorney and other instruments as the General Partner or the Liquidator (as the case may be) deems necessary to effectuate this Agreement and the purposes of the Partnership. Notwithstanding anything else set forth in this Section 2.4(b), no Limited Partner shall incur any personal liability for any action of the General Partner or the Liquidator taken under such power of attorney.

Section 2.5 *Term*. The term of the Partnership commenced on July 30, 2021, the date that the original Certificate was accepted for record by the SDAT in accordance with the Act, and shall continue indefinitely unless the Partnership is dissolved sooner pursuant to the provisions of Article 13 hereof or as otherwise provided by law.

Section 2.6 *Partnership Interests Are Securities*. All Partnership Interests shall be securities within the meaning of, and governed by, (a) Article 8 of the Maryland Uniform Commercial Code and (b) Article 8 of the Uniform Commercial Code of any other applicable jurisdiction.

ARTICLE 3
PURPOSE

Section 3.1 *Purpose and Business.* The purpose and nature of the Partnership is to conduct any business, enterprise or activity permitted by or under the Act, including, without limitation, (a) to conduct the business of ownership, construction, reconstruction, development, redevelopment, alteration, improvement, maintenance, operation, sale, leasing, transfer, encumbrance, conveyance and exchange of the Properties, (b) to acquire and invest in any securities and/or loans relating to the Properties, (c) to enter into any partnership, joint venture, business trust arrangement, limited liability company or other similar arrangement to engage in any business permitted by or under the Act, or to own interests in any entity engaged in any business permitted by or under the Act, (d) to conduct the business of providing property and asset management and brokerage services, whether directly or through one or more partnerships, joint ventures, Subsidiaries, business trusts, limited liability companies or similar arrangements, and (e) to do anything necessary or incidental to the foregoing.

Section 3.2 *Powers*. The Partnership shall be empowered to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of the purposes and business described herein and for the protection and benefit of the Partnership including, without limitation, full power and authority, directly or through its ownership interest in other entities, to enter into, perform and carry out contracts of any kind, to borrow and lend money and to issue evidence of indebtedness, whether or not secured by mortgage, deed of trust, pledge or other lien, to acquire, own, manage, improve and develop real property and lease, sell, transfer and dispose of real property.

Section 3.3 *Partnership Only for Purposes Specified.* The Partnership shall be a limited partnership formed pursuant to the Act, and this Agreement shall not be deemed to create a company, venture or partnership between or among the Partners or any other Persons with respect to any activities whatsoever other than the activities within the purposes of the Partnership as specified in Section 3.1 hereof; however, to the extent applicable, the Partnership is a "partnership at will" (and is not a partnership formed for a definite term or particular undertaking) within the meaning of the Act. Except as otherwise provided in this Agreement, no Partner shall have any authority to act for, bind, commit or assume any obligation or responsibility on behalf of the Partnership, its properties or any other Partner. No Partner, in its capacity as a Partner under this Agreement, shall be responsible or liable for any indebtedness or obligation of another Partner, nor shall the Partnership be responsible or liable for any indebtedness or obligation of any Partner, incurred either before or after the execution and delivery of this Agreement by such Partner, except as to those responsibilities, liabilities, indebtedness or obligations incurred pursuant to and as limited by the terms of this Agreement and the Act.

Section 3.4 *Representations and Warranties by the Partners.*

(a)Each Partner that is an individual (including, without limitation, each Additional Limited Partner or Substituted Limited Partner as a condition to becoming an

Additional Limited Partner or a Substituted Limited Partner) represents and warrants to, and covenants with, each other Partner that (i) the consummation of the transactions contemplated by this Agreement to be performed by such Partner will not result in a breach or violation of, or a default under, any material agreement by which such Partner or any of such Partner's property is bound, or any statute, regulation, order or other law to which such Partner is subject, (ii) if five percent (5%) or more (by value) of the Partnership's interests are or will be owned by such Partner within the meaning of Code Section 7704(d)(3), such Partner does not, and for so long as it is a Partner will not, own, directly or indirectly, (A) stock of any corporation that is a tenant of (I) the General Partner or any Disregarded Entity with respect to the General Partner, (II) the Partnership or (III) any partnership, venture or limited liability company of which the General Partner, any Disregarded Entity with respect to the General Partner, or the Partnership is a direct or indirect member or (B) an interest in the assets or net profits of any non-corporate tenant of (I) the General Partner or any Disregarded Entity with respect to the General Partner, (II) the Partnership or (III) any partnership, venture, or limited liability company of which the General Partner, any Disregarded Entity with respect to the General Partner, or the Partnership is a direct or indirect member, (iii) such Partner has the legal capacity to enter into this Agreement and perform such Partner's obligations hereunder, and (iv) this Agreement is binding upon, and enforceable against, such Partner in accordance with its terms. Notwithstanding the foregoing, a Partner that is an individual shall not be subject to the ownership restrictions set forth in clause (ii) of the immediately preceding sentence to the extent such Partner obtains the written Consent of the General Partner prior to violating any such restrictions, which consent the General Partner may give or withhold in its sole and absolute discretion. Each Partner that is an individual shall also represent and warrant to the Partnership that such Partner is neither a "foreign person" within the meaning of Code Section 1445(f) nor a foreign partner within the meaning of Code Section 1446(e).

(b)Each Partner that is not an individual (including, without limitation, each Additional Limited Partner or Substituted Limited Partner as a condition to becoming an Additional Limited Partner or a Substituted Limited Partner) represents and warrants to, and covenants with, each other Partner that (i) all transactions contemplated by this Agreement to be performed by it have been duly authorized by all necessary action, including, without limitation, that of its general partner(s), committee(s), trustee(s), beneficiaries, directors and/or stockholder(s) (as the case may be) as required, (ii) the consummation of such transactions shall not result in a breach or violation of, or a default under, its partnership or operating agreement, trust agreement, charter or bylaws (as the case may be) any material agreement by which such Partner or any of such Partner's properties or any of its partners, members, beneficiaries, trustees or stockholders (as the case may be) is or are bound, or any statute, regulation, order or other law to which such Partner or any of its partners, members, trustees, beneficiaries or stockholders (as the case may be) is or are subject, (iii) if five percent (5%) or more (by value) of the Partnership's interests are or will be owned by such Partner within the meaning of Code Section 7704(d)(3), such Partner does not, and for so long as it is a Partner will not, own, directly or indirectly, (A) stock of any corporation that is a tenant of (I) the General Partner or any Disregarded Entity with respect to the General Partner, (II) the Partnership or (III) any partnership, venture or limited liability company of which the General Partner, any General Partner, any Disregarded Entity with respect to the General Partner, or the Partnership is a direct or indirect member or (B) an interest in the assets or net profits of any non-corporate tenant of (I) the General Partner, or any Disregarded Entity with respect to the General Partner, (II) the Partnership or (III) any partnership, venture or limited liability company for which the General Partner, any General Partner, any Disregarded Entity with respect to the General Partner, or the Partnership is a direct or indirect member, and (iv) this Agreement is binding upon, and enforceable against, such Partner in accordance with its terms. Notwithstanding the foregoing, a Partner that is not an individual shall not be subject to the ownership restrictions set forth in clause (iii) of the immediately preceding sentence to the extent such Partner obtains the written Consent of the General Partner prior to violating any such restrictions, which consent the General Partner may give or withhold in its sole and absolute discretion. Each Partner that is not an individual shall also represent and warrant to the Partnership that such Partner is neither a "foreign person" within the meaning of Code Section 1445(f) nor a foreign partner within the meaning of Code Section 1446(e).

(c)Each Partner (including, without limitation, each Additional Limited Partner or Substituted Limited Partner as a condition to becoming an Additional Limited Partner or Substituted Limited Partner) represents, warrants and agrees that (i) it has acquired and continues to hold its interest in the Partnership for its own account for investment purposes only and not for the purpose of, or with a view toward, the resale or distribution of all or any part thereof in violation of applicable laws, and not with a view toward selling or otherwise distributing such interest or any part thereof at any particular time or under any predetermined circumstances in violation of applicable laws and (ii) it is a sophisticated investor, able and accustomed to handling sophisticated financial matters for itself, particularly real estate investments, and that it has a sufficiently high net worth that it does not anticipate a need for the funds that it has invested in the Partnership in what it understands to be a highly speculative and illiquid investment.

(d)The representations and warranties contained in Sections 3.4(a), 3.4(b) and 3.4(c) hereof shall survive the execution and delivery of this Agreement by each Partner (and, in the case of an Additional Limited Partner or a Substituted Limited Partner, the admission of such Additional Limited Partner or Substituted Limited Partner as a Limited Partner in the Partnership) and the dissolution, liquidation and termination of the Partnership.

(e)Each Partner (including, without limitation, each Additional Limited Partner or Substituted Limited Partner as a condition to becoming an Additional Limited Partner or Substituted Limited Partner) hereby acknowledges that no representations as to potential profit, cash flows, funds from operations or yield, if any, in respect of the Partnership or the General Partner have been made by any Partner or any employee or representative or Affiliate of any Partner, and that projections and any other information, including, without limitation, financial and descriptive information and documentation, that may have been in any manner submitted to such Partner shall not constitute any representation or warranty of any kind or nature, express or implied.

(f)Notwithstanding the foregoing, the General Partner may, in its sole and absolute discretion, permit the modification of any of the representations and warranties contained in Sections 3.4(a), 3.4(b) and 3.4(c) above as applicable to any Partner (including, without limitation any Additional Limited Partner or Substituted Limited Partner or any transferee of either), *provided* that such representations and warranties, as modified, shall be set forth in either (i) a Partnership Unit Designation applicable to the Partnership Units held by such Partner or (ii) a separate writing addressed to the Partnership and the General Partner.

ARTICLE 4
CAPITAL CONTRIBUTIONS

Section 4.1 *Capital Contributions of the Partners.* The Partners have heretofore made Capital Contributions to the Partnership. Except as provided by law or in Section 4.2, 4.3, or 10.4 hereof, the Partners shall have no obligation or, except with the prior Consent of the General Partner, right to make any additional Capital Contributions or loans to the Partnership. The General Partner shall cause to be maintained in the principal business office of the Partnership, or such other place as may be determined by the General Partner, the books and records of the Partnership, which shall include, among other things, a register containing the name, address, and number, class and series of Partnership Units of each Partner, and such other information as the General Partner may deem necessary or desirable (the "*Register*"). The Register shall not be part of this Agreement. The General Partner shall from time to time update the Register as necessary to accurately reflect the information therein, including as a result of any sales, exchanges or other Transfers, or any redemptions, issuances or similar events involving Partnership Units. Any reference in this Agreement to the Register shall be deemed a reference to the Register as in effect from time to time. Subject to the terms of this Agreement, the General Partner may take any action authorized hereunder in respect of the Register without any need to obtain the consent or approval of any other Partner. No action of any Limited Partner shall be required to amend or update the Register. Except as required by law, no Limited Partner shall be entitled to receive a copy of the information set forth in the Register relating to any Partner other than itself.

Section 4.2 *Issuances of Additional Partnership Interests*. Subject to the rights of any Holder of any Partnership Interest set forth in a Partnership Unit Designation:

(a) *General*. The General Partner is hereby authorized to cause the Partnership to issue additional Partnership Interests, in the form of Partnership Units, for any Partnership purpose, at any time or from time to time, to the Partners (including the General Partner) or to other Persons, and to admit such Persons as Additional Limited

Partners, for such consideration and on such terms and conditions as shall be established by the General Partner in its sole and absolute discretion, all without the approval of any Limited Partner or any other Person. Without limiting the foregoing, the General Partner is expressly authorized to cause the Partnership to issue Partnership Units (i) upon the conversion, redemption or exchange of any Debt, Partnership Units, or other securities issued by the Partnership, (ii) for less than fair market value, (iii) for no consideration, (iv) in connection with any merger of any other Person into the Partnership or (v) upon the contribution of property or assets to the Partnership. Any additional Partnership Interests may be issued in one or more classes, or one or more series of any of such classes, with such designations, preferences, conversion or other rights, voting powers or rights, restrictions, limitations as to distributions, qualifications or terms or conditions of redemption (including, without limitation, terms that may be senior or otherwise entitled to preference over existing Partnership Units) as shall be determined by the General Partner, in its sole and absolute discretion without the approval of any Limited Partner or any other Person, and set forth in a written document thereafter attached to and made an exhibit to this Agreement, which exhibit shall be an amendment to this Agreement and shall be incorporated herein by this reference (each, a "*Partnership Unit Designation*"), without the approval of any Limited Partner or any other Person. Without limiting the generality of the foregoing, the General Partner shall have authority to specify: (A) the allocations of items of Partnership income, gain, loss, deduction and credit to each such class or series of Partnership Interests; (B) the right of each such class or series of Partnership Interests to share (on a *pari passu*, junior or preferred basis) in Partnership distributions; (C) the rights of each such class or series of Partnership Interests upon dissolution and liquidation of the Partnership; (D) the voting rights, if any, of each such class or series of Partnership Interests; and (E) the conversion, redemption or exchange rights applicable to each such class or series of Partnership Interests. Except as expressly set forth in any Partnership Unit Designation or as may otherwise be required under the Act, a Partnership Interest of any class or series other than a Partnership Common Unit shall not entitle the holder thereof to vote on, or consent to, any matter. Upon the issuance of any additional Partnership Interest, the General Partner shall update the Register and the books and records of the Partnership as appropriate to reflect such issuance.

(b) *Issuances of LTIP Units*. Without limiting the generality of the foregoing, from time to time, the General Partner is hereby authorized to issue LTIP Units to Persons providing services to or for the benefit of the Partnership for such consideration or for no consideration as the General Partner may determine to be appropriate and on such terms and conditions as shall be established by the General Partner, and admit such Persons as Limited Partners. Except to the extent a Capital Contribution is made with respect to an LTIP Unit, each LTIP Unit is intended to qualify as a profits interest in the Partnership within the meaning of the Code, the Regulations, and any published guidance by the IRS with respect thereto. Except as may be provided from time to time by the General Partner with respect to one or more series of LTIP Units, LTIP Units shall be have the terms set forth in Article 16.

(c) *Issuances to the General Partner*. No additional Partnership Units shall be issued to the General Partner unless (i) the additional Partnership Units are issued to all Partners holding Partnership Common Units in proportion to their respective Percentage Interests in Partnership Common Units, (ii) (A) the additional Partnership Units are (I) Partnership Common Units issued in connection with an issuance of REIT Shares, or (II) Partnership Equivalent Units (other than Partnership Common Units) issued in connection with an issuance of Preferred Shares, New Securities or other interests in the General Partner (other than REIT Shares), and (B) the General Partner contributes to the Partnership the cash proceeds or other consideration received in connection with the issuance of such REIT Shares, Preferred Shares, New Securities or other interests in the General Partner; (iii) the additional Partnership Units are issued upon the conversion, redemption or exchange of Debt, Partnership Units or other securities issued by the Partnership or (iv) the additional Partnership Units are issued pursuant to Section 4.3(b), Section 4.3(e), Section 4.4 or Section 4.5.

(d) *No Preemptive Rights.* Except as expressly provided in this Agreement or in any Partnership Unit Designation, no Person, including, without limitation, any Partner or Assignee, shall have any preemptive, preferential, participation or similar right or rights to subscribe for or acquire any Partnership Interest.

Section 4.3 *Additional Funds and Capital Contributions.*

(a) *General*. The General Partner may, at any time and from time to time, determine that the Partnership requires additional funds ("*Additional Funds*") for the acquisition or development of additional Properties, for the redemption of Partnership Units or for such other purposes as the General Partner may determine, in its sole and absolute discretion. Additional Funds may be obtained by the Partnership, at the election of the General Partner, in any manner provided in, and in accordance with, the terms of this Section 4.3 without the approval of any Limited Partner or any other Person.

(b) *Additional Capital Contributions*. The General Partner, on behalf of the Partnership, may obtain any Additional Funds by accepting Capital Contributions from any Partners or other Persons. In connection with any such Capital Contribution (of cash or property), the General Partner is hereby authorized to cause the Partnership from time to time to issue additional Partnership Units (as set forth in Section 4.2 above) in consideration therefor and the Percentage Interests of the General Partner and the Limited Partners shall be adjusted to reflect the issuance of such additional Partnership Units.

(c) *Loans by Third Parties*. The General Partner, on behalf of the Partnership, may obtain any Additional Funds by causing the Partnership to incur Debt to any Person (other than the General Partner (but, for this purpose, disregarding any Debt that may be deemed incurred to the General Partner by virtue of clause (iii) of the definition of Debt)) upon such terms as the General Partner determines appropriate, including making such Debt convertible, redeemable or exchangeable for Partnership Units or REIT Shares; *provided*, *however*, that the Partnership shall not incur any such Debt if any Partner would be personally liable for the repayment of such Debt (unless such Partner otherwise agrees).

(d) *General Partner Loans*. The General Partner, on behalf of the Partnership, may obtain any Additional Funds by causing the Partnership to incur Debt to the General Partner if (i) such Debt is, to the extent permitted by law, on substantially the same terms and conditions (including interest rate, repayment schedule, and conversion, redemption, repurchase and exchange rights) as Funding Debt incurred by the General Partner, the net proceeds of which are loaned to the Partnership to provide such Additional Funds, or (ii) such Debt is on terms and conditions no less favorable to the Partnership than would be available to the Partnership from any third party; *provided*, *however*, that the Partnership shall not incur any such Debt if any Partner would be personally liable for the repayment of such Debt (unless such Partner otherwise agrees).

(e) *Issuance of Securities by the General Partner.* The General Partner shall not issue any additional REIT Shares, Capital Shares or New Securities unless the General Partner contributes the cash proceeds or other consideration received from the issuance of such additional REIT Shares, Capital Shares or New Securities (as the case may be) and from the exercise of the rights contained in any such additional Capital Shares or New Securities to the Partnership in exchange for (x) in the case of an issuance of REIT Shares, Partnership Common Units, or (y) in the case of an issuance of Capital Shares or New Securities, Partnership Equivalent Units; *provided*, *however*, that notwithstanding the foregoing, the General Partner may issue REIT Shares, Capital Shares or New Securities (i) pursuant to Section 4.4 or Section 15.1(b) hereof, (ii) pursuant to a dividend or distribution (including any stock split) of REIT Shares, Capital Shares or New Securities to holders of REIT Shares, Capital Shares or New Securities (as the case may be), (iii) upon a conversion, redemption or exchange of Capital Shares, (iv) upon a conversion, redemption, exchange or exercise of New Securities, or (v) in connection with an acquisition of Partnership Units or a property or other asset to be owned, directly or indirectly, by the General Partner. In the event of any issuance of additional REIT Shares, Capital Shares or New Securities by the General Partner, and the contribution to the Partnership, by the General Partner, of the cash proceeds or other consideration received from such issuance (or property acquired with such proceeds), if any, if the cash proceeds actually received by the General Partner are less than the gross proceeds of such issuance as a result of any underwriter's discount or other expenses paid or incurred in connection with such issuance, then the General Partner shall be deemed to have made a Capital Contribution to the Partnership in the amount equal to the sum of the cash proceeds of such issuance plus the amount of such underwriter's discount and other expenses paid by the General Partner (which discount and expense shall be treated as an expense for the benefit of the Partnership for purposes of Section 7.4). In the event that the General Partner issues any additional REIT Shares, Capital Shares or New Securities and contributes the cash proceeds or other consideration

received from the issuance thereof to the Partnership, the Partnership is expressly authorized to issue a number of Partnership Common Units or Partnership Equivalent Units to the General Partner equal to the number of REIT Shares, Capital Shares or New Securities so issued, divided by the Adjustment Factor then in effect, in accordance with this Section 4.3(e) without any further act, approval or vote of any Partner or any other Persons.

Section 4.4 *Stock Incentive Plans*. Nothing in this Agreement shall be construed or applied to preclude or restrain the General Partner from adopting, modifying or terminating stock incentive plans for the benefit of employees, directors or other business associates of the General Partner, the Partnership or any of their Affiliates or from issuing REIT Shares, Capital Shares or New Securities pursuant to any such plans. The General Partner may implement such plans and any actions taken under such plans (such as the grant or exercise of options to acquire REIT Shares, or the issuance of restricted REIT Shares), whether taken with respect to or by an employee or other service provider of the General Partner, the Partnership or its Subsidiaries, in a manner determined by the General Partner, which may be set forth in plan implementation guidelines that the General Partner may establish or amend from time to time. The Partners acknowledge and agree that, in the event that any such plan is adopted, modified or terminated by the General Partner, amendments to this Agreement may become necessary or advisable and that any approval or Consent to any such amendments requested by the General Partner shall be deemed granted by the Limited Partners. The Partnership is expressly authorized to issue Partnership Units (a) in accordance with the terms of any such stock incentive plans, or (b) in an amount equal to the number of REIT Shares, Capital Shares or New Securities issued pursuant to any such stock incentive plans, without any further act, approval or vote of any Partner or any other Persons.

Section 4.5 *Dividend Reinvestment Plan, Cash Option Purchase Plan, Stock Incentive Plan or Other Plan.* Except as may otherwise be provided in this Article 4, all amounts received or deemed received by the General Partner in respect of any dividend reinvestment plan, cash option purchase plan, stock incentive or other stock or subscription plan or agreement, either (a) shall be utilized by the General Partner to effect open market purchases of REIT Shares, or (b) if the General Partner elects instead to issue new REIT Shares with respect to such amounts, shall be contributed by the General Partner to the Partnership in exchange for additional Partnership Common Units. Upon such contribution, the Partnership will issue to the General Partner a number of Partnership Common Units equal to the quotient of (i) the new REIT Shares so issued, divided by (ii) the Adjustment Factor then in effect.

Section 4.6 *No Interest; No Return.* No Partner shall be entitled to interest on its Capital Contribution or on such Partner's Capital Account. Except as *provided* herein or by law, no Partner shall have any right to demand or receive the return of its Capital Contribution from the Partnership.

Section 4.7 *Conversion or Redemption of Capital Shares.*

(a) *Conversion of Capital Shares.* If, at any time, any of the Capital Shares are converted into REIT Shares, in whole or in part, then a number of Partnership Units with preferences, conversion and other rights, restrictions (other than restrictions on transfer), rights and limitations as to dividends and other distributions and qualifications that are substantially the same as the preferences, conversion and other rights, restrictions (other than restrictions on transfer), rights and limitations as to distributions and qualifications as those of such Capital Shares ("*Partnership Equivalent Units*") (for the avoidance of doubt, Partnership Equivalent Units need not have voting rights, redemption rights or restrictions on transfer that are substantially similar to the corresponding Capital Shares) equal to the number of Capital Shares so converted shall automatically be converted into a number of Partnership Common Units equal to the quotient of (i) the number of REIT Shares issued upon such conversion divided by (ii) the Adjustment Factor then in effect, and the Percentage Interests of the General Partner and the Limited Partners shall be adjusted to reflect such conversion.

(b) *Redemption or Repurchase of Capital Shares or REIT Shares.* Except as otherwise provided in Section 7.4(c), if, at any time, any Capital Shares are redeemed or otherwise repurchased (whether by exercise of a put or call, automatically or by means of another arrangement) by the General Partner, the Partnership shall, immediately prior to such redemption or repurchase of Capital Shares, redeem an equal number of Partnership Equivalent Units held by the General Partner upon the same terms and for the same price per Partnership Equivalent Unit as such Capital Shares are redeemed or repurchased. If, at any time, any REIT Shares are redeemed or otherwise repurchased by the General Partner, the Partnership shall, immediately prior to such redemption or repurchase of REIT Shares, redeem or repurchase a number of Partnership Common Units held by the General Partner equal to the quotient of (i) the REIT Shares so redeemed or repurchased, divided by (ii) the Adjustment Factor then in effect, such redemption or repurchase to be upon the same terms and for the same price per Partnership Common Unit (after giving effect to application of the Adjustment Factor) as such REIT Shares are redeemed or repurchased. Notwithstanding the foregoing, the provisions of this Section 4.7(b) shall not apply in the event that such repurchase of REIT Shares is paired with a stock split or stock dividend such that after giving effect to such repurchase and subsequent stock split or stock dividend there shall be outstanding an equal number of REIT Shares as were outstanding prior to such repurchase and subsequent stock split or stock dividend.

Section 4.8 *Other Contribution Provisions.* In the event that any Partner is admitted to the Partnership and is given a Capital Account in exchange for services rendered to the Partnership, such transaction shall be treated by the Partnership and the affected Partner as if the Partnership had compensated such partner in cash and such Partner had contributed the cash that the Partner would have received to the capital of the Partnership. In addition, with the Consent of the General Partner, one or more Partners may enter into contribution agreements with the Partnership which have the effect of providing a guarantee of certain obligations of the Partnership (and/or a wholly-owned Subsidiary of the Partnership).

ARTICLE 5
DISTRIBUTIONS

Section 5.1 *Requirement and Characterization of Distributions.* Subject to the rights of any Holder of any Partnership Interest set forth in a Partnership Unit Designation, the General Partner may cause the Partnership to distribute such amounts, at such times, as the General Partner may, in its sole and absolute discretion, determine, to the Holders as of any Partnership Record Date: (a) first, with respect to any Partnership Units that are entitled to any preference in distribution, in accordance with the rights of Holders of such class(es) of Partnership Units (and, within each such class, among the Holders of each such class, pro rata in proportion to their respective Percentage Interests of such class on such Partnership Record Date); and (b) second, with respect to any Partnership Units that are not entitled to any preference in distribution, in accordance with the rights of Holders of such class(es) of Partnership Units, as applicable (and, within each such class, among the Holders of each such class, pro rata in proportion to their respective Percentage Interests of such class on such Partnership Record Date). Distributions payable with respect to any Partnership Units, other than any Partnership Units issued to the General Partner in connection with the issuance of REIT Shares by the General Partner, that were not outstanding during the entire quarterly period in respect of which any distribution is made shall be prorated based on the portion of the period that such Partnership Units were outstanding. The General Partner shall make such reasonable efforts, as determined by it in its sole and absolute discretion and consistent with the General Partner's qualification as a REIT, to cause the Partnership to distribute sufficient amounts to enable the General Partner, for so long as the General Partner has determined to qualify as a REIT, to pay stockholder dividends that will (i) satisfy the requirements for qualifying as a REIT under the Code and Regulations (the "*REIT Requirements*") and (ii) except to the extent otherwise determined by the General Partner, eliminate any U.S. federal income or excise tax liability of the General Partner. Notwithstanding anything in the forgoing to the contrary, a Holder of LTIP Units will only be entitled to distributions with respect to an LTIP Unit as set forth in Article 16 hereof and in making distributions pursuant to this Section 5.1, the General Partner of the Partnership shall take into account the provisions of Section 16.4 hereof.

Section 5.2 *Distributions in Kind.* Except as expressly *provided* herein, no right is given to any Holder to demand and receive property other than cash as provided in this Agreement. The General Partner may determine, in its sole and absolute discretion, to make a distribution in kind of Partnership assets to the Holders, and such assets

shall be distributed in such a fashion as to ensure that the fair market value is distributed and allocated in accordance with Articles 5, 6 and 13 hereof; *provided*, *however*, that the General Partner shall not make a distribution in kind to any Holder unless the Holder has been given 90 days prior written notice of such distribution.

Section 5.3 *Amounts Withheld*. All amounts withheld pursuant to the Code or any provisions of any state, local or non-United States tax law and Section 10.4 hereof with respect to any allocation, payment or distribution to any Holder shall be treated as amounts paid or distributed to such Holder pursuant to Section 5.1 hereof for all purposes under this Agreement.

Section 5.4 *Distributions upon Liquidation*. Notwithstanding the other provisions of this Article 5, net proceeds from a Terminating Capital Transaction, and any other amounts distributed after the occurrence of a Liquidating Event, shall be distributed to the Holders in accordance with Section 13.2 hereof.

Section 5.5 *Distributions to Reflect Additional Partnership Units.* In the event that the Partnership issues additional Partnership Units pursuant to the provisions of Article 4 hereof, subject to the rights of any Holder of any Partnership Interest set forth in a Partnership Unit Designation, the General Partner is hereby authorized to make such revisions to this Article 5 and to Articles 6, 11 and 12 hereof as it determines are necessary or desirable to reflect the issuance of such additional Partnership Units, including, without limitation, making preferential distributions to Holders of certain classes of Partnership Units.

Section 5.6 *Restricted Distributions*. Notwithstanding any provision to the contrary contained in this Agreement, neither the Partnership nor the General Partner, on behalf of the Partnership, shall make a distribution to any Holder if such distribution would violate the Act or other applicable law.

ARTICLE 6
ALLOCATIONS

Section 6.1 *Timing and Amount of Allocations of Net Income and Net Loss.* Net Income and Net Loss of the Partnership shall be determined and allocated with respect to each Partnership Year as of the end of each such year, *provided* that the General Partner may in its discretion allocate Net Income and Net Loss for a shorter period as of the end of such period (and, for purposes of this Article 6, references to the term "Partnership Year" may include such shorter periods). Except as otherwise provided in this Article 6, and subject to Section 11.6(c) hereof, an allocation to a Holder of a share of Net Income or Net Loss shall be treated as an allocation of the same share of each item of income, gain, loss or deduction that is taken into account in computing Net Income or Net Loss.

Section 6.2 *General Allocations*. Except as otherwise provided in this Article 6 and Section 11.6(c) hereof, Net Income and Net Loss for any Partnership Year shall be allocated to each of the Holders as follows:

(a) Net Income.

(i)First, 100% to the General Partner in an amount equal to the remainder, if any, of the cumulative Net Losses allocated to the General Partner pursuant to clause (iii) in Section 6.2(b) for all prior Partnership Years minus the cumulative Net Income allocated to the General Partner pursuant to this clause (i) for all prior Partnership Years;

(ii)Second, 100% to each Holder in an amount equal to the remainder, if any, of the cumulative Net Losses allocated to each such Holder pursuant to clause (ii) in Section 6.2(b) for all prior Partnership Years minus the cumulative Net Income allocated to such Holder pursuant to this clause (ii) for all prior Partnership Years; and

(iii) Third, 100% to the Holders of Partnership Common Units in accordance with their respective Percentage Interests in the Partnership Common Units.

(iv)To the extent the allocations of Net Income set forth above in any paragraph of this Section 6.2(a) are not sufficient to entirely satisfy the allocation set forth in such paragraph, such allocation shall be made in proportion to the total amount that would have been allocated pursuant to such paragraph without regard to such shortfall.

(b) Net Losses.

(i)First, 100% to the Holders of Partnership Common Units in accordance with their respective Percentage Interests in the Partnership Common Units (to the extent consistent with this clause (i)) until the Adjusted Capital Account (ignoring for this purpose any amounts a Holder is obligated to contribute to the capital of the Partnership or is deemed obligated to restore pursuant to Regulations Section 1.704-1(b)(2)(ii)(c)(2)) of all such Holders is zero;

(ii)Second, 100% to the Holders (other than the General Partner) to the extent of, and in proportion to, the positive balance (if any) in their Adjusted Capital Accounts; and

(iii) Third, 100% to the General Partner.

(c) *Allocations to Reflect Issuance of Additional Partnership Interests.* In the event that the Partnership issues additional Partnership Interests to the General Partner or any Additional Limited Partner pursuant to Section 4.2 or 4.3, the General Partner shall make such revisions to this Section 6.2 or to Section 12.2(c) or 13.2(a) as it determines are necessary to reflect the terms of the issuance of such additional Partnership Interests, including making preferential allocations to certain classes of Partnership Interests, subject to the terms of any Partnership Unit Designation with respect to Partnership Interests then outstanding.

(d) *Special Allocations with Respect to LTIP Units.* In the event that Liquidating Gains are allocated under this Section 6.2(d), Net Income allocable under Section 6.2(a) and any Net Losses allocable under Section 6.2(b) shall be recomputed without regard to the Liquidating Gains so allocated. After giving effect to the special allocations set forth in Section 6.4(a) hereof, and notwithstanding the provisions of Sections 6.2(a) and 6.2(b) above, any Liquidating Gains shall first be allocated to the Holders of LTIP Units until the Economic Capital Account Balances of such Holders, to the extent attributable to their ownership of LTIP Units, are equal to (i) the Common Unit Economic Balance, multiplied by (ii) the number of their LTIP Units. Any such allocations shall be made among the Holders of LTIP Units in proportion to the amounts required to be allocated to each under this Section 6.2(d). The parties agree that the intent of this Section 6.2(d) is to make the Capital Account balances of the Holders of LTIP Units with respect to their LTIP Units economically equivalent to the Capital Account balance of the General Partner with respect to its Partnership Common Units.

Section 6.3 *Additional Allocation Provisions*. Notwithstanding the foregoing provisions of this Article 6:

(a) *Special Allocations Upon Liquidation.* In the event that the Partnership disposes of all or substantially all of its assets in a transaction that will lead to a

liquidation of the Partnership pursuant to Article 13 hereof, then: (i) any Liquidating Gains shall first be allocated to each Holder of LTIP Units in accordance with the Holder's Percentage Interest until the Economic Capital Account Balance of such Holder, to the extent attributable to the Holder's ownership of LTIP Units, is equal to (A) the Common Unit Economic Balance, multiplied by (B) the number of such Holder's LTIP Units; and (ii) any Net Income or Net Loss realized in connection with such transaction and thereafter (recomputed without regard to the Liquidating Gains allocated pursuant to clause (i) above) shall be specially allocated for such Partnership Year (and to the extent permitted by Section 761(c) of the Code, for the immediately preceding Partnership Year) among the Holders as required so as to cause liquidating distributions pursuant to Section 13.2(a)(iv) hereof to be made in the same amounts and proportions as would have resulted had such distributions instead been made pursuant to Article 5 hereof. In addition, if there is an adjustment to the Gross Asset Value of the assets of the Partnership pursuant to paragraph (b) of the definition of Gross Asset Value, allocations of Net Income or Net Loss arising from such adjustment shall be allocated in the same manner as described in the prior sentence.

(b) *Offsetting Allocations.* Notwithstanding the provisions of Sections 6.1, 6.2(a) and 6.2(b), but subject to Sections 6.3 and 6.4, in the event Net Income or items thereof are being allocated to a Partner to offset prior Net Loss or items thereof which have been allocated to such Partner (including any allocations of Net Income or items thereof pursuant to Section 6.3(a)), the General Partner shall attempt to allocate such offsetting Net Income or items thereof which are of the same or similar character (including without limitation Section 704(b) book items versus tax items) to the original allocations with respect to such Partner.

(c) *CODI Allocations*. Notwithstanding anything to the contrary contained herein, if any indebtedness of the Partnership encumbering the Properties contributed to the Partnership in connection with the General Partner's initial offering is settled or paid off at a discount, any resulting COD Income of the Partnership shall be specially allocated proportionately (as determined by the General Partner) to those Holders that were partners in entities that contributed, or were deemed to contribute, the applicable Property to the Partnership in connection with such initial offering to the extent the number of Partnership Units received by such Holders in exchange for their interests in such entities was determined, in part, by taking into account the anticipated discounted settlement or pay-off of such indebtedness. For purposes of the foregoing, "COD Income" shall mean income recognized by the Partnership pursuant to Code Section 61(a)(12).

Section 6.4 *Regulatory Allocation Provisions*. Notwithstanding the foregoing provisions of this Article 6:

(a) Regulatory Allocations.

(i) *Minimum Gain Chargeback*. Except as otherwise provided in Regulations Section 1.704-2(f), notwithstanding the provisions of Section 6.2 hereof, or any other provision of this Article 6, if there is a net decrease in Partnership Minimum Gain during any Partnership Year, each Holder shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Holder's share of the net decrease in Partnership Minimum Gain, as determined under Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Holder pursuant thereto. The items to be allocated shall be determined in accordance with Regulations Sections 1.704-2(f)(6) and 1.704-2(j)(2). This Section 6.4(a)(i) is intended to qualify as a "minimum gain chargeback" within the meaning of Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

(ii) *Partner Minimum Gain Chargeback.* Except as otherwise provided in Regulations Section 1.704-2(i)(4) or in Section 6.4(a)(i) hereof, if there is a net decrease in Partner Minimum Gain attributable to a Partner Nonrecourse Debt during any Partnership Year, each Holder who has a share of the Partner Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(5), shall be specially allocated items of Partnership income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Holder's share of the net decrease in Partner Minimum Gain attributable to such Partner Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Holder pursuant thereto. The items to be so allocated shall be determined in accordance with Regulations Sections 1.704-2(i)(4) and 1.704-2(j)(2). This Section 6.4(a)(ii) is intended to qualify as a "chargeback of partner nonrecourse debt minimum gain" within the meaning of Regulations Section 1.704-2(i) and shall be interpreted consistently therewith.

(iii) *Nonrecourse Deductions and Partner Nonrecourse Deductions.* Any Nonrecourse Deductions for any Partnership Year shall be specially allocated to the Holders in accordance with their respective Percentage Interests. Any Partner Nonrecourse Deductions for any Partnership Year shall be specially allocated to the Holder(s) who bears the economic risk of loss with respect to the Partner Nonrecourse Debt to which such Partner Nonrecourse Deductions are attributable, in accordance with Regulations Section 1.704-2(i).

(iv) *Qualified Income Offset.* If any Holder unexpectedly receives an adjustment, allocation or distribution described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Partnership income and gain shall be specially allocated, in accordance with Regulations Section 1.704-1(b)(2)(ii)(d), to such Holder in an amount and manner sufficient to eliminate, to the extent required by such Regulations, the Adjusted Capital Account Deficit of such Holder as quickly as possible, *provided* that an allocation pursuant to this Section 6.4(a)(iv) shall be made if and only to the extent that such Holder would have an Adjusted Capital Account Deficit after all other allocations provided in this Article 6 have been tentatively made as if this Section 6.4(a)(iv) were not in the Agreement. It is intended that this Section 6.4(a)(iv) qualify and be construed as a "qualified income offset" within the meaning of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(v) *Gross Income Allocation.* In the event that any Holder has a deficit Capital Account at the end of any Partnership Year that is in excess of the sum of (1) the amount (if any) that such Holder is obligated to restore to the Partnership upon complete liquidation of such Holder's Partnership Interest (including, the Holder's interest in outstanding Partnership Preferred Units and other Partnership Units) and (2) the amount that such Holder is deemed to be obligated to restore pursuant to Regulations Section 1.704-1(b)(2)(ii)(c) or the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Holder shall be specially allocated items of Partnership income and gain in the amount of such excess to eliminate such deficit as quickly as possible, *provided* that an allocation pursuant to this Section 6.4(a)(v) shall be made if and only to the extent that such Holder would have a deficit Capital Account in excess of such sum after all other allocations provided in this Article 6 have been tentatively made as if this Section 6.4(a)(v) and Section 6.4(a)(iv) hereof were not in the Agreement.

(vi) *Limitation on Allocation of Net Loss.* To the extent that any allocation of Net Loss would cause or increase an Adjusted Capital Account Deficit as to any Holder, such allocation of Net Loss shall be reallocated (x) first, among the other Holders of Partnership Common Units in accordance with their respective Percentage Interests with respect to Partnership Common Units and (y) thereafter, among the Holders of other classes of Partnership Units as determined by the General Partner, subject to the limitations of this Section 6.4(a)(vi).

(vii) *Section 754 Adjustment.* To the extent that an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(2) or Regulations Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as the result of a distribution to a Holder in complete liquidation of its interest in the Partnership, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis), and such gain or loss shall be specially allocated to the Holders in accordance with their respective Percentage Interests in the event that Regulations Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Holder(s) to whom such distribution was made in the event that Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

(viii) *Curative Allocations.* The allocations set forth in Sections 6.4(a)(i), (ii), (iii), (iv), (v), (vi) and (vii) hereof (the "*Regulatory Allocations*") are intended to comply with certain regulatory requirements, including the requirements of Regulations Sections 1.704-1(b) and 1.704-2. Notwithstanding the provisions of Sections 6.1 and 6.2 hereof, the Regulatory Allocations shall be taken into account in allocating other items of income, gain, loss and deduction among the Holders so that to the extent possible without violating the requirements giving rise to the Regulatory Allocations, the net amount of such allocations of other items and the Regulatory Allocations to each Holder shall be equal to the net amount that would have been allocated to each such Holder if the Regulatory Allocations had not occurred.

(ix) *Forfeiture Allocations.* Upon a forfeiture of any Unvested LTIP Units by any Partner, gross items of income, gain, loss or deduction shall be allocated to such Partner if and to the extent required by final Regulations promulgated after the Effective Date to ensure that allocations made with respect to all unvested Partnership Interests are recognized under Code Section 704(b).

(x) *LTIP Units*. For purposes of the allocations set forth in this Section 6.4(a), each issued and outstanding LTIP Unit will be treated as one outstanding Partnership Common Unit.

(b)Allocation of Excess Nonrecourse Liabilities. For purposes of determining a Holder's proportional share of the "excess nonrecourse liabilities" of the Partnership within the meaning of Regulations Section 1.752-3(a)(3), each Holder's respective interest in Partnership profits shall be equal to such Holder's Percentage Interest with respect to Partnership Common Units, except as otherwise determined by the General Partner.

Section 6.5 *Tax Allocations.*

(a)In General. Except as otherwise provided in this Section 6.5, for income tax purposes under the Code and the Regulations, each Partnership item of income, gain, loss and deduction (collectively, "*Tax Items*") shall be allocated among the Holders in the same manner as its correlative item of "book" income, gain, loss or deduction is allocated pursuant to Sections 6.2 and 6.3 hereof.

(b)Section 704(c) Allocations. Notwithstanding Section 6.5(a) hereof, Tax Items with respect to Property that is contributed to the Partnership with an initial Gross Asset Value that varies from its basis in the hands of the contributing Partner immediately preceding the date of contribution shall be allocated among the Holders for income tax purposes pursuant to Regulations promulgated under Code Section 704(c) so as to take into account such variation. With respect to Partnership Property that is contributed to the Partnership in connection with the General Partner's initial offering, such variation between basis and initial Gross Asset Value shall be taken into account under the "traditional method" as described in Regulations Section 1.704-3(b). With respect to other Properties, the Partnership shall account for such variation under any method approved under Code Section 704(c) and the applicable Regulations as chosen by the General Partner. In the event that the Gross Asset Value of any Partnership asset is adjusted pursuant to subsection (b) of the definition of "Gross Asset Value" (provided in Article 1 hereof), subsequent allocations of Tax Items with respect to such asset shall take account of the variation, if any, between the adjusted basis of such asset and its Gross Asset Value in the same manner as under Code Section 704(c) and the applicable Regulations and using the method chosen by the General Partner; *provided*, *however*, that the "traditional method" as described in Regulations Section 1.704-3(b) shall be used with respect to Partnership Property that is contributed to the Partnership in connection with the General Partner's initial offering. Allocations pursuant to this Section 6.5(b) are solely for purposes of Federal, state and local income taxes and shall not affect, or in any way be taken into account in computing, any Partner's Capital Account or share of Net Income, Net Loss, or any other items or distributions pursuant to any provision of this Agreement.

ARTICLE 7
MANAGEMENT AND OPERATIONS OF BUSINESS

Section 7.1 *Management*.

(a)Except as otherwise expressly provided in this Agreement, including any Partnership Unit Designation, all management powers over the business and affairs of the Partnership are and shall be exclusively vested in the General Partner, and no Limited Partner shall have any right to participate in or exercise control or management power over the business and affairs of the Partnership. No General Partner may be removed by the Partners, with or without cause, except with the Consent of the General Partner. In addition to the powers now or hereafter granted a general partner of a limited partnership under applicable law or that are granted to the General Partner under any other provision of this Agreement, the General Partner, subject to the other provisions hereof including, without limitation, Section 3.2 and Section 7.3, and the rights of any Holder of any Partnership Interest set forth in a Partnership Unit Designation, shall have full and exclusive power and authority, without the consent or approval of any Limited Partner, to do or authorize all things deemed necessary or desirable by it to conduct the business and affairs of the Partnership, to exercise or direct the exercise of all of the powers of the Partnership and a general partner under the Act and this Agreement and to effectuate the purposes of the Partnership including, without limitation:

(i)the making of any expenditures, the lending or borrowing of money or selling of assets (including, without limitation, making prepayments on loans and borrowing money to permit the Partnership to make distributions to the Holders in such amounts as will permit the General Partner to prevent the imposition of any federal income tax on the General Partner (including, for this purpose, any excise tax pursuant to Code Section 4981), to make distributions to its stockholders and payments to any taxing authority sufficient to permit the General Partner to maintain REIT status or otherwise to satisfy the REIT Requirements), the assumption or guarantee of, or other contracting for, indebtedness and other liabilities, the issuance of evidences of indebtedness (including the securing of same by deed to secure debt, mortgage, deed of trust or other lien or encumbrance on the Partnership's assets) and the incurring of any obligations to conduct the activities of the Partnership;

(ii)the making of tax, regulatory and other filings, or rendering of periodic or other reports to governmental or other agencies having jurisdiction over the business or assets of the Partnership;

(iii) the taking of any and all acts to ensure that the Partnership will not be classified as a "publicly traded partnership" under Code Section 7704;

(iv)subject to Section 11.2 hereof, the acquisition, sale, transfer, exchange or other disposition of any, all or substantially all of the assets (including the goodwill) of the Partnership (including, but not limited to, the exercise or grant of any conversion, option, privilege or subscription right or any other right available in connection with any assets at any time held by the Partnership) or the merger, consolidation, reorganization or other combination of the Partnership with or into another entity;

(v)the mortgage, pledge, encumbrance or hypothecation of any assets of the Partnership, the assignment of any assets of the Partnership in trust for creditors or on the promise of the assignee to pay the debts of the Partnership, the use of the assets of the Partnership (including, without limitation, cash on hand) for any purpose consistent with the terms of this Agreement and on any terms that the General Partner sees fit, including, without limitation, the financing of the operations and activities of the General Partner, the Partnership or any of the Partnership's Subsidiaries, the lending of funds to other Persons (including, without limitation, the General Partner and/or the Partnership's Subsidiaries) and the repayment of obligations of the Partnership, its Subsidiaries and any other Person in which the Partnership has an equity investment, and the making of capital contributions to and equity investments in the Partnership's Subsidiaries;

(vi) the management, operation, leasing, landscaping, repair, alteration, demolition, replacement or improvement of any Property;

(vii)the negotiation, execution and performance of any contracts, including leases (including ground leases), easements, management agreements, rights of

way and other property-related agreements, conveyances or other instruments to conduct the Partnership's operations or implement the General Partner's powers under this Agreement, including contracting with contractors, developers, consultants, governmental authorities, accountants, legal counsel, other professional advisors and other agents and the payment of their expenses and compensation, as applicable, out of the Partnership's assets;

(viii)the distribution of Partnership cash or other Partnership assets in accordance with this Agreement, the holding, management, investment and reinvestment of cash and other assets of the Partnership, and the collection and receipt of revenues, rents and income of the Partnership;

(ix)the selection and dismissal of employees of the Partnership (if any) (including, without limitation, employees having titles or offices such as "president," "vice president," "secretary" and "treasurer"), and agents, outside attorneys, accountants, consultants and contractors of the Partnership and the determination of their compensation and other terms of employment or hiring;

(x)the maintenance of such insurance (including, without limitation, directors and officers insurance) for the benefit of the Partnership and the Partners (including, without limitation, the General Partner);

(xi)the formation of, or acquisition of an interest in, and the contribution of property to, any further limited or general partnerships, limited liability companies, joint ventures or other relationships that it deems desirable (including, without limitation, the acquisition of interests in, and the contributions of property to, any Subsidiary and any other Person in which the General Partner has an equity investment from time to time);

(xii)the control of any matters affecting the rights and obligations of the Partnership, including the settlement, compromise, submission to arbitration or any other form of dispute resolution, or abandonment, of any claim, cause of action, liability, debt or damages, due or owing to or from the Partnership, the commencement or defense of suits, legal proceedings, administrative proceedings, arbitrations or other forms of dispute resolution, and the representation of the Partnership in all suits or legal proceedings, administrative proceedings, arbitrations or other forms of dispute resolution, the incurring of legal expense, and the indemnification of any Person against liabilities and contingencies to the extent permitted by law;

(xiii)the undertaking of any action in connection with the Partnership's direct or indirect investment in any Subsidiary or any other Person (including, without limitation, the contribution or loan of funds by the Partnership to such Persons);

(xiv)the determination of the fair market value of any Partnership property distributed in kind using such reasonable method of valuation as the General Partner may adopt; *provided*, *however*, that such methods are otherwise consistent with the requirements of this Agreement;

(xv)the enforcement of any rights against any Partner pursuant to representations, warranties, covenants and indemnities relating to such Partner's contribution of property or assets to the Partnership;

(xvi)the exercise, directly or indirectly, through any attorney-in-fact acting under a general or limited power of attorney, of any right, including the right to vote, appurtenant to any asset or investment held by the Partnership;

(xvii)the exercise of any of the powers of the General Partner enumerated in this Agreement on behalf of or in connection with any Subsidiary of the Partnership or any other Person in which the Partnership has a direct or indirect interest, or jointly with any such Subsidiary or other Person;

(xviii)the exercise of any of the powers of the General Partner enumerated in this Agreement on behalf of any Person in which the Partnership does not have an interest, pursuant to contractual or other arrangements with such Person;

(xix)the making, execution and delivery of any and all deeds, leases, notes, deeds to secure debt, mortgages, deeds of trust, security agreements, conveyances, contracts, guarantees, warranties, indemnities, waivers, releases, confessions of judgment or any other legal instruments or agreements in writing;

(xx)the issuance of additional Partnership Units in connection with Capital Contributions by Additional Limited Partners and additional Capital Contributions by Partners pursuant to Article 4 hereof;

(xxi) an election to dissolve the Partnership pursuant to Section 13.1(b) hereof;

(xxii) the distribution of cash to acquire Partnership Common Units held by a Limited Partner in connection with a Redemption under Section 15.1 hereof;

(xxiii) an election to acquire Tendered Units in exchange for REIT Shares;

(xxiv)the maintenance of the Register from time to time to reflect accurately at all times the Capital Contributions and Percentage Interests of the Partners as the same are adjusted from time to time to reflect redemptions, Capital Contributions, the issuance of Partnership Units, the admission of any Additional Limited Partner or any Substituted Limited Partner or otherwise, which shall not be deemed an amendment to this Agreement, as long as the matter or event being reflected in the Register otherwise is authorized by this Agreement; and

(xxv)the registration of any class of securities of the Partnership under the Securities Act or the Exchange Act, and the listing of any debt securities of the Partnership on any exchange.

(b)Each of the Limited Partners agrees that, except as provided in Section 7.3 hereof and subject to the rights of any Holder of any Partnership Interest set forth in a Partnership Unit Designation, the General Partner is authorized to execute and deliver any affidavit, agreement, certificate, consent, instrument, notice, power of attorney, waiver or other writing or document in the name and on behalf of the Partnership and to otherwise exercise any power of the General Partner under this Agreement and the Act on behalf of the Partnership without any further act, approval or vote of the Partners or any other Persons, notwithstanding any other provision of the Act or any applicable law, rule or regulation and, in the absence of any specific corporate action on the part of the General Partner to the contrary, the taking of any action or the execution of any such document or writing by an officer of the General Partner, in the name and on behalf of the General Partner, in its capacity as the general partner of the Partnership, shall conclusively evidence (i) the approval thereof by the General Partner, in its capacity as the general partner of the Partnership, (ii) the General Partner's determination that such action, document or writing is necessary, advisable, appropriate, desirable or prudent to conduct the business and affairs of the Partnership, exercise the powers of the Partnership under this Agreement and the Act or effectuate the purposes of the Partnership, or any other determination by the General Partner required by this Agreement in connection with the taking of such action or execution of such document or writing, and (iii) the authority of such officer with respect thereto.

(c)At all times from and after the date hereof, the General Partner may cause the Partnership to obtain and maintain (i) casualty, liability and other insurance on the Properties and (ii) liability insurance for the Indemnitees hereunder.

(d)At all times from and after the date hereof, the General Partner may cause the Partnership to establish and maintain working capital and other reserves in such amounts as the General Partner, in its sole and absolute discretion, determines from time to time.

(e)The determination as to any of the following matters, made by or at the direction of the General Partner consistent with this Agreement and the Act, shall be final and conclusive and shall be binding upon the Partnership and every Limited Partner: the amount of assets at any time available for distribution or the redemption of Partnership Common Units; the amount and timing of any distribution; any determination to redeem Tendered Units; the amount, purpose, time of creation, increase or decrease, alteration or cancellation of any reserves or charges and the propriety thereof (whether or not any obligation or liability for which such reserves or charges shall have been created shall have been paid or discharged); the amount of any Partner's Capital Account, Adjusted Capital Account or Adjusted Capital Account Deficit; the amount of Net Income, Net Loss or Depreciation for any period; any special allocations of Net Income or Net Loss pursuant to Sections 6.2(c), 6.2(d), 6.3, 6.4, 6.5 or 16.5; the Gross Asset Value of any Partnership asset; the Value of any REIT Share; the timing and amount of any adjustment to the Adjustment Factor; any adjustment to the number of outstanding LTIP Units pursuant to Section 16.3; the timing, number and redemption or repurchase price of the redemption or repurchase of any Partnership Units pursuant to Section 4.7(b); any interpretation of the terms, preferences, conversion or other rights, voting powers or rights, restrictions, limitations as to dividends or distributions, qualifications or terms or conditions of redemption of any class or series of Partnership Interest; the fair value, or any sale, bid or asked price to be applied in determining the fair value, of any asset owned or held by the Partnership or of any Partnership Interest; the number of authorized or outstanding Units of any class or series; any matter relating to the acquisition, holding and disposition of any assets by the Partnership; or any other matter relating to the business and affairs of the Partnership or required or permitted by applicable law, this Agreement or otherwise to be determined by the General Partner.

(f)In exercising its authority under this Agreement and subject to Section 7.8(b), the General Partner may, but shall be under no obligation to, take into account the tax consequences to any Partner of any action taken (or not taken) by it. The General Partner and the Partnership shall not have liability to a Limited Partner under any circumstances as a result of any tax liability incurred by such Limited Partner as a result of an action (or inaction) by the General Partner pursuant to its authority under this Agreement.

Section 7.2 *Certificate of Limited Partnership*. The General Partner may file amendments to and restatements of the Certificate and do all the things to maintain the Partnership as a limited partnership (or a partnership in which the limited partners have limited liability) under the laws of the State of Maryland and each other state, the District of Columbia or any other jurisdiction, in which the Partnership may elect to do business or own property. Subject to the terms of Section 8.5(a) hereof, the General Partner shall not be required, before or after filing, to deliver or mail a copy of the Certificate or any amendment thereto to any Limited Partner. The General Partner shall use all reasonable efforts to cause to be filed such other certificates or documents for the formation, continuation, qualification and operation of a limited partnership (or a partnership in which the limited partners have limited liability to the extent provided by applicable law) in the State of Maryland and any other state, or the District of Columbia or other jurisdiction, in which the Partnership may elect to do business or own property.

Section 7.3 *Restrictions on General Partner's Authority*.

(a)The General Partner may not take any action in contravention of an express prohibition or limitation of this Agreement without the Consent of the Limited Partners, and may not, without limitation:

(i) take any action that would make it impossible to carry on the ordinary business of the Partnership, except as otherwise provided in this Agreement;

(ii)perform any act that would subject a Limited Partner to liability as a general partner in any jurisdiction or any other liability except as *provided* herein or under the Act; or

(iii)enter into any contract, mortgage, loan or other agreement that expressly prohibits or restricts (A) the General Partner or the Partnership from performing its specific obligations under Section 15.1 hereof in full or (B) a Limited Partner from exercising its rights under Section 15.1 hereof to effect a Redemption in full, except, in either case, (x) with the Consent of each Limited Partner affected by the prohibition or restriction or (y) in connection with or as a result of a Termination Transaction that, in accordance with Section 11.2(b)(i) and/or (ii), does not require the Consent of the Limited Partners.

(b)Except as provided in Section 7.3(c) hereof, the General Partner shall not, without the prior Consent of the Partners, amend, modify or terminate this Agreement.

(c)Notwithstanding Section 7.3(b) and 14.2 hereof but subject to the rights of any Holder of any Partnership Interest set forth in a Partnership Unit Designation, the General Partner shall have the power, without the Consent of the Partners or the consent or approval of any Limited Partner or any other Person, to amend this Agreement as may be required to facilitate or implement any of the following purposes:

(i)to add to the obligations of the General Partner or surrender any right or power granted to the General Partner or any Affiliate of the General Partner for the benefit of the Limited Partners;

(ii)to reflect the admission, substitution or withdrawal of Partners, the Transfer of any Partnership Interest, the termination of the Partnership in accordance with this Agreement, or the adjustment of outstanding LTIP Units as contemplated by Section 16.3, and to update the Register in connection with such admission, substitution, withdrawal, Transfer or adjustment;

(iii)to reflect a change that is of an inconsequential nature or does not adversely affect the Limited Partners in any material respect, or to cure any ambiguity, correct or supplement any provision in this Agreement not inconsistent with law or with other provisions, or make other changes with respect to matters arising under this Agreement that will not be inconsistent with law or with the provisions of this Agreement;

(iv)to set forth or amend the designations, preferences, conversion and other rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption of the Holders of any additional Partnership Interests issued pursuant to Article 4 (including any changes contemplated by Section 5.5 above);

(v)to satisfy any requirements, conditions or guidelines contained in any order, directive, opinion, ruling or regulation of a Federal or state agency or contained in Federal or state law;

(vi)(A) to reflect such changes as are reasonably necessary for the General Partner to maintain its status as a REIT or to satisfy the REIT Requirements, or (B) to reflect the Transfer of all or any part of a Partnership Interest among the General Partner and any Disregarded Entity with respect to the General Partner;

(vii)to modify either or both of the manner in which items of Net Income or Net Loss are allocated pursuant to Article VI or the manner in which Capital Accounts are adjusted, computed, or maintained (but in each case only to the extent otherwise provided in this Agreement and as may be permitted under applicable law);

(viii) to reflect the issuance of additional Partnership Interests in accordance with Section 4.2;

(ix) as contemplated by the last sentence of Section 4.4;

(x)to reflect any other modification to this Agreement as is reasonably necessary for the business or operations of the Partnership or the General Partner and which does not violate Section 7.3(d); and

(xi)to effect or facilitate a Termination Transaction that, in accordance with Section 11.2(b)(i) and/or (ii), does not require the Consent of the Limited Partners and, if the Partnership is the Surviving Partnership in any Termination Transaction, to modify Section 15.1 or any related definitions to provide that the holders of interests in such Surviving Partnership have rights that are consistent with Section 11.2B(ii).

(d)Notwithstanding Sections 7.3(b), 7.3(c) (other than as set forth below in this Section 7.3(d)) and 14.2 hereof, this Agreement shall not be amended, and no action may be taken by the General Partner, without the Consent of each Partner adversely affected thereby, if such amendment or action would (i) convert a Limited Partner Interest in the Partnership into a General Partner Interest (except as a result of the General Partner acquiring such Partnership Interest), (ii) adversely modify in any material respect the limited liability of a Limited Partner, (iii) alter the rights of any Partner to receive the distributions to which such Partner is entitled pursuant to Article 5 or Section 13.2(a)(iv) hereof, or alter the allocations specified in Article 6 hereof (except, in any case, as permitted pursuant to Sections 4.2, 5.5, 7.3(c) (including clause (xi) thereof) and Article 6 hereof), (iv) alter or modify the Redemption rights, Cash Amount or REIT Shares Amount as set forth in Section 15.1 hereof, or amend or modify any related definitions (except, in any case, as permitted pursuant to clause (xi) of Section 7.3(c) hereof), (v) alter or modify Section 11.2 hereof (except as permitted pursuant to clause (xi) of Section 7.3(c) hereof), (vi) subject to Section 7.8(i) remove the powers and restrictions related to REIT Requirements or permitting the General Partner to avoid paying tax under Code Sections 857 or 4981 contained in Sections 7.1 and 7.3, or (vii) amend this Section 7.3(d) (except as permitted pursuant to clause (xi) of Section 7.3(c) hereof). Further, no amendment may alter the restrictions on the General Partner's authority set forth elsewhere in this Section 7.3 without the Consent specified therein. Any such amendment or action consented to by any Partner shall be effective as to that Partner, notwithstanding the absence of such consent by any other Partner.

Section 7.4 *Reimbursement of the General Partner.*

(a)The General Partner shall not be compensated for its services as General Partner of the Partnership except as provided in this Agreement (including the provisions of Articles 5 and 6 hereof regarding distributions, payments and allocations to which the General Partner may be entitled in its capacity as the General Partner).

(b)Subject to Sections 7.4(d) and 15.12 hereof, the Partnership shall be responsible for and shall pay all expenses relating to the Partnership's and the General Partner's organization and the ownership of each of their assets and operations. The General Partner is hereby authorized to pay compensation for accounting, administrative, legal, technical, management and other services rendered to the Partnership. The Partnership shall be liable for, and shall reimburse the General Partner, on a monthly basis, or such other basis as the General Partner may determine in its sole and absolute discretion, for all sums expended in connection with the Partnership's business, including, without limitation, (i) expenses relating to the ownership of interests in and management and operation of, or for the benefit of, the Partnership, (ii) compensation of officers and employees, including, without limitation, payments under future compensation plans, of the General Partner, or the Partnership that may provide for stock units, or phantom stock, pursuant to which employees of the General Partner, or the Partnership will receive payments based upon dividends on or the value of REIT Shares, (iii) director fees and expenses of the General Partner or its Affiliates, (iv) any expenses (other than the purchase price) incurred by the General Partner in connection with the redemption or other repurchase of its Capital Shares, (v) all costs and expenses of the General Partner in connection with the preparation of reports and other distributions to its stockholders and any regulatory or governmental authorities or agencies and, as applicable, all costs and expenses of the General Partner as a reporting company (including, without limitation, costs of filings with the SEC), (vi) all costs and expenses of the General Partner in connection with its operation as a REIT, and (vii) all costs and expenses of the General Partner in connection with the offering, sale, syndication, private placement or public offering of stock, bonds, securities or other interests and financing or refinancing of any type related to the Partnership or its assets or activities; *provided*, *however*, that the amount of any reimbursement shall be reduced by any interest earned by the General Partner with respect to bank accounts or other instruments or accounts held by it on behalf of the Partnership as permitted pursuant to Section 7.5 hereof. The Partners acknowledge that all such expenses of the General Partner are deemed to be for the benefit of the Partnership. Such reimbursements shall be in addition to any reimbursement of the General Partner as a result of indemnification pursuant to Section 7.7 hereof.

(c)If the General Partner shall elect to purchase from its stockholders Capital Shares for the purpose of delivering such Capital Shares to satisfy an obligation under any dividend reinvestment program adopted by the General Partner, any employee stock purchase plan adopted by the General Partner or any similar obligation or arrangement undertaken by the General Partner in the future, in lieu of the treatment specified in Section 4.7(b)., the purchase price paid by the General Partner for such Capital Shares shall be considered expenses of the Partnership and shall be advanced to the General Partner or reimbursed to the General Partner, subject to the condition that: (i) if such REIT Shares subsequently are sold by the General Partner, the General Partner shall pay or cause to be paid to the Partnership any proceeds received by the General Partner for such REIT Shares (which sales proceeds shall include the amount of dividends reinvested under any dividend reinvestment or similar program; *provided*, that a transfer of REIT Shares for Partnership Units pursuant to Section 15.1 would not be considered a sale for such purposes); and (ii) if such REIT Shares are not retransferred by the General Partner within 30 days after the purchase thereof, or the General Partner otherwise determines not to retransfer such REIT Shares, the General Partner shall cause the Partnership to redeem a number of Partnership Units determined in accordance with Section 4.7(b), as adjusted, (x) pursuant to Section 7.5 (in the event the General Partner acquires material assets, other than on behalf of the Partnership) and (y) for stock dividends and distributions, stock splits and subdivisions, reverse stock splits and combinations, distributions of rights, warrants or options, and distributions of evidences of indebtedness or assets relating to assets not received by the General Partner pursuant to a pro rata distribution by the Partnership (in which case such advancement or reimbursement of expenses shall be treated as having been made as a distribution in redemption of such number of Partnership Units held by the General Partner).

(d)To the extent practicable, Partnership expenses shall be billed directly to and paid by the Partnership and, subject to Section 15.12 hereof, if and to the extent any reimbursements to the General Partner or any of its Affiliates by the Partnership pursuant to this Section 7.4 constitute gross income to such Person (as opposed to the repayment of advances made by such Person on behalf of the Partnership), such amounts shall be treated as "guaranteed payments" within the meaning of Code Section 707(c) and shall not be treated as distributions for purposes of computing the Partners' Capital Accounts.

Section 7.5 *Outside Activities of the General Partner.* The General Partner shall not directly or indirectly enter into or conduct any business, other than in connection with, (a) the ownership, acquisition and disposition of Partnership Interests, (b) the management of the business and affairs of the Partnership, (c) the operation of

the General Partner as a reporting company with a class (or classes) of securities registered under the Exchange Act, (d) its operations as a REIT, (e) the offering, sale, syndication, private placement or public offering of stock, bonds, securities or other interests, (f) financing or refinancing of any type related to the Partnership or its assets or activities, and (g) such activities as are incidental thereto; *provided*, *however*, that, except as otherwise *provided* herein, any funds raised by the General Partner pursuant to the preceding clauses (e) and (f) shall be made available to the Partnership, whether as Capital Contributions, loans or otherwise, as appropriate, and, *provided*, *further,* that the General Partner may, in its sole and absolute discretion, from time to time hold or acquire assets in its own name or otherwise other than through the Partnership so long as the General Partner takes commercially reasonable measures to ensure that the economic benefits and burdens of such Property are otherwise vested in the Partnership, through assignment, mortgage loan or otherwise or, if it is not commercially reasonable to vest such economic interests in the Partnership, the Partners shall negotiate in good faith to amend this Agreement, including, without limitation, the definition of "Adjustment Factor," to reflect such activities and the direct ownership of assets by the General Partner. Nothing contained herein shall be deemed to prohibit the General Partner from executing guarantees of Partnership debt. The General Partner and all Disregarded Entities with respect to the General Partner, taken as a group, shall not own any assets or take title to assets (other than temporarily in connection with an acquisition prior to contributing such assets to the Partnership) other than (i) interests in Disregarded Entities with respect to the General Partner, (ii) Partnership Interests as the General Partner, (iii) a minority interest in any Subsidiary of the Partnership that the General Partner holds to maintain such Subsidiary's status as a partnership for Federal income tax purposes or otherwise, and (iv) such cash and cash equivalents, bank accounts or similar instruments or accounts as such group deems reasonably necessary, taking into account Section 7.1(d) hereof and the requirements necessary for the General Partner to qualify as a REIT and for the General Partner to carry out its responsibilities contemplated under this Agreement and the Charter. Any Partnership Interests acquired by the General Partner, whether pursuant to the exercise by a Limited Partner of its right to Redemption, or otherwise, shall be automatically converted into a General Partner Interest comprised of an identical number of Partnership Units with the same terms as the class or series so acquired. Any Affiliates of the General Partner may acquire Limited Partner Interests and shall, except as expressly provided in this Agreement, be entitled to exercise all rights of a Limited Partner relating to such Limited Partner Interests.

Section 7.6 *Transactions with Affiliates.*

(a)The Partnership may lend or contribute funds to, and borrow funds from, Persons in which the Partnership has an equity investment, and such Persons may borrow funds from, and lend or contribute funds to, the Partnership, on terms and conditions established in the sole and absolute discretion of the General Partner. The foregoing authority shall not create any right or benefit in favor of any Person.

(b)Except as provided in Section 7.5 hereof, the Partnership may transfer assets to joint ventures, limited liability companies, partnerships, corporations, business trusts or other business entities in which it is or thereby becomes a participant upon such terms and subject to such conditions consistent with this Agreement and applicable law.

(c)The General Partner and its Affiliates may sell, transfer or convey any property to, or purchase any property from, the Partnership, directly or indirectly, on terms and conditions established by the General Partner in its sole and absolute discretion.

(d)The General Partner, in its sole and absolute discretion and without the approval of the Partners or any of them or any other Persons, may propose and adopt (on behalf of the Partnership) employee benefit plans (including without limitation plans that contemplate the issuance of LTIP Units) funded by the Partnership for the benefit of employees of the General Partner, the Partnership, Subsidiaries of the Partnership or any Affiliate of any of them in respect of services performed, directly or indirectly, for the benefit of the General Partner, the Partnership or any of the Partnership's Subsidiaries.

Section 7.7 *Indemnification.*

(a)To the fullest extent permitted by applicable law, the Partnership shall indemnify each Indemnitee from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including, without limitation, attorneys' fees and other legal fees and expenses), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, that relate to the operations of the Partnership ("*Actions*") as set forth in this Agreement in which such Indemnitee may be involved, or is threatened to be involved, as a party or otherwise; *provided*, *however*, that the Partnership shall not indemnify an Indemnitee (i) if the act or omission of the Indemnitee was material to the matter giving rise to the Action and either was committed in bad faith or was the result of active and deliberate dishonesty; (ii) in the case of any criminal proceeding, if the Indemnitee had reasonable cause to believe that the act or omission was unlawful; or (iii) for any transaction for which such Indemnitee actually received an improper personal benefit in violation or breach of any provision of this Agreement; and *provided*, *further*, that no payments pursuant to this Agreement shall be made by the Partnership to indemnify or advance funds to any Indemnitee (A) with respect to any Action initiated or brought voluntarily by such Indemnitee (and not by way of defense) unless (I) approved or authorized by the General Partner or (II) incurred to establish or enforce such Indemnitee's right to indemnification under this Agreement, and (B) in connection with one or more Actions or claims brought by the Partnership or involving such Indemnitee if such Indemnitee is found liable to the Partnership on any portion of any claim in any such Action.

(b)Without limitation, the foregoing indemnity shall extend to any liability of any Indemnitee, pursuant to a loan guaranty or otherwise, for any indebtedness of the Partnership or any Subsidiary of the Partnership (including, without limitation, any indebtedness which the Partnership or any Subsidiary of the Partnership has assumed or taken subject to), and the General Partner is hereby authorized and empowered, on behalf of the Partnership, to enter into one or more indemnity agreements consistent with the provisions of this Section 7.7 in favor of any Indemnitee having or potentially having liability for any such indebtedness. It is the intention of this Section 7.7(a) that the Partnership indemnify each Indemnitee to the fullest extent permitted by law and this Agreement. The termination of any proceeding by judgment, order or settlement does not create a presumption that the Indemnitee did not meet the requisite standard of conduct set forth in this Section 7.7(a). The termination of any proceeding by conviction of an Indemnitee or upon a plea of *nolo contendere* or its equivalent by an Indemnitee, or an entry of an order of probation against an Indemnitee prior to judgment, does not create a presumption that such Indemnitee acted in a manner contrary to that specified in this Section 7.7(a) with respect to the subject matter of such proceeding. Any indemnification pursuant to this Section 7.7 shall be made only out of the assets of the Partnership, and neither the General Partner nor any other Holder shall have any obligation to contribute to the capital of the Partnership or otherwise provide funds to enable the Partnership to fund its obligations under this Section 7.7.

(c)To the fullest extent permitted by law, expenses incurred by an Indemnitee who is a party to a proceeding or otherwise subject to or the focus of or is involved in any Action shall be paid or reimbursed by the Partnership as incurred by the Indemnitee in advance of the final disposition of the Action upon receipt by the Partnership of (i) a written affirmation by the Indemnitee of the Indemnitee's good faith belief that the standard of conduct necessary for indemnification by the Partnership as authorized in Section 7.7(a) has been met, and (ii) a written undertaking by or on behalf of the Indemnitee to repay the amount if it shall ultimately be determined that the standard of conduct has not been met.

(d)The indemnification provided by this Section 7.7 shall be in addition to any other rights to which an Indemnitee or any other Person may be entitled under any agreement, pursuant to any vote of the Partners, as a matter of law or otherwise, and shall continue as to an Indemnitee who has ceased to serve in such capacity and shall inure to the benefit of the heirs, successors, assigns and administrators of the Indemnitee unless otherwise provided in a written agreement with such Indemnitee or in the writing pursuant to which such Indemnitee is indemnified.

(e)The Partnership may, but shall not be obligated to, purchase and maintain insurance, on behalf of any of the Indemnitees and such other Persons as the General

Partner shall determine, against any liability that may be asserted against or expenses that may be incurred by such Person in connection with the Partnership's activities, regardless of whether the Partnership would have the power to indemnify such Person against such liability under the provisions of this Agreement.

(f)Any liabilities which an Indemnitee incurs as a result of acting on behalf of the Partnership or the General Partner (whether as a fiduciary or otherwise) in connection with the operation, administration or maintenance of an employee benefit plan or any related trust or funding mechanism (whether such liabilities are in the form of excise taxes assessed by the IRS, penalties assessed by the U.S. Department of Labor, restitutions to such a plan or trust or other funding mechanism or to a participant or beneficiary of such plan, trust or other funding mechanism, or otherwise) shall be treated as liabilities or judgments or fines under this Section 7.7, unless such liabilities arise as a result of (i) an act or omission of such Indemnitee that was material to the matter giving rise to the Action and either was committed in bad faith or was the result of active and deliberate dishonesty; (ii) in the case of any criminal proceeding, an act or omission that such Indemnitee had reasonable cause to believe was unlawful, or (iii) any transaction in which such Indemnitee actually received an improper personal benefit in violation or breach of any provision of this Agreement.

(g) In no event may an Indemnitee subject any of the Holders to personal liability by reason of the indemnification provisions set forth in this Agreement.

(h)An Indemnitee shall not be denied indemnification in whole or in part under this Section 7.7 because the Indemnitee had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

(i)The provisions of this Section 7.7 are for the benefit of the Indemnitees, their heirs, successors, assigns and administrators and shall not be deemed to create any rights for the benefit of any other Persons. Any amendment, modification or repeal of this Section 7.7 or any provision hereof shall be prospective only and shall not in any way affect the limitations on the Partnership's liability to any Indemnitee under this Section 7.7 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

(j)Any obligation or liability whatsoever of the General Partner which may arise at any time under this Agreement or any other instrument, transaction, or undertaking contemplated hereby shall be satisfied, if at all, out of the assets of the General Partner or the Partnership only. No such obligation or liability shall be personally binding upon, nor shall resort for the enforcement thereof be had to, any of the General Partner's directors, stockholders, officers, employees, or agents, regardless of whether such obligation or liability is in the nature of contract, tort or otherwise.

(k)It is the intent of the parties that any amounts paid by the Partnership to the General Partner pursuant to this Section 7.7 shall be treated as "guaranteed payments" within the meaning of Code Section 707(c) and shall not be treated as distributions for purposes of computing the Partners' Capital Accounts.

Section 7.8 *Liability of the General Partner.*

(a)To the maximum extent permitted under the Act, the only duties that the General Partner owes to the Partnership, any Partner or any other Person (including any creditor of any Partner or assignee of any Partnership Interest), fiduciary or otherwise, are to perform its contractual obligations as expressly set forth in this Agreement consistently with the obligation of good faith and fair dealing, and to act with the fiduciary duties of care and loyalty which have been, in accordance with the Act, modified as set forth in this Section 7.8. The General Partner, in its capacity as such, shall have no other duty, fiduciary or otherwise, to the Partnership, any Partner or any other Person (including any creditor of any Partner or any assignee of Partnership Interest). The provisions of this Agreement other than this Section 7.8 shall create contractual obligations of the General Partner only, and no such provision shall be interpreted to expand or modify the fiduciary duties of the General Partner under the Act.

(b)The Limited Partners agree that (i) the General Partner is acting for the benefit of the Partnership, the Limited Partners and the General Partner's stockholders collectively and (ii) in the event of a conflict between the interests of the Partnership or any Partner, on the one hand, and the separate interests of the General Partner or its stockholders, on the other hand, the General Partner may give priority to the separate interests of the General Partner or the stockholders of the General Partner (including, without limitation, with respect to tax consequences to Limited Partners, Assignees or the General Partner's stockholders), and, in the event of such a conflict, and any action or failure to act on the part of the General Partner that gives priority to the separate interests of the General Partner or its stockholders that does not result in a violation of the contract rights of the Limited Partners under this Agreement does not violate the duty of loyalty or any other duty owed by the General Partner to the Partnership and/or the Partners or violate the obligation of good faith and fair dealing.

(c)Subject to its obligations and duties as General Partner set forth in this Agreement and applicable law, the General Partner may exercise any of the powers granted to it by this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its employees or agents. The General Partner shall not be responsible to the Partnership or any Partner for any misconduct or negligence on the part of any such employee or agent appointed by it in good faith.

(d)Any obligation or liability whatsoever of the General Partner which may arise at any time under this Agreement or any other instrument, transaction, or undertaking contemplated hereby shall be satisfied, if at all, out of the assets of the General Partner or the Partnership only. No such obligation or liability shall be personally binding upon, nor shall resort for the enforcement thereof be had to, any of the General Partner's directors, stockholders, officers, employees, or agents, regardless of whether such obligation or liability is in the nature of contract, tort or otherwise. Notwithstanding anything to the contrary set forth in this Agreement, none of the directors or officers of the General Partner shall be directly liable or accountable in damages or otherwise to the Partnership, any Partners, or any Assignees for losses sustained, liabilities incurred or benefits not derived as a result of errors in judgment or mistakes of fact or law or of any act or omission or by reason of their service as such. This Agreement is executed by the officers of the General Partner solely as officers of the same and not in their own individual capacities.

(e)Notwithstanding anything herein to the contrary, except for liability for fraud, willful misconduct or gross negligence on the part of the General Partner, or pursuant to any express indemnities given to the Partnership by the General Partner pursuant to any other written instrument, the General Partner shall not have any personal liability whatsoever, to the Partnership or to the other Partners, for any action or omission taken in its capacity as the General Partner or for the debts or liabilities of the Partnership or the Partnership's obligations hereunder, except pursuant to Section 15.1. Without limitation of the foregoing, and except for liability for fraud, willful misconduct or gross negligence, or pursuant to Section 15.1 or any such express indemnity, no property or assets of the General Partner, other than its interest in the Partnership, shall be subject to levy, execution or other enforcement procedures for the satisfaction of any judgment (or other judicial process) in favor of any other Partner(s) and arising out of, or in connection with, this Agreement.

(f)To the extent that, under applicable law, the General Partner has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or the Limited Partners, the General Partner shall not be liable to the Partnership or to any other Partner for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict or modify the duties and liabilities of the General Partner under the Act or otherwise existing under applicable law, are agreed by the Partners to replace such other duties and liabilities of such General Partner.

(g)Whenever in this Agreement the General Partner is permitted or required to make a decision in its "sole and absolute discretion," "sole discretion" or "discretion" or under a grant of similar authority or latitude, the General Partner shall be entitled to consider only such interests and factors as it desires, including its own interests, and shall have no duty or obligation to give any consideration to any interest or factors affecting the Partnership or the Partners or any of them, and any such decision or determination made by the General Partner that does not consider such interests or factors affecting the Partnership of the Partners, or any of them, that does not result in a violation of the contract rights of the Limited Partners under this Agreement does not violate the duty of loyalty or any other duty owed by the General Partner to the Partnership and/or the Partners. If any question should arise with respect to the operation of the Partnership, which is not otherwise specifically provided for in this Agreement or the Act, or with respect to the interpretation of this Agreement, the General Partner is hereby authorized to make a final determination with respect to any such question and to interpret this

Agreement in such a manner as it shall deem, in its sole discretion, to be fair and equitable, and its determination and interpretations so made shall be final and binding on all parties. The General Partner's "sole and absolute discretion," "sole discretion" and "discretion" under this Agreement shall be exercised consistently with the duty of care and the obligation of good faith and fair dealing under the Act (as modified by the Agreement).

(h)The General Partner may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture or other paper or document believed by it in good faith to be genuine and to have been signed or presented by the proper party or parties. In performing its duties under this Agreement and the Act, the General Partner shall be entitled to rely on the provisions of this Agreement and on any information, opinion, report or statement, including any financial statement or other financial data or the records or books of account of the Partnership or any subsidiary of the Partnership, prepared or presented by any officer, employee or agent of the General Partner, any agent of the Partnership or any such subsidiary, or by any lawyer, certified public accountant, appraiser or other person engaged by the General Partner, the Partnership or any such subsidiary as to any matter within such person's professional or expert competence, and any act taken or omitted to be taken in reliance upon any such information, opinion, report or statement as to matters that the General Partner reasonably believes to be within such Person's professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such information, opinion, report or statement.

(i)Notwithstanding any other provision of this Agreement or the Act, any action of the General Partner on behalf of the Partnership or any decision of the General Partner to refrain from acting on behalf of the Partnership, undertaken in the good faith belief that such action or omission is necessary or advisable in order (i) to protect the ability of the General Partner to continue to qualify as a REIT, (ii) for the General Partner otherwise to satisfy the REIT Requirements, (iii) for the General Partner to avoid incurring any taxes under Code Section 857 or Code Section 4981, or (iv) for any General Partner Affiliate to continue to qualify as a "qualified REIT subsidiary"(within the meaning of Code Section 856(i)(2)) or "taxable REIT subsidiary"(within the meaning of Code Section 856(l)), is expressly authorized under this Agreement and is deemed approved by all of the Limited Partners and does not violate the duty of loyalty or any other duty or obligation, fiduciary or otherwise, of the General Partner to the Partnership or any other Partner.

(j)Any amendment, modification or repeal of this Section 7.8 or any provision hereof shall be prospective only and shall not in any way affect the limitations on the General Partner's and its officers' and directors' liability to the Partnership and the Limited Partners under this Section 7.8 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

Section 7.9 *Title to Partnership Assets.* Title to Partnership assets, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Partnership as an entity, and no Partner, individually or collectively with other Partners or Persons, shall have any ownership interest in such Partnership assets or any portion thereof. Title to any or all of the Partnership assets may be held in the name of the Partnership, the General Partner or one or more nominees, as the General Partner may determine, including Affiliates of the General Partner. The General Partner hereby declares and warrants that any Partnership assets for which legal title is held in the name of the General Partner or any nominee or Affiliate of the General Partner shall be held by the General Partner or such nominee or Affiliate for the use and benefit of the Partnership in accordance with the provisions of this Agreement. All Partnership assets shall be recorded as the property of the Partnership in its books and records, irrespective of the name in which legal title to such Partnership assets is held.

Section 7.10 *Reliance by Third Parties.* Notwithstanding anything to the contrary in this Agreement, any Person dealing with the Partnership shall be entitled to assume that the General Partner has full power and authority, without the consent or approval of any other Partner, or Person, to encumber, sell or otherwise use in any manner any and all assets of the Partnership and to enter into any contracts on behalf of the Partnership, and take any and all actions on behalf of the Partnership, and such Person shall be entitled to deal with the General Partner as if it were the Partnership's sole party in interest, both legally and beneficially. Each Limited Partner hereby waives any and all defenses or other remedies that may be available against such Person to contest, negate or disaffirm any action of the General Partner in connection with any such dealing. In no event shall any Person dealing with the General Partner or its representatives be obligated to ascertain that the terms of this Agreement have been complied with or to inquire into the necessity or expediency of any act or action of the General Partner or its representatives. Each and every certificate, document or other instrument executed on behalf of the Partnership by the General Partner or its representatives shall be conclusive evidence in favor of any and every Person relying thereon or claiming thereunder that (a) at the time of the execution and delivery of such certificate, document or instrument, this Agreement was in full force and effect, (b) the Person executing and delivering such certificate, document or instrument was duly authorized and empowered to do so for and on behalf of the Partnership and (c) such certificate, document or instrument was duly executed and delivered in accordance with the terms and provisions of this Agreement and is binding upon the Partnership.

ARTICLE 8
RIGHTS AND OBLIGATIONS OF LIMITED PARTNERS

Section 8.1 *Limitation of Liability.* No Limited Partner shall have any liability under this Agreement except for intentional harm or gross negligence on the part of such Limited Partner or as expressly provided in this Agreement (including, without limitation, Section 10.4 hereof) or under the Act.

Section 8.2 *Management of Business.* Subject to the rights and powers of the General Partner hereunder, no Limited Partner or Assignee (other than the General Partner, any of its Affiliates or any officer, director, member, employee, partner, agent or trustee of the General Partner, the Partnership or any of their Affiliates, in their capacity as such) shall take part in the operations, management or control (within the meaning of the Act) of the Partnership's business, transact any business in the Partnership's name or have the power to sign documents for or otherwise bind the Partnership. The transaction of any such business by the General Partner, any of its Affiliates or any officer, director, member, employee, partner, agent, representative, or trustee of the General Partner, the Partnership or any of their Affiliates, in their capacity as such, shall not affect, impair or eliminate the limitations on the liability of the Limited Partners or Assignees under this Agreement.

Section 8.3 *Outside Activities of Limited Partners.* Subject to any agreements entered into pursuant to Section 7.6 hereof and any other agreements entered into by a Limited Partner or any of its Affiliates with the General Partner, the Partnership or a Subsidiary (including, without limitation, any employment agreement), any Limited Partner and any Assignee, officer, director, employee, agent, trustee, Affiliate, member or stockholder of any Limited Partner shall be entitled to and may have business interests and engage in business activities in addition to those relating to the Partnership, including business interests and activities that are in direct or indirect competition with the Partnership or that are enhanced by the activities of the Partnership. Neither the Partnership nor any Partner shall have any rights by virtue of this Agreement in any business ventures of any Limited Partner or Assignee. Subject to such agreements, none of the Limited Partners nor any other Person shall have any rights by virtue of this Agreement or the partnership relationship established hereby in any business ventures of any other Person (other than the General Partner), and such Person shall have no obligation pursuant to this Agreement, subject to Section 7.6 hereof and any other agreements entered into by a Limited Partner or its Affiliates with the General Partner, the Partnership or a Subsidiary, to offer any interest in any such business ventures to the Partnership, any Limited Partner, or any such other Person, even if such opportunity is of a character that, if presented to the Partnership, any Limited Partner or such other Person, could be taken by such Person. In deciding whether to take any actions in such capacity, the Limited Partners and their respective Affiliates shall be under no obligation to consider the separate interests of the Partnership or its subsidiaries and to the maximum extent permitted by applicable law shall have no fiduciary duties or similar obligations to the Partnership or any other Partners, or to any subsidiary of the Partnership, and shall not be liable for monetary damages for losses sustained, liabilities incurred or benefits not derived by the other Partners in connection with such acts except for liability for fraud, willful

misconduct or gross negligence.

Section 8.4 *Return of Capital.* Except pursuant to the rights of Redemption set forth in Section 15.1 hereof or in any Partnership Unit Designation, no Limited Partner shall be entitled to the withdrawal or return of its Capital Contribution, except to the extent of distributions made pursuant to this Agreement or upon dissolution of the Partnership as *provided* herein. Except to the extent provided in Article 5 and Article 6 hereof or otherwise expressly provided in this Agreement or in any Partnership Unit Designation, no Limited Partner or Assignee shall have priority over any other Limited Partner or Assignee either as to the return of Capital Contributions or as to profits, losses or distributions.

Section 8.5 *Rights of Limited Partners Relating to the Partnership.*

(a)In addition to other rights provided by this Agreement or by the Act, and except as limited by Section 8.5(c) hereof, the General Partner shall deliver to each Limited Partner a copy of any information mailed or electronically delivered to all of the common stockholders of the General Partner as soon as practicable after such mailing.

(b)The Partnership shall notify any Limited Partner that is a Qualifying Party, on request, of the then current Adjustment Factor and any change made to the Adjustment Factor shall be set forth in the quarterly report required by Section 9.3(b) hereof immediately following the date such change becomes effective.

(c)Notwithstanding any other provision of this Section 8.5, the General Partner may keep confidential from the Limited Partners (or any of them), for such period of time as the General Partner determines in its sole and absolute discretion to be reasonable, any information that (i) the General Partner believes to be in the nature of trade secrets or other information the disclosure of which the General Partner in good faith believes is not in the best interests of the Partnership or the General Partner or (ii) the Partnership or the General Partner is required by law or by agreement to keep confidential.

(d)Upon written request by any Limited Partner, the General Partner shall cause the ownership of Partnership Units by such Limited Partner to be evidenced by a certificate for units in such form as the General Partner may determine with respect to any class of Partnership Units issued from time to time under this Agreement. Any officer of the General Partner may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Partnership alleged to have been lost, destroyed, stolen or mutilated, upon the making of an affidavit of that fact by the person claiming the certificate to be lost, destroyed, stolen or mutilated. Unless otherwise determined by an officer of the General Partner, the owner of such lost, destroyed, stolen or mutilated certificate or certificates, or his or her legal representative, shall be required, as a condition precedent to the issuance of a new certificate or certificates, to give the Partnership a bond in such sums as the General Partner may direct as indemnity against any claim that may be made against the Partnership.

Section 8.6 *Partnership Right to Call Partnership Common Units.* Notwithstanding any other provision of this Agreement, on and after the date on which the aggregate Percentage Interests of the Partnership Common Units held by Limited Partners are less than one percent (1%), the Partnership shall have the right, but not the obligation, from time to time and at any time to redeem any and all outstanding Partnership Common Units by treating any Holder thereof as a Tendering Party who has delivered a Notice of Redemption pursuant to Section 15.1 hereof for the amount of Partnership Common Units to be specified by the General Partner, by notice to such Holder that the Partnership has elected to exercise its rights under this Section 8.6. Such notice given by the General Partner to a Holder pursuant to this Section 8.6 shall be treated as if it were a Notice of Redemption delivered to the General Partner by such Holder. For purposes of this Section 8.6, (a) the General Partner may treat any Holder (whether or not otherwise a Qualifying Party) as a Qualifying Party that is a Tendering Party and (b) the provisions of Sections 15.1(f)(ii) and 15.1(f)(iii) hereof shall not apply, but the remainder of Section 15.1 hereof shall apply, mutatis mutandis.

Section 8.7 *Rights as Objecting Partner.* No Limited Partner and no Holder of a Partnership Interest shall be entitled to exercise any of the rights of an objecting stockholder provided for under Title 3, Subtitle 2 of the Maryland General Corporation Law or any successor statute in connection with a merger of the Partnership.

ARTICLE 9
BOOKS, RECORDS, ACCOUNTING AND REPORTS

Section 9.1 *Records and Accounting*.

(a)The General Partner shall keep or cause to be kept at the principal place of business of the Partnership those records and documents, if any, required to be maintained by the Act and any other books and records deemed by the General Partner to be appropriate with respect to the Partnership's business, including, without limitation, all books and records necessary to provide to the Limited Partners any information, lists and copies of documents required to be provided pursuant to Section 8.5(a), Section 9.3 or Article 13 hereof. Any records maintained by or on behalf of the Partnership in the regular course of its business may be kept on any information storage device, *provided* that the records so maintained are convertible into clearly legible written form within a reasonable period of time.

(b)The books of the Partnership shall be maintained, for financial and tax reporting purposes, on an accrual basis in accordance with generally accepted accounting principles, or on such other basis as the General Partner determines to be necessary or appropriate. To the extent permitted by sound accounting practices and principles, the Partnership and the General Partner may operate with integrated or consolidated accounting records, operations and principles.

Section 9.2 *Partnership Year*. For purposes of this Agreement, "Partnership Year" means the fiscal year of the Partnership, which shall be the same as the tax year of the Partnership. The tax year shall be the calendar year unless otherwise required by the Code.

Section 9.3 *Reports*.

(a)As soon as practicable, but in no event later than one hundred five (105) days after the close of each Partnership Year, the General Partner shall cause to be mailed to each Limited Partner of record as of the close of the Partnership Year, financial statements of the Partnership, or of the General Partner if such statements are prepared solely on a consolidated basis with the General Partner, for such Partnership Year, presented in accordance with generally accepted accounting principles, such statements to be audited by a nationally recognized firm of independent public accountants selected by the General Partner.

(b)As soon as practicable, but in no event later than sixty (60) days after the close of each calendar quarter (except the last calendar quarter of each year), the General Partner shall cause to be mailed to each Limited Partner of record as of the last day of the calendar quarter, a report containing unaudited financial statements of the Partnership for such calendar quarter, or of the General Partner if such statements are prepared solely on a consolidated basis with the General Partner, and such other information as may be required by applicable law or regulation or as the General Partner determines to be appropriate.

(c)The General Partner shall have satisfied its obligations under Section 9.3(a) and Section 9.3(b) by posting or making available the reports required by this Section 9.3 on the website maintained from time to time by the Partnership or the General Partner, *provided* that such reports are able to be printed or downloaded from such

website.

ARTICLE 10
TAX MATTERS

Section 10.1 *Preparation of Tax Returns*. The General Partner shall arrange for the preparation and timely filing of all returns with respect to Partnership income, gains, deductions, losses and other items required of the Partnership for Federal and state income tax purposes and shall use all reasonable efforts to furnish the tax information reasonably required by Limited Partners for Federal and state income tax and any other tax reporting purposes. The Limited Partners shall promptly provide the General Partner with such information relating to the Contributed Properties as is readily available to the Limited Partners, including tax basis and other relevant information, as may be reasonably requested by the General Partner from time to time.

Section 10.2 *Tax Elections*. Except as otherwise *provided* herein, the General Partner shall, in its sole and absolute discretion, determine whether to make any available election pursuant to the Code, including, but not limited to, the election under Code Section 754. The General Partner shall have the right to seek to revoke any such election (including, without limitation, any election under Code Section 754) upon the General Partner's determination in its sole and absolute discretion that such revocation is in the best interests of the Partners.

Section 10.3 *Tax Matters Partner.*

(a)The General Partner shall be the "tax matters partner" of the Partnership for federal income tax purposes. The tax matters partner shall receive no compensation for its services. All third-party costs and expenses incurred by the tax matters partner in performing its duties as such (including legal and accounting fees and expenses) shall be borne by the Partnership in addition to any reimbursement pursuant to Section 7.4 hereof. Nothing herein shall be construed to restrict the Partnership from engaging an accounting firm to assist the tax matters partner in discharging its duties hereunder.

(b) The tax matters partner is authorized, but not required:

(i) to enter into any settlement with the IRS with respect to any administrative or judicial proceedings for the adjustment of Partnership items required to be taken into account by a Partner for income tax purposes (such administrative proceedings being referred to as a "tax audit" and such judicial proceedings being referred to as "judicial review"), and in the settlement agreement the tax matters partner may expressly state that such agreement shall bind all Partners, except that such settlement agreement shall not bind any Partner (A) who (within the time prescribed pursuant to the Code and Regulations) files a statement with the IRS providing that the tax matters partner shall not have the authority to enter into a settlement agreement on behalf of such Partner (as the case may be) or (B) who is a "notice partner" (as defined in Code Section 6231) or a member of a "notice group" (as defined in Code Section 6223(b)(2));

(ii)in the event that a notice of a final administrative adjustment at the Partnership level of any item required to be taken into account by a Partner for tax purposes (a "*Final Adjustment*") is mailed to the tax matters partner, to seek judicial review of such Final Adjustment, including the filing of a petition for readjustment with the United States Tax Court or the United States Claims Court, or the filing of a complaint for refund with the District Court of the United States for the district in which the Partnership's principal place of business is located;

(iii) to intervene in any action brought by any other Partner for judicial review of a final adjustment;

(iv)to file a request for an administrative adjustment with the IRS at any time and, if any part of such request is not allowed by the IRS, to file an appropriate pleading (petition or complaint) for judicial review with respect to such request;

(v)to enter into an agreement with the IRS to extend the period for assessing any tax that is attributable to any item required to be taken into account by a Partner for tax purposes, or an item affected by such item; and

(vi)to take any other action on behalf of the Partners or any of them in connection with any tax audit or judicial review proceeding to the extent permitted by applicable law or regulations.

The taking of any action and the incurring of any expense by the tax matters partner in connection with any such proceeding, except to the extent required by law, is a matter in the sole and absolute discretion of the tax matters partner and the provisions relating to indemnification of the General Partner set forth in Section 7.7 hereof shall be fully applicable to the tax matters partner in its capacity as such.

Section 10.4 *Withholding*. Each Limited Partner hereby authorizes the Partnership to withhold from or pay on behalf of or with respect to such Limited Partner any amount of Federal, state, local or foreign taxes that the General Partner determines the Partnership is required to withhold or pay with respect to any amount distributable or allocable to such Limited Partner pursuant to this Agreement, including, without limitation, any taxes required to be withheld or paid by the Partnership pursuant to Code Section 1441, Code Section 1442, Code Section 1445 or Code Section 1446. Any amount withheld with respect to a Limited Partner pursuant to this Section 10.4 shall be treated as paid or distributed, as applicable, to such Limited Partner for all purposes under this Agreement. Any amount paid on behalf of or with respect to a Limited Partner, in excess of any such withheld amount, shall constitute a loan by the Partnership to such Limited Partner, which loan shall be repaid by such Limited Partner within thirty (30) days after the affected Limited Partner receives written notice from the General Partner that such payment must be made, *provided* that the Limited Partner shall not be required to repay such deemed loan if either (a) the Partnership withholds such payment from a distribution that would otherwise be made to the Limited Partner or (b) the General Partner determines, in its sole and absolute discretion, that such payment may be satisfied out of the Available Cash of the Partnership that would, but for such payment, be distributed to the Limited Partner. Any amounts payable by a Limited Partner hereunder shall bear interest at the base rate on corporate loans at large United States money center commercial banks, as published from time to time in the Wall Street Journal (but not higher than the maximum lawful rate) from the date such amount is due (i.e., thirty (30) days after the Limited Partner receives written notice of such amount) until such amount is paid in full.

Section 10.5 *Organizational Expenses.* The General Partner may cause the Partnership to elect to deduct expenses, if any, incurred by it in organizing the Partnership ratably over a 180-month period as provided in Section 709 of the Code.

Section 10.6 *Partnership Provisions*. The Partners acknowledge that, as of the date of this Agreement, the Partnership is a Disregarded Entity of the General Partner and will remain disregarded until such time as a Person other than the General Partner or a Disregarded Entity thereof acquires an equity interest in the Partnership, at which point the Partnership would become a partnership for U.S. federal income tax purposes. Accordingly, notwithstanding anything to the contrary in this Agreement, the provisions of this Agreement that (i) relate to the maintenance of Capital Accounts, (ii) reference or apply the provisions of Subchapter K of the Code, or (iii) otherwise are, in

the General Partner's determination, not relevant to the Partnership for so long as it is a Disregarded Entity shall, in each case, apply only if and to the extent the Partnership becomes a partnership for U.S. federal income tax purposes, in each case, as determined by the General Partner in its sole and absolute discretion.

ARTICLE 11
PARTNER TRANSFERS AND WITHDRAWALS

Section 11.1 *Transfer*.

(a)No part of the interest of a Partner shall be subject to the claims of any creditor, to any spouse for alimony or support, or to legal process, and may not be voluntarily or involuntarily alienated or encumbered except as may be specifically provided for in this Agreement.

(b)No Partnership Interest shall be Transferred, in whole or in part, except in accordance with the terms and conditions set forth in this Article 11. Any Transfer or purported Transfer of a Partnership Interest not made in accordance with this Article 11 shall be null and void *ab initio.*

(c)No Transfer of any Partnership Interest may be made to a lender to the Partnership or any Person who is related (within the meaning of Section 1.752-4(b) of the Regulations) to any lender to the Partnership whose loan constitutes a Nonrecourse Liability, without the Consent of the General Partner; *provided*, *however*, that, as a condition to such Consent, the lender may be required to enter into an arrangement with the Partnership and the General Partner to redeem or exchange for the REIT Shares Amount any Partnership Units in which a security interest is held by such lender simultaneously with the time at which such lender would be deemed to be a partner in the Partnership for purposes of allocating liabilities to such lender under Section 752 of the Code (*provided* that, for purpose of calculating the REIT Shares Amount in this Section 11.1(c), "*Tendered Units*" shall mean all such Partnership Units in which a security interest is held by such lender).

Section 11.2 *Transfer of General Partner's Partnership Interest*.

(a)Except as provided in Section 11.2(b) or Section 11.2(c), and subject to the rights of any Holder of any Partnership Interest set forth in a Partnership Unit Designation, the General Partner may not Transfer all or any portion of its Partnership Interest (whether by sale, disposition, statutory merger or consolidation, liquidation or otherwise) without the Consent of the Limited Partners. It is a condition to any Transfer of a Partnership Interest of a General Partner otherwise permitted hereunder (including any Transfer permitted pursuant to Section 11.2(b) or Section 11.2(c)) that: (i) coincident with such Transfer, the transferee is admitted as a General Partner pursuant to Section 12.1 hereof; (ii) the transferee assumes, by operation of law or express agreement, all of the obligations of the transferor General Partner under this Agreement with respect to such Transferred Partnership Interest; and (iii) the transferee has executed such instruments as may be necessary to effectuate such admission and to confirm the agreement of such transferee to be bound by all the terms and provisions of this Agreement with respect to the Partnership Interest so acquired and the admission of such transferee as a General Partner.

(b) *Certain Transactions of the General Partner*. Subject to the rights of any Holder of any Partnership Interest set forth in a Partnership Unit Designation, the General Partner may, without the Consent of the Limited Partners, Transfer all of its Partnership Interest in connection with (x) a merger, consolidation or other combination of its or the Partnership's assets with another entity, (y) a sale of all or substantially all of its or the Partnership's assets not in the ordinary course of the Partnership's business or (z) a reclassification, recapitalization or change of any outstanding shares of the General Partner's stock or other outstanding equity interests other than in connection with a stock split, reverse stock split, stock dividend change in par value, increase in authorized shares, designation or issuance of new classes of equity securities or any event that does not require the approval of the General Partner's stockholders (each, a "*Termination Transaction*") if:

(i) in connection with such Termination Transaction, all of the Limited Partners will receive, or will have the right to elect to receive (and shall be provided the opportunity to make such an election if the holders of REIT Shares generally are also provided such an opportunity), for each Partnership Common Unit an amount of cash, securities or other property equal to the product of the Adjustment Factor and the greatest amount of cash, securities or other property paid to a holder of one REIT Share in consideration of one REIT Share pursuant to the terms of such Termination Transaction; *provided*, that if, in connection with such Termination Transaction, a purchase, tender or exchange offer shall have been made to and accepted by the holders of the outstanding REIT Shares, each holder of Partnership Common Units shall receive, or shall have the right to elect to receive, the greatest amount of cash, securities or other property which such holder of Partnership Common Units would have received had it exercised its right to Redemption pursuant to Article 15 hereof and received REIT Shares in exchange for its Partnership Common Units immediately prior to the expiration of such purchase, tender or exchange offer and had thereupon accepted such purchase, tender or exchange offer and then such Termination Transaction shall have been consummated; or

(ii)all of the following conditions are met: (A) substantially all of the assets directly or indirectly owned by the surviving entity are owned directly or indirectly by the Partnership or another limited partnership or limited liability company which is the survivor of a merger, consolidation or combination of assets with the Partnership (in each case, the "*Surviving Partnership*"); (B) Limited Partners that held Partnership Common Units immediately prior to the consummation of such Termination Transaction own a percentage interest of the Surviving Partnership based on the relative fair market value of the net assets of the Partnership and the other net assets of the Surviving Partnership immediately prior to the consummation of such transaction; (C) the rights, preferences and privileges in the Surviving Partnership of such Limited Partners are at least as favorable as those in effect with respect to the Partnership Common Units immediately prior to the consummation of such transaction and as those applicable to any other limited partners or non-managing members of the Surviving Partnership; and (D) the rights of such Limited Partners include at least one of the following: (I) the right to redeem their interests in the Surviving Partnership for the consideration available to such persons pursuant to Section 11.2(b)(i) or (II) the right to redeem their interests in the Surviving Partnership for cash on terms substantially equivalent to those in effect with respect to their Partnership Common Units immediately prior to the consummation of such transaction, or, if the ultimate controlling person of the Surviving Partnership has publicly traded common equity securities, such common equity securities, with an exchange ratio based on the determination of relative fair market value of such securities and the REIT Shares.

(c)Notwithstanding the other provisions of this Article 11 (other than Section 11.6(d) hereof), the General Partner may Transfer all of its Partnership Interests at any time to any Person that is, at the time of such Transfer an Affiliate of the General Partner, including any "qualified REIT subsidiary" (within the meaning of Code Section 856(i)(2)), without the Consent of any Limited Partners. The provisions of Section 11.2(b), 11.3, 11.4(a) and 11.5 hereof shall not apply to any Transfer permitted by this Section 11.2(c).

(d)Except in connection with Transfers permitted in this Article 11 and as otherwise provided in Section 12.1 in connection with the Transfer of the General Partner's entire Partnership Interest, the General Partner may not voluntarily withdraw as a general partner of the Partnership without the Consent of the Limited Partners.

Section 11.3 *Limited Partners' Rights to Transfer.*

(a) *General*. Prior to the end of the Initial Holding Period and except as provided in Section 11.1(c) hereof, no Limited Partner shall Transfer all or any portion of its Partnership Interest to any transferee without the Consent of the General Partner; *provided*, *however*, that any Limited Partner may, at any time, without the consent or approval of the General Partner, (x) Transfer all or part of its Partnership Interest to any Family Member (including a Transfer by a Family Member that is an inter vivos or testamentary trust (whether revocable or irrevocable) to a Family Member that is a beneficiary of such trust), any Charity, any Controlled Entity or any Affiliate, or (y) pledge (a "*Pledge*") all or any portion of its Partnership Interest to a lending institution as collateral or security for a bona fide loan or other extension of credit, and Transfer such pledged Partnership Interest to such lending institution in connection with the exercise of remedies under such loan or extension of credit (any Transfer or Pledge permitted by this proviso is hereinafter referred to as a "*Permitted Transfer*"). After such Initial Holding Period, each Limited Partner, and each transferee of Partnership Units or Assignee

pursuant to a Permitted Transfer, shall have the right to Transfer all or any portion of its Partnership Interest to any Person, without the Consent of the General Partner but subject to the provisions of Section 11.4 hereof and to satisfaction of each of the following conditions:

(i) *General Partner Right of First Refusal.* The transferor Limited Partner (or the Partner's estate in the event of the Partner's death) shall give written notice of the proposed Transfer to the General Partner, which notice shall state (A) the identity and address of the proposed transferee and (B) the amount and type of consideration proposed to be received for the Transferred Partnership Units. The General Partner shall have ten (10) Business Days upon which to give the transferor Limited Partner notice of its election to acquire the Partnership Units on the terms set forth in such notice. If it so elects, it shall purchase the Partnership Units on such terms within ten (10) Business Days after giving notice of such election; *provided*, *however*, that in the event that the proposed terms involve a purchase for cash, the General Partner may at its election deliver in lieu of all or any portion of such cash a note from the General Partner payable to the transferor Limited Partner at a date as soon as reasonably practicable, but in no event later than one hundred eighty (180) days after such purchase, and bearing interest at an annual rate equal to the total dividends declared with respect to one (1) REIT Share for the four (4) preceding fiscal quarters of the General Partner, divided by the Value as of the closing of such purchase; and *provided*, *further*, that such closing may be deferred to the extent necessary to effect compliance with the Hart-Scott-Rodino Act, if applicable, and any other applicable requirements of law. If it does not so elect, the transferor Limited Partner may Transfer such Partnership Units to a third party, on terms no more favorable to the transferee than the proposed terms, subject to the other conditions of this Section 11.3.

(ii) *Qualified Transferee.* Any Transfer of a Partnership Interest shall be made only to a single Qualified Transferee;*provided*, *however*, that, for such purposes, all Qualified Transferees that are Affiliates, or that comprise investment accounts or funds managed by a single Qualified Transferee and its Affiliates, shall be considered together to be a single Qualified Transferee; and *provided*, *further*, that each Transfer meeting the minimum Transfer restriction of Section 11.3(a)(iv) hereof may be to a separate Qualified Transferee.

(iii) *Opinion of Counsel*. The transferor Limited Partner shall deliver or cause to be delivered to the General Partner an opinion of counsel reasonably satisfactory to it to the effect that the proposed Transfer may be effected without registration under the Securities Act and will not otherwise violate the registration provisions of the Securities Act and the regulations promulgated thereunder or violate any state securities laws or regulations applicable to the Partnership or the Partnership Interests Transferred; *provided*, *however*, that the General Partner may, in its sole discretion, waive this condition upon the request of the transferor Limited Partner. If, in the opinion of such counsel, such Transfer would require the filing of a registration statement under the Securities Act or would otherwise violate any Federal or state securities laws or regulations applicable to the Partnership or the Partnership Units, the General Partner may prohibit any Transfer otherwise permitted under this Section 11.3 by a Limited Partner of Partnership Interests.

(iv) *Minimum Transfer Restriction*. Any Transferring Partner must Transfer not less than the lesser of (A) five hundred (500) Partnership Units or (B) all of the remaining Partnership Units owned by such Transferring Partner, without, in each case, the Consent of the General Partner; *provided*, *however*, that, for purposes of determining compliance with the foregoing restriction, all Partnership Units owned by Affiliates of a Limited Partner shall be considered to be owned by such Limited Partner.

(v) *Exception for Permitted Transfers.* The conditions of Sections 11.3(a)(i) through 11.3(a)(iv) hereof shall not apply in the case of a Permitted Transfer.

It is a condition to any Transfer otherwise permitted hereunder (whether or not such Transfer is effected during or after the Initial Holding Period) that the transferee assumes by operation of law or express agreement all of the obligations of the transferor Limited Partner under this Agreement with respect to such Transferred Partnership Interest, and no such Transfer (other than pursuant to a statutory merger or consolidation wherein all obligations and liabilities of the transferor Partner are assumed by a successor corporation by operation of law) shall relieve the transferor Partner of its obligations under this Agreement without the Consent of the General Partner. Notwithstanding the foregoing, any transferee of any Transferred Partnership Interest shall be subject to any restrictions on ownership and transfer of stock of the General Partner contained in the Charter that may limit or restrict such transferee's ability to exercise its Redemption rights, including, without limitation, the Ownership Limit. Any transferee, whether or not admitted as a Substituted Limited Partner, shall take subject to the obligations of the transferor hereunder. Unless admitted as a Substituted Limited Partner, no transferee, whether by a voluntary Transfer, by operation of law or otherwise, shall have any rights hereunder, other than the rights of an Assignee as provided in Section 11.5 hereof.

(b) *Incapacity*. If a Limited Partner is subject to Incapacity, the executor, administrator, trustee, committee, guardian, conservator or receiver of such Limited Partner's estate shall have all the rights of a Limited Partner, but not more rights than those enjoyed by other Limited Partners, for the purpose of settling or managing the estate, and such power as the Incapacitated Limited Partner possessed to Transfer all or any part of its interest in the Partnership. The Incapacity of a Limited Partner, in and of itself, shall not dissolve or terminate the Partnership.

(c) *Adverse Tax Consequences*. Notwithstanding anything to the contrary in this Agreement, the General Partner shall have the authority (but shall not be required) to take any steps it determines are necessary or appropriate in its sole and absolute discretion to prevent the Partnership from being taxable as a corporation for Federal income tax purposes. In furtherance of the foregoing, except with the Consent of the General Partner, no Transfer by a Limited Partner of its Partnership Interests (including any Redemption, any conversion of LTIP Units into Partnership Common Units, any other acquisition of Partnership Units by the General Partner or any acquisition of Partnership Units by the Partnership) may be made to or by any Person if such Transfer could (i) result in the Partnership being treated as an association taxable as a corporation; (ii) result in a termination of the Partnership under Code Section 708; (iii) be treated as effectuated through an "established securities market" or a "secondary market (or the substantial equivalent thereof)" within the meaning of Code Section 7704 and the Regulations promulgated thereunder, (iv) result in the Partnership being unable to qualify for at least one of the "safe harbors" set forth in Regulations Section 1.7704-1 (or such other guidance subsequently published by the IRS setting forth safe harbors under which interests will not be treated as "readily tradable on a secondary market (or the substantial equivalent thereof)" within the meaning of Section 7704 of the Code) (the "*Safe Harbors*") or (v) based on the advice of counsel to the Partnership or the General Partner, adversely affect the ability of the General Partner to continue to qualify as a REIT or subject the General Partner to any additional taxes under Code Section 857 or Code Section 4981.

Section 11.4 *Admission of Substituted Limited Partners.*

(a)No Limited Partner shall have the right to substitute a transferee (including any transferees pursuant to Transfers permitted by Section 11.3 hereof) as a Limited Partner in its place. A transferee of a Limited Partner Interest may be admitted as a Substituted Limited Partner only with the Consent of the General Partner. The failure or refusal by the General Partner to permit a transferee of any such interests to become a Substituted Limited Partner shall not give rise to any cause of action against the Partnership or the General Partner. Subject to the foregoing, an Assignee shall not be admitted as a Substituted Limited Partner until and unless it furnishes to the General Partner (i) evidence of acceptance, in form and substance satisfactory to the General Partner, of all the terms, conditions and applicable obligations of this Agreement, (ii) a counterpart signature page to this Agreement executed by such Assignee and (iii) such other documents and instruments as the General Partner may require in its sole discretion to effect such Assignee's admission as a Substituted Limited Partner.

(b)Concurrently with, and as evidence of, the admission of a Substituted Limited Partner, the General Partner shall update the Register and the books and records

of the Partnership to reflect the name, address and number and class and/or series of Partnership Units of such Substituted Limited Partner and to eliminate or adjust, if necessary, the name, address and number of Partnership Units of the predecessor of such Substituted Limited Partner.

(c)A transferee who has been admitted as a Substituted Limited Partner in accordance with this Article 11 shall have all the rights and powers and be subject to all the restrictions and liabilities of a Limited Partner under this Agreement.

Section 11.5 *Assignees*. If the General Partner does not Consent to the admission of any permitted transferee under Section 11.3 hereof as a Substituted Limited Partner, as described in Section 11.4 hereof, or in the event that any Partnership Interest is deemed to have been Transferred notwithstanding the restrictions set forth in this Article 11, such transferee shall be considered an Assignee for purposes of this Agreement. An Assignee shall be entitled to all the rights of an assignee of a limited partnership interest under the Act, including the right to receive distributions from the Partnership and the share of Net Income, Net Losses and other items of income, gain, loss, deduction and credit of the Partnership attributable to the Partnership Interest assigned to such transferee and the rights to Transfer the Partnership Interest provided in this Article 11, but shall not be deemed to be a holder of a Partnership Interest for any other purpose under this Agreement (other than as expressly provided in Section 15.1 hereof with respect to a Qualifying Party that becomes a Tendering Party), and shall not be entitled to effect a Consent or vote with respect to such Partnership Interest on any matter presented to the Partners for approval (such right to Consent or vote, to the extent provided in this Agreement or under the Act, fully remaining with the transferor Limited Partner). In the event that any such transferee desires to make a further Transfer of any such Partnership Interest, such transferee shall be subject to all the provisions of this Article 11 to the same extent and in the same manner as any Limited Partner desiring to make a Transfer of a Limited Partner Interest.

Section 11.6 *General Provisions*.

(a) No Limited Partner may withdraw from the Partnership other than as a result of: (i) a permitted Transfer of all of such Limited Partner's Partnership Interest in accordance with this Article 11 with respect to which the transferee becomes a Substituted Limited Partner; (ii) pursuant to a redemption (or acquisition by the General Partner) of all of its Partnership Interest pursuant to a Redemption under Section 15.1 hereof and/or pursuant to any Partnership Unit Designation or (iii) the acquisition by the General Partner of all of such Limited Partner's Partnership Interest, whether or not pursuant to Section 15.1(b) hereof.

(b) Any Limited Partner who shall Transfer all of its Partnership Units in a Transfer (i) permitted pursuant to this Article 11 where such transferee was admitted as a Substituted Limited Partner, (ii) pursuant to the exercise of its rights to effect a redemption of all of its Partnership Units pursuant to a Redemption under Section 15.1 hereof and/or pursuant to any Partnership Unit Designation or (iii) to the General Partner, whether or not pursuant to Section 15.1(b) hereof, shall cease to be a Limited Partner.

(c)If any Partnership Unit is Transferred in compliance with the provisions of this Article 11, or is redeemed by the Partnership, or acquired by the General Partner pursuant to Section 15.1 hereof, on any day other than the first day of a Partnership Year, then Net Income, Net Losses, each item thereof and all other items of income, gain, loss, deduction and credit attributable to such Partnership Unit for such Partnership Year shall be allocated to the transferor Partner or the Tendering Party (as the case may be) and, in the case of a Transfer other than a Redemption, to the transferee Partner, by taking into account their varying interests during the Partnership Year in accordance with Code Section 706(d), using the "interim closing of the books" method or another permissible method selected by the General Partner in its sole and absolute discretion. Solely for purposes of making such allocations, unless the General Partner decides in its sole and absolute discretion to use another method permitted under the Code, each of such items for the calendar month in which a Transfer occurs shall be allocated to the transferee Partner and none of such items for the calendar month in which a Transfer or a Redemption occurs shall be allocated to the transferor Partner, or the Tendering Party (as the case may be) if such Transfer occurs on or before the fifteenth (15th) day of the month, otherwise such items shall be allocated to the transferor. All distributions of Available Cash attributable to such Partnership Unit with respect to which the Partnership Record Date is before the date of such Transfer, assignment or Redemption shall be made to the transferor Partner or the Tendering Party (as the case may be) and, in the case of a Transfer other than a Redemption, all distributions of Available Cash thereafter attributable to such Partnership Unit shall be made to the transferee Partner.

(d)In addition to any other restrictions on Transfer herein contained, in no event may any Transfer of a Partnership Interest by any Partner (including any Redemption, any conversion of LTIP Units into Partnership Common Units, any acquisition of Partnership Units by the General Partner or any other acquisition of Partnership Units by the Partnership) be made: (i) to any person or entity who lacks the legal right, power or capacity to own a Partnership Interest; (ii) in violation of applicable law; (iii) except with the Consent of the General Partner, of any component portion of a Partnership Interest, such as the Capital Account, or rights to distributions, separate and apart from all other components of a Partnership Interest; (iv) in the event that such Transfer could cause either the General Partner or any General Partner Affiliate to cease to comply with the REIT Requirements or to cease to qualify as a "qualified REIT subsidiary" (within the meaning of Code Section 856(i)(2)); (v) except with the Consent of the General Partner, if such Transfer could, based on the advice of counsel to the Partnership or the General Partner, cause a termination of the Partnership for Federal or state income tax purposes (except as a result of the Redemption (or acquisition by the General Partner) of all Partnership Common Units held by all Limited Partners); (vi) if such Transfer could, based on the advice of legal counsel to the Partnership or the General Partner, cause the Partnership to cease to be classified as a partnership for federal income tax purposes (except as a result of the Redemption (or acquisition by the General Partner) of all Partnership Common Units held by all Limited Partners); (vii) if such Transfer would cause the Partnership to become, with respect to any employee benefit plan subject to Title I of ERISA, a "party-in-interest" (as defined in ERISA Section 3(14)) or a "disqualified person" (as defined in Code Section 4975(c)); (viii) if such Transfer could, based on the advice of legal counsel to the Partnership or the General Partner, cause any portion of the assets of the Partnership to constitute assets of any employee benefit plan pursuant to Department of Labor Regulations Section 2510.3-101; (ix) if such Transfer requires the registration of such Partnership Interest pursuant to any applicable Federal or state securities laws; (x) except with the Consent of the General Partner, if such Transfer could (A) be treated as effectuated through an "established securities market" or a "secondary market" (or the substantial equivalent thereof) within the meaning of Section 7704 of the Code and the Regulations promulgated thereunder, (B) cause the Partnership to become a "publicly traded partnership," as such term is defined in Sections 469(k)(2) or 7704(b) of the Code, or (C) cause the Partnership to fail to qualify for at least one of the Safe Harbors; (xi) if such Transfer causes the Partnership (as opposed to the General Partner) to become a reporting company under the Exchange Act; or (xii) if such Transfer subjects the Partnership to regulation under the Investment Company Act of 1940, the Investment Advisors Act of 1940 or ERISA, each as amended. The General Partner shall, in its sole discretion, be permitted to take all action necessary to prevent the Partnership from being classified as a "publicly traded partnership" under Code Section 7704.

(e) Transfers pursuant to this Article 11 may only be made on the first day of a fiscal quarter of the Partnership, unless the General Partner otherwise Consents.

ARTICLE 12
ADMISSION OF PARTNERS

Section 12.1 *Admission of Successor General Partner.* A successor to all of the General Partner's General Partner Interest pursuant to a Transfer permitted by Section 11.2 hereof who is proposed to be admitted as a successor General Partner shall be admitted to the Partnership as the General Partner, effective immediately upon such Transfer. Upon any such Transfer and the admission of any such transferee as a successor General Partner in accordance with this Section 12.1, the transferor General Partner shall be relieved of its obligations under this Agreement and shall cease to be a general partner of the Partnership without any separate Consent of the Limited Partners or the consent or approval of any other Partners. Any such successor General Partner shall carry on the business and affairs of the Partnership without dissolution. In each case, the admission shall be subject to the successor General Partner executing and delivering to the Partnership an acceptance of all of the terms and conditions of this Agreement and such other documents or instruments as may be required to effect the admission of such Person as a General Partner. Upon any such Transfer, the transferee shall become the

successor General Partner for all purposes herein, and shall be vested with the powers and rights of the transferor General Partner, and shall be liable for all obligations and responsible for all duties of the General Partner. Concurrently with, and as evidence of, the admission of a successor General Partner, the General Partner shall update the Register and the books and records of the Partnership to reflect the name, address and number and classes and/or series of Partnership Units of such successor General Partner. In the event that the General Partner withdraws from the Partnership, or transfers its entire Partnership Interest, in violation of this Agreement, or otherwise dissolves or terminates or ceases to be the general partner of the Partnership, a Majority in Interest of the Partners may elect to continue the Partnership by selecting a successor general partner in accordance with Section 13.1(a) hereof.

Section 12.2 *Admission of Additional Limited Partners*.

(a)After the admission to the Partnership of the Original Limited Partners, a Person (other than an existing Partner) who makes a Capital Contribution to the Partnership in exchange for Partnership Units and in accordance with this Agreement or is issued LTIP Units in exchange for no consideration in accordance with Section 4.2(b) hereof shall be admitted to the Partnership as an Additional Limited Partner only upon furnishing to the General Partner (i) evidence of acceptance, in form and substance satisfactory to the General Partner, of all of the terms and conditions of this Agreement, including, without limitation, the power of attorney granted in Section 2.4 hereof, (ii) a counterpart signature page to this Agreement executed by such Person and (iii) such other documents or instruments as the General Partner may require in its sole and absolute discretion in order to effect such Person's admission as an Additional Limited Partner. Concurrently with, and as evidence of, the admission of an Additional Limited Partner, the General Partner shall update the Register and the books and records of the Partnership to reflect the name, address and number and classes and/or series of Partnership Units of such Additional Limited Partner.

(b) Notwithstanding anything to the contrary in this Section 12.2, no Person shall be admitted as an Additional Limited Partner without the Consent of the General Partner. The admission of any Person as an Additional Limited Partner shall become effective on the date upon which the name of such Person is recorded on the books and records of the Partnership, following the Consent of the General Partner to such admission and the satisfaction of all the conditions set forth in Section 12.2(a).

(c)If any Additional Limited Partner is admitted to the Partnership on any day other than the first day of a Partnership Year, then Net Income, Net Losses, each item thereof and all other items of income, gain, loss, deduction and credit allocable among Holders for such Partnership Year shall be allocated among such Additional Limited Partner and all other Holders by taking into account their varying interests during the Partnership Year in accordance with Code Section 706(d), using the "interim closing of the books" method or another permissible method selected by the General Partner. Solely for purposes of making such allocations, each of such items for the calendar month in which an admission of any Additional Limited Partner occurs shall be allocated among all the Holders including such Additional Limited Partner, in accordance with the principles described in Section 11.6(c) hereof. All distributions of Available Cash with respect to which the Partnership Record Date is before the date of such admission shall be made solely to Partners and Assignees other than the Additional Limited Partner, and all distributions of Available Cash thereafter shall be made to all the Partners and Assignees including such Additional Limited Partner.

(d)Any Additional Limited Partner admitted to the Partnership that is an Affiliate of the General Partner shall be deemed to be a "General Partner Affiliate" hereunder and shall be reflected as such on the Register and the books and records of the Partnership.

Section 12.3 *Amendment of Agreement and Certificate of Limited Partnership*. For the admission to the Partnership of any Partner, the General Partner shall take all steps necessary and appropriate under the Act to update the Register, amend the records of the Partnership and, if necessary, to prepare as soon as practical an amendment of this Agreement and, if required by law, shall prepare and file an amendment to the Certificate and may for this purpose exercise the power of attorney granted pursuant to Section 2.4 hereof.

Section 12.4 *Limit on Number of Partners*. Unless otherwise permitted by the General Partner in its sole and absolute discretion, no Person shall be admitted to the Partnership as an Additional Limited Partner if the effect of such admission would be to cause the Partnership to have a number of Partners that would cause the Partnership to become a reporting company under the Exchange Act.

Section 12.5 *Admission*. A Person shall be admitted to the Partnership as a limited partner of the Partnership or a general partner of the Partnership only upon strict compliance, and not upon substantial compliance, with the requirements set forth in this Agreement for admission to the Partnership as a Limited Partner or a General Partner.

ARTICLE 13
DISSOLUTION, LIQUIDATION AND TERMINATION

Section 13.1 *Dissolution*. The Partnership shall not be dissolved by the admission of Substituted Limited Partners or Additional Limited Partners or by the admission of a successor General Partner in accordance with the terms of this Agreement. Upon the withdrawal of the General Partner, any successor General Partner shall continue the business and affairs of the Partnership without dissolution. However, the Partnership shall dissolve, and its affairs shall be wound up, upon the first to occur of any of the following (each a "*Liquidating Event*"):

(a)an event of withdrawal, as defined in Section 10-402(2) – (9) of the Act (including, without limitation, bankruptcy), or the withdrawal in violation of this Agreement, of the last remaining General Partner unless, within ninety (90) days after the withdrawal, a Majority in Interest of the Partners remaining agree in writing, in their sole and absolute discretion, to continue the Partnership and to the appointment, effective as of the date of such withdrawal, of a successor General Partner;

(b) an election to dissolve the Partnership made by the General Partner in its sole and absolute discretion, with or without the Consent of the Partners;

(c) entry of a decree of judicial dissolution of the Partnership pursuant to the provisions of the Act; or

(d) the Redemption or other acquisition by the Partnership or the General Partner of all Partnership Units other than Partnership Units held by the General Partner.

Section 13.2 *Winding Up*.

(a)Upon the occurrence of a Liquidating Event, the Partnership shall continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets and satisfying the claims of its creditors and the Holders. After the occurrence of a Liquidating Event, no Holder shall take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Partnership's business and affairs. The General Partner (or, in the event that there is no remaining General Partner or the General Partner has dissolved, become bankrupt within the meaning of the Act or ceased to operate, any Person elected by a Majority in Interest of the Partners (the General Partner or such other Person being referred to herein as the "*Liquidator*")) shall be responsible for overseeing the winding up and dissolution of the Partnership and shall take full account of the Partnership's liabilities and property, and the Partnership property shall be liquidated as promptly as is consistent with obtaining the fair value thereof, and the proceeds therefrom (which may, to the extent determined by the General Partner, include shares of stock in the General Partner) shall be applied and distributed in the

following order:

(i)First, to the satisfaction of all of the Partnership's debts and liabilities to creditors other than the Holders (whether by payment or the making of reasonable provision for payment thereof);

(ii)Second, to the satisfaction of all of the Partnership's debts and liabilities to the General Partner (whether by payment or the making of reasonable provision for payment thereof), including, but not limited to, amounts due as reimbursements under Section 7.4 hereof;

(iii)Third, to the satisfaction of all of the Partnership's debts and liabilities to the other Holders (whether by payment or the making of reasonable provision for payment thereof); and

(iv)Fourth, to the Partners in accordance with their positive Capital Account balances, determined after taking into account all Capital Account adjustments for all prior periods and the Partnership taxable year during which the liquidation occurs (other than those made as a result of the liquidating distribution set forth in this Section 13.2(a)(iv)).

The General Partner shall not receive any additional compensation for any services performed pursuant to this Article 13 other than reimbursement of its expenses as set forth in Section 7.4.

(b)Notwithstanding the provisions of Section 13.2(a) hereof that require liquidation of the assets of the Partnership, but subject to the order of priorities set forth therein, if prior to or upon dissolution of the Partnership, the Liquidator determines that an immediate sale of part or all of the Partnership's assets would be impractical or would cause undue loss to the Holders, the Liquidator may, in its sole and absolute discretion, defer for a reasonable time the liquidation of any assets except those necessary to satisfy liabilities of the Partnership (including to those Holders as creditors) and/or distribute to the Holders, in lieu of cash, as tenants in common and in accordance with the provisions of Section 13.2(a) hereof, undivided interests in such Partnership assets as the Liquidator deems not suitable for liquidation. Any such distributions in kind shall be made only if, in the good faith judgment of the Liquidator, such distributions in kind are in the best interest of the Holders, and shall be subject to such conditions relating to the disposition and management of such properties as the Liquidator deems reasonable and equitable and to any agreements governing the operation of such properties at such time. The Liquidator shall determine the fair market value of any property distributed in kind using such reasonable method of valuation as it may adopt.

(c)If any Holder has a deficit balance in its Capital Account (after giving effect to all contributions, distributions and allocations for all taxable years, including the year during which such liquidation occurs), except as otherwise agreed to by such Holder, such Holder shall have no obligation to make any contribution to the capital of the Partnership with respect to such deficit, and such deficit shall not be considered a debt owed to the Partnership or to any other Person for any purpose whatsoever.

(d)In the sole and absolute discretion of the General Partner or the Liquidator, a pro rata portion of the distributions that would otherwise be made to the Holders pursuant to this Article 13 may be:

(i)distributed to a trust established for the benefit of the General Partner and the Holders for the purpose of liquidating Partnership assets, collecting amounts owed to the Partnership, and paying any contingent or unforeseen liabilities or obligations of the Partnership or of the General Partner arising out of or in connection with the Partnership and/or Partnership activities. The assets of any such trust shall be distributed to the Holders, from time to time, in the discretion of the General Partner, in the same proportions and amounts as would otherwise have been distributed to the Holders pursuant to this Agreement; or

(ii)withheld or escrowed to provide a reasonable reserve for Partnership liabilities (contingent or otherwise) and to reflect the unrealized portion of any installment obligations owed to the Partnership, *provided* that such withheld or escrowed amounts shall be distributed to the Holders in the manner and order of priority set forth in Section 13.2(a) hereof as soon as practicable.

(e)The provisions of Section 7.8 hereof shall apply to any Liquidator appointed pursuant to this Article 13 as though the Liquidator were the General Partner of the Partnership.

Section 13.3 *Deemed Contribution and Distribution*. Notwithstanding any other provision of this Article 13, in the event that the Partnership is liquidated within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), but no Liquidating Event has occurred, the Partnership's Property shall not be liquidated, the Partnership's liabilities shall not be paid or discharged and the Partnership's affairs shall not be wound up. Instead, for federal income tax purposes the Partnership shall be deemed to have contributed all of its assets and liabilities to a new partnership in exchange for an interest in the new partnership; and immediately thereafter, distributed Partnership Units to the Partners in the new partnership in accordance with their respective Capital Accounts in liquidation of the Partnership, and the new partnership is deemed to continue the business of the Partnership. Nothing in this Section 13.3 shall be deemed to have constituted a Transfer to an Assignee as a Substituted Limited Partner without compliance with the provisions of Section 11.4 or Section 13.3 hereof.

Section 13.4 *Rights of Holders.* Except as otherwise provided in this Agreement and subject to the rights of any Holder of any Partnership Interest set forth in a Partnership Unit Designation, (a) each Holder shall look solely to the assets of the Partnership for the return of its Capital Contribution, (b) no Holder shall have the right or power to demand or receive property other than cash from the Partnership and (c) no Holder shall have priority over any other Holder as to the return of its Capital Contributions, distributions or allocations.

Section 13.5 *Notice of Dissolution.* In the event that a Liquidating Event occurs or an event occurs that would, but for an election or objection by one or more Partners pursuant to Section 13.1 hereof, result in a dissolution of the Partnership, the General Partner or Liquidator shall, within thirty (30) days thereafter, provide written notice thereof to each Holder and, in the General Partner's or Liquidator's sole and absolute discretion or as required by the Act, to all other parties with whom the Partnership regularly conducts business (as determined in the sole and absolute discretion of the General Partner or Liquidator), and the General Partner or Liquidator may, or, if required by the Act, shall, publish notice thereof in a newspaper of general circulation in each place in which the Partnership regularly conducts business (as determined in the sole and absolute discretion of the General Partner or Liquidator).

Section 13.6 *Cancellation of Certificate of Limited Partnership.* Upon the completion of the liquidation of the Partnership cash and property as provided in Section 13.2 hereof, the Partnership shall be terminated, a certificate of cancellation shall be filed with the SDAT, all qualifications of the Partnership as a foreign limited partnership or association in jurisdictions other than the State of Maryland shall be cancelled, and such other actions as may be necessary to terminate the Partnership shall be taken.

Section 13.7 *Reasonable Time for Winding-Up.* A reasonable time shall be allowed for the orderly winding-up of the business and affairs of the Partnership and the liquidation of its assets pursuant to Section 13.2 hereof, in order to minimize any losses otherwise attendant upon such winding-up, and the provisions of this Agreement shall

remain in effect between and among the Partners during the period of liquidation; *provided*, *however*, reasonable efforts shall be made to complete such winding-up within twenty-four (24) months after the adoption of a plan of liquidation of the General Partner, as provided in Section 562(b)(2)(B) of the Code, if necessary, in the sole and absolute discretion of the General Partner.

ARTICLE 14
PROCEDURES FOR ACTIONS AND CONSENTS OF PARTNERS; AMENDMENTS; MEETINGS

Section 14.1 *Procedures for Actions and Consents of Partners.* The actions requiring Consent of any Partner or Partners pursuant to this Agreement, including Section 7.3 hereof, or otherwise pursuant to applicable law, are subject to the procedures set forth in this Article 14.

Section 14.2 *Amendments*. Amendments to this Agreement may be proposed by the General Partner or by Limited Partners holding twenty-five percent (25%) or more of the Partnership Interests held by Limited Partners and, except as set forth in Section 7.3(b) and Section 7.3(c) and subject to Section 7.3(d), Section 16.10 and the rights of any Holder of any Partnership Interest set forth in a Partnership Unit Designation, shall be approved by the Consent of the Partners. Following such proposal, the General Partner shall submit to the Partners entitled to vote thereon any proposed amendment that, pursuant to the terms of this Agreement, requires the consent, approval or vote of such Partners. The General Partner shall seek the consent, approval or vote of the Partners entitled to vote thereon on any such proposed amendment in accordance with Section 14.3 hereof. Upon obtaining any such Consent, or any other Consent required by this Agreement, and without further action or execution by any other Person, including any Limited Partner, (a) any amendment to this Agreement may be implemented and reflected in a writing executed solely by the General Partner, and (b) the Limited Partners shall be deemed a party to and bound by such amendment of this Agreement. For the avoidance of doubt, notwithstanding anything to the contrary in this Agreement, this Agreement may not be amended without the Consent of the General Partner.

Section 14.3 *Actions and Consents of the Partners.*

(a)Meetings of the Partners may be called only by the General Partner to transact any business that the General Partner determines. The call shall state the nature of the business to be transacted. Notice of any such meeting shall be given to all Partners entitled to act at the meeting not less than seven (7) days nor more than sixty (60) days prior to the date of such meeting. Partners may vote in person or by proxy at such meeting. Unless approval by a different number or proportion of the Partners is required by this Agreement, the affirmative vote of Partners holding a majority of the Percentage Interests held by the Partners entitled to act on any proposal shall be sufficient to approve such proposal at a meeting of the Partners. Whenever the vote, consent or approval of Partners is permitted or required under this Agreement, such vote, consent or approval may be given at a meeting of Partners or in accordance with the procedure prescribed in Section 14.3(b) hereof.

(b)Any action requiring the Consent of any Partner or group of Partners pursuant to this Agreement or that is required or permitted to be taken at a meeting of the Partners may be taken without a meeting if a consent in writing or by electronic transmission setting forth the action so taken or consented to is given by Partners whose affirmative vote would be sufficient to approve such action or provide such Consent at a meeting of the Partners. Such consent may be in one instrument or in several instruments, and shall have the same force and effect as the affirmative vote of such Partners at a meeting of the Partners. Such consent shall be filed with the General Partner. An action so taken shall be deemed to have been taken at a meeting held on the effective date so certified. For purposes of obtaining a Consent in writing or by electronic transmission, the General Partner may require a response within a reasonable specified time, but not less than fifteen (15) days, and failure to respond in such time period shall constitute a Consent that is consistent with the General Partner's recommendation with respect to the proposal; *provided*, *however*, that an action shall become effective at such time as requisite Consents are received even if prior to such specified time.

(c)Each Partner entitled to act at a meeting of the Partners may authorize any Person or Persons to act for it by proxy on all matters in which a Partner is entitled to participate, including waiving notice of any meeting, or voting or participating at a meeting. Each proxy must be signed by the Partner or its attorney-in-fact. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy (or there is receipt of a proxy authorizing a later date). Every proxy shall be revocable at the pleasure of the Partner executing it, such revocation to be effective upon the Partnership's receipt of written notice of such revocation from the Partner executing such proxy, unless such proxy states that it is irrevocable and is coupled with an interest.

(d)The General Partner may set, in advance, a record date for the purpose of determining the Partners (i) entitled to Consent to any action, (ii) entitled to receive notice of or vote at any meeting of the Partners or (iii) in order to make a determination of Partners for any other proper purpose. Such date, in any case, shall not be prior to the close of business on the day the record date is fixed and shall be not more than ninety (90) days and, in the case of a meeting of the Partners, not less than five (5) days, before the date on which the meeting is to be held or Consent is to be given. If no record date is fixed, the record date for the determination of Partners entitled to notice of or to vote at a meeting of the Partners shall be at the close of business on the day on which the notice of the meeting is sent, and the record date for any other determination of Partners shall be the effective date of such Partner action, distribution or other event. When a determination of the Partners entitled to vote at any meeting of the Partners has been made as provided in this section, such determination shall apply to any adjournment thereof.

(e)Each meeting of Partners shall be conducted by the General Partner or such other Person as the General Partner may appoint pursuant to such rules for the conduct of the meeting as the General Partner or such other Person deems appropriate in its sole and absolute discretion. Without limitation, meetings of Partners may be conducted in the same manner as meetings of the General Partner's stockholders and may be held at the same time as, and as part of, the meetings of the General Partner's stockholders.

ARTICLE 15
GENERAL PROVISIONS

Section 15.1 *Redemption Rights of Qualifying Parties.*

(a)After the applicable Initial Holding Period, a Qualifying Party shall have the right (subject to the terms and conditions set forth herein) to require the Partnership to redeem all or a portion of the Partnership Common Units held by such Tendering Party (Partnership Common Units that have in fact been tendered for redemption being hereafter referred to as "*Tendered Units*") in exchange (a "*Redemption*") for the Cash Amount payable on the Specified Redemption Date. The Partnership may, in the General Partner's sole and absolute discretion, redeem Tendered Units at the request of the Holder thereof prior to the end of the applicable Initial Holding Period (subject to the terms and conditions set forth herein) (a "*Special Redemption*"); *provided*, *however*, that the General Partner first receives an opinion of counsel reasonably satisfactory to it to the effect that the proposed Special Redemption will not cause the Partnership or the General Partner to violate any Federal or state securities laws or regulations applicable to the Special Redemption, the issuance and sale of the Tendered Units to the Tendering Party or the issuance and sale of REIT Shares to the Tendering Party pursuant to Section 15.1(b) of this Agreement. Any Redemption shall be exercised pursuant to a Notice of Redemption delivered to the General Partner by the Qualifying Party when exercising the Redemption right (the "*Tendering Party*"). The Partnership's obligation to effect a Redemption, however, shall not arise or be binding against the Partnership until the earlier of (i) the date the General Partner notifies the Tendering Party that the General Partner declines to acquire some or all of the Tendered Units under Section 15.1(b) hereof following receipt of a Notice of Redemption and (ii) the Business Day following the Cut-Off Date. In the event of a Redemption, the Cash Amount shall be delivered as a certified or bank check payable to the Tendering Party or, in the General Partner's sole and absolute discretion, in immediately available funds, in each case, on or before the Specified Redemption Date; *provided*, *however*, that the General Partner may elect to cause the Specified Redemption Date to be delayed for up to an additional 60 Business Days to the extent required for the General Partner to cause additional REIT Shares to be issued to provide financing to be used to make such payment of the Cash Amount.

(b)Notwithstanding the provisions of Section 15.1(a) hereof, on or before the close of business on the Cut-Off Date, the General Partner may, in the General Partner's sole and absolute discretion but subject to the Ownership Limit, elect to acquire some or all (such percentage being referred to as the "*Applicable Percentage*") of the Tendered Units from the Tendering Party in exchange for REIT Shares. If the General Partner elects to acquire some or all of the Tendered Units pursuant to this Section 15.1(b), the General Partner shall give written notice thereof to the Tendering Party on or before the close of business on the Cut-Off Date. If the General Partner elects to acquire any of the Tendered Units for REIT Shares, the General Partner shall issue and deliver such REIT Shares to the Tendering Party pursuant to the terms of this Section 15.1(b), in which case (i) the General Partner shall assume directly the obligation with respect thereto and shall satisfy the Tendering Party's exercise of its Redemption right with respect to such Tendered Units and (ii) such transaction shall be treated, for federal income tax purposes, as a transfer by the Tendering Party of such Tendered Units to the General Partner in exchange for the REIT Shares Amount. If the General Partner so elects, on the Specified Redemption Date, the Tendering Party shall sell such number of the Tendered Units to the General Partner in exchange for a number of REIT Shares equal to the product of the REIT Shares Amount and the Applicable Percentage; *provided*, *however*, that the General Partner may elect to cause the Specified Redemption Date to be delayed for up to an additional 60 Business Days to the extent required for the General Partner to cause additional REIT Shares to be issued. The Tendering Party shall submit (A) such information, certification or affidavit as the General Partner may reasonably require in connection with the application of the Ownership Limit to any such acquisition and (B) such written representations, investment letters, legal opinions or other instruments necessary, in the General Partner's view, to effect compliance with the Securities Act. In the event of a purchase of the Tendered Units by the General Partner pursuant to this Section 15.1(b), the Tendering Party shall no longer have the right to cause the Partnership to effect a Redemption of such Tendered Units and, upon notice to the Tendering Party by the General Partner given on or before the close of business on the Cut-Off Date that the General Partner has elected to acquire some or all of the Tendered Units pursuant to this Section 15.1(b), the obligation of the Partnership to effect a Redemption of the Tendered Units as to which the General Partner's notice relates shall not accrue or arise. A number of REIT Shares equal to the product of the Applicable Percentage and the REIT Shares Amount, if applicable, shall be delivered by the General Partner as duly authorized, validly issued, fully paid and non-assessable REIT Shares and, if applicable, Rights, free of any pledge, lien, encumbrance or restriction, other than the Ownership Limit, the Securities Act and relevant state securities or "blue sky" laws. Neither any Tendering Party whose Tendered Units are acquired by the General Partner pursuant to this Section 15.1(b), any Partner, any Assignee nor any other interested Person shall have any right to require or cause the General Partner to register, qualify or list any REIT Shares owned or held by such Person, whether or not such REIT Shares are issued pursuant to this Section 15.1(b), with the SEC, with any state securities commissioner, department or agency, under the Securities Act or the Exchange Act or with any stock exchange; *provided*, *however*, that this limitation shall not be in derogation of any registration or similar rights granted pursuant to any other written agreement between the General Partner and any such Person. Notwithstanding any delay in such delivery, the Tendering Party shall be deemed the owner of such REIT Shares and Rights for all purposes, including, without limitation, rights to vote or consent, receive dividends, and exercise rights, as of the Specified Redemption Date. REIT Shares issued upon an acquisition of the Tendered Units by the General Partner pursuant to this Section 15.1(b) may contain such legends regarding restrictions under the Securities Act and applicable state securities laws as the General Partner determines to be necessary or advisable in order to ensure compliance with such laws.

(c)Notwithstanding the provisions of Section 15.1(a) and 15.1(b) hereof, the Tendering Parties shall have no rights under this Agreement that would otherwise be prohibited by the Charter and shall have no rights to require the Partnership to redeem Common Units if the acquisition of such Common Units by the General Partner pursuant to Section 15.1(b) hereof would cause any Person to violate the Ownership Limit. To the extent that any attempted Redemption or acquisition of the Tendered Units by the General Partner pursuant to Section 15.1(b) hereof would be in violation of this Section 15.1(c), it shall be null and void *ab initio*, and the Tendering Party shall not acquire any rights or economic interests in REIT Shares otherwise issuable by the General Partner under Section 15.1(b) hereof or cash otherwise payable under Section 15.1(a) hereof.

(d) If the General Partner does not elect to acquire the Tendered Units pursuant to Section 15.1(b) hereof:

(i)The Partnership may elect to raise funds for the payment of the Cash Amount either (A) by requiring that the General Partner contribute to the Partnership funds from the proceeds of a registered public offering by the General Partner of REIT Shares sufficient to purchase the Tendered Units or (B) from any other sources (including, but not limited to, the sale of any Property and the incurrence of additional Debt) available to the Partnership. Any proceeds from a public offering that are in excess of the Cash Amount shall be for the sole benefit of the General Partner. The General Partner shall make a Capital Contribution of any such amounts to the Partnership for an additional General Partner Interest. Any such contribution shall entitle the General Partner to an equitable Percentage Interest adjustment.

(ii) If the Cash Amount is not paid on or before the Specified Redemption Date, interest shall accrue with respect to the Cash Amount from the day after the Specified Redemption Date to and including the date on which the Cash Amount is paid at a rate equal to the base rate on corporate loans at large United States money center commercial banks, as published from time to time in the Wall Street Journal (but not higher than the maximum lawful rate).

(e)Notwithstanding the provisions of Section 15.1(b) hereof, the General Partner shall not, under any circumstances, elect to acquire any Tendered Units in exchange for REIT Shares if such exchange would be prohibited under the Charter.

(f) Notwithstanding anything herein to the contrary (but subject to Section 15.1(c) hereof), with respect to any Redemption (or any tender of Partnership Common Units for Redemption if the Tendered Units are acquired by the General Partner pursuant to Section 15.1(b) hereof) pursuant to this Section 15.1:

(i)All Partnership Common Units acquired by the General Partner pursuant to Section 15.1(b) hereof shall automatically, and without further action required, be converted into and deemed to be a General Partner Interest comprised of the same number of Partnership Common Units.

(ii)Subject to the Ownership Limit, no Tendering Party may effect a Redemption for less than one thousand (1,000) Partnership Common Units or, if such Tendering Party holds (as a Limited Partner or, economically, as an Assignee) less than one thousand (1,000) Partnership Common Units, all of the Partnership Common Units held by such Tendering Party, without, in each case, the Consent of the General Partner.

(iii)If (A) a Tendering Party surrenders its Tendered Units during the period after the Partnership Record Date with respect to a distribution and before the record date established by the General Partner for a distribution to its stockholders of some or all of its portion of such Partnership distribution, and (B) the General Partner elects to acquire any of such Tendered Units in exchange for REIT Shares pursuant to Section 15.1(b), such Tendering Party shall pay to the General Partner on the Specified Redemption Date an amount in cash equal to the portion of the Partnership distribution in respect of the Tendered Units exchanged for REIT Shares, insofar as such distribution relates to the same period for which such Tendering Party would receive a distribution in respect of such REIT Shares.

(iv)The consummation of such Redemption (or an acquisition of Tendered Units by the General Partner pursuant to Section 15.1(b) hereof, as the case may be) shall be subject to the expiration or termination of the applicable waiting period, if any, under the Hart-Scott-Rodino Act.

(v)The Tendering Party shall continue to own (subject, in the case of an Assignee, to the provisions of Section 11.5 hereof) all Partnership Common Units subject to any Redemption, and be treated as a Limited Partner or an Assignee, as applicable, with respect to such Partnership Common Units for all purposes of this Agreement, until such Partnership Common Units are either paid for by the Partnership pursuant to Section 15.1(a) hereof or transferred to the General Partner and paid for, by the issuance of the REIT Shares, pursuant to Section 15.1(b) hereof on the Specified Redemption Date. Until a Specified Redemption Date and an acquisition of the Tendered Units by the General Partner pursuant to Section 15.1(b) hereof, the Tendering Party shall have no rights as a stockholder of the General Partner with respect to the REIT Shares issuable in connection with such acquisition.

(g)In connection with an exercise of Redemption rights pursuant to this Section 15.1, except as otherwise Consented to by the General Partner, the Tendering Party shall submit the following to the General Partner, in addition to the Notice of Redemption:

(i)A written affidavit, dated the same date as the Notice of Redemption, (A) disclosing the actual and constructive ownership, as determined for purposes of Code Sections 856(a)(6) and 856(h), of REIT Shares by (I) such Tendering Party and (II) to the best of their knowledge any Related Party and (B) representing that, after giving effect to the Redemption or an acquisition of the Tendered Units by the General Partner pursuant to Section 15.1(b) hereof, neither the Tendering Party nor to the best of their knowledge any Related Party will own REIT Shares in violation of the Ownership Limit;

(ii)A written representation that neither the Tendering Party nor to the best of their knowledge any Related Party has any intention to acquire any additional REIT Shares prior to the closing of the Redemption or an acquisition of the Tendered Units by the General Partner pursuant to Section 15.1(b) hereof on the Specified Redemption Date;

(iii)An undertaking to certify, at and as a condition of the closing of (A) the Redemption or (B) the acquisition of Tendered Units by the General Partner pursuant to Section 15.1(b) hereof on the Specified Redemption Date, that either (I) the actual and constructive ownership of REIT Shares by the Tendering Party and to the best of its knowledge any Related Party remain unchanged from that disclosed in the affidavit required by Section 15.1(g)(i) or (II) after giving effect to the Redemption or the acquisition of Tendered Units by the General Partner pursuant to Section 15.1(b) hereof, neither the Tendering Party nor, to the best of its knowledge, any other Person shall own REIT Shares in violation of the Ownership Limit; and

(iv)In connection with any Special Redemption, the General Partner shall have the right to receive an opinion of counsel reasonably satisfactory to it to the effect that the proposed Special Redemption will not cause the Partnership or the General Partner to violate any Federal or state securities laws or regulations applicable to the Special Redemption, the issuance and sale of the Tendered Units to the Tendering Party or the issuance and sale of REIT Shares to the Tendering Party pursuant to Section 15.1(b) of this Agreement.

(h) LTIP Unit Exception and Redemption of Partnership Common Units Issued Upon Conversion of LTIP Units. Holders of LTIP Units shall not be entitled to the right of Redemption provided for in Section 15.1 of this Agreement, unless and until such LTIP Units have been converted into Partnership Common Units (or any other class or series of Partnership Common Units entitled to such right of Redemption) in accordance with their terms.

Section 15.2 *Addresses and Notice.* Any notice, demand, request or report required or permitted to be given or made to a Partner or Assignee under this Agreement shall be in writing and shall be deemed given or made when delivered in person or when sent by first class United States mail or by other means of written or electronic communication (including by telecopy, facsimile, electronic mail or commercial courier service) to the Partner, or Assignee at the address set forth in the Register or such other address of which the Partner shall notify the General Partner in accordance with this Section 15.2.

Section 15.3 *Titles and Captions*. All article or section titles or captions in this Agreement are for convenience only. They shall not be deemed part of this Agreement and in no way define, limit, extend or describe the scope or intent of any provisions hereof. Except as specifically *provided* otherwise, references to "Articles" or "Sections" are to Articles and Sections of this Agreement.

Section 15.4 *Pronouns and Plurals*. Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa.

Section 15.5 *Further Action.* The parties shall execute and deliver all documents, provide all information and take or refrain from taking action as may be necessary or appropriate to achieve the purposes of this Agreement.

Section 15.6 *Binding Effect.* This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, administrators, successors, legal representatives and permitted assigns.

Section 15.7 *Waiver*.

(a)No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

(b)The restrictions, conditions and other limitations on the rights and benefits of the Limited Partners contained in this Agreement, and the duties, covenants and other requirements of performance or notice by the Limited Partners, are for the benefit of the Partnership and, except for an obligation to pay money to the Partnership, may be waived or relinquished by the General Partner, in its sole and absolute discretion, on behalf of the Partnership in one or more instances from time to time and at any time; *provided*, *however*, that any such waiver or relinquishment may not be made if it would have the effect of (i) creating liability for any other Limited Partner, (ii) causing the Partnership to cease to qualify as a limited partnership, (iii) reducing the amount of cash otherwise distributable to the Limited Partners (other than any such reduction that affects all of the Limited Partners holding the same class or series of Partnership Units on a uniform or pro rata basis, if approved by a Majority in Interest of the Partners holding such class or series of Partnership Units), (iv) resulting in the classification of the Partnership as an association or publicly traded partnership taxable as a corporation or (v) violating the Securities Act, the Exchange Act or any state "blue sky" or other securities laws; and *provided*, *further*, that any waiver relating to compliance with the Ownership Limit or other restrictions in the Charter shall be made and shall be effective only as provided in the Charter.

Section 15.8 *Counterparts.* This Agreement may be executed in counterparts, all of which together shall constitute one agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart. Each party shall become bound by this Agreement immediately upon affixing its signature hereto.

Section 15.9 *Applicable Law; Consent to Jurisdiction; Waiver of Jury Trial.*

(a)This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of Maryland, without regard to the principles of conflicts of law. In the event of a conflict between any provision of this Agreement and any non-mandatory provision of the Act, the provisions of this Agreement shall control and take precedence.

(b)Each Partner hereby (i) submits to the non-exclusive jurisdiction of any state or federal court sitting in the State of Maryland (collectively, the " *Maryland*

Courts"), with respect to any dispute arising out of this Agreement or any transaction contemplated hereby to the extent such courts would have subject matter jurisdiction with respect to such dispute, (ii) irrevocably waives, and agrees not to assert by way of motion, defense, or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of any of the Maryland Courts, that its property is exempt or immune from attachment or execution, that the action is brought in an inconvenient forum, or that the venue of the action is improper, (iii) agrees that notice or the service of process in any action, suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby shall be properly served or delivered if delivered to such Partner at such Partner's last known address as set forth in the Partnership's books and records, and (iv) irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or related to this Agreement or the transactions contemplated hereby.

Section 15.10 *Entire Agreement.* This Agreement contains all of the understandings and agreements between and among the Partners with respect to the subject matter of this Agreement and the rights, interests and obligations of the Partners with respect to the Partnership. Notwithstanding the immediately preceding sentence, the Partners hereby acknowledge and agree that the General Partner, without the approval of any Limited Partner, may enter into side letters or similar written agreements with Limited Partners that are not Affiliates of the General Partner, executed contemporaneously with the admission of such Limited Partner to the Partnership, affecting the terms hereof, as negotiated with such Limited Partner and which the General Partner in its sole discretion deems necessary, desirable or appropriate. The parties hereto agree that any terms, conditions or provisions contained in such side letters or similar written agreements with a Limited Partner shall govern with respect to such Limited Partner notwithstanding the provisions of this Agreement.

Section 15.11 *Invalidity of Provisions*. If any provision of this Agreement is or becomes invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby.

Section 15.12 *Limitation to Preserve REIT Status.* Notwithstanding anything else in this Agreement, to the extent that the amount to be paid, credited, distributed or reimbursed by the Partnership to any REIT Partner or its officers, directors, employees or agents, whether as a reimbursement, fee, expense or indemnity (a "*REIT Payment*"), would constitute gross income to the REIT Partner for purposes of Code Section 856(c)(2) or Code Section 856(c)(3), then, notwithstanding any other provision of this Agreement, the amount of such REIT Payments, as selected by the General Partner in its discretion from among items of potential distribution, reimbursement, fees, expenses and indemnities, shall be reduced for any Partnership Year so that the REIT Payments, as so reduced, for or with respect to such REIT Partner shall not exceed the lesser of:

(a)an amount equal to the excess, if any, of (i) four percent (4%) of the REIT Partner's total gross income (but excluding the amount of any REIT Payments and any amounts excluded from gross income pursuant to Section 856(c) of the Code) for the Partnership Year that is described in subsections (A) through (I) of Code Section 856(c)(2) over (ii) the amount of gross income (within the meaning of Code Section 856(c)(2)) derived by the REIT Partner from sources other than those described in subsections (A) through (I) of Code Section 856(c)(2) (but not including the amount of any REIT Payments or any amounts excluded from gross income pursuant to Section 856(c) of the Code); or

(b)an amount equal to the excess, if any, of (i) twenty-four percent (24%) of the REIT Partner's total gross income (but excluding the amount of any REIT Payments and any amounts excluded from gross income pursuant to Section 856(c) of the Code) for the Partnership Year that is described in subsections (A) through (I) of Code Section 856(c)(3) over (ii) the amount of gross income (within the meaning of Code Section 856(c)(3)) derived by the REIT Partner from sources other than those described in subsections (A) through (I) of Code Section 856(c)(3) (but not including the amount of any REIT Payments or any amounts excluded from gross income pursuant to Section 856(c) of the Code);

provided, *however*, that REIT Payments in excess of the amounts set forth in clauses (i) and (ii) above may be made if the General Partner, as a condition precedent, obtains an opinion of tax counsel that the receipt of such excess amounts should not adversely affect the REIT Partner's ability to qualify as a REIT. To the extent that REIT Payments may not be made in a Partnership Year as a consequence of the limitations set forth in this Section 15.12, such REIT Payments shall carry over and shall be treated as arising in the following Partnership Year if such carry over does not adversely affect the REIT Partner's ability to qualify as a REIT, *provided*, *however*, that any such REIT Payment shall not be carried over more than three Partnership Years, and any such remaining payments shall no longer be due and payable. The purpose of the limitations contained in this Section 15.12 is to prevent any REIT Partner from failing to qualify as a REIT under the Code by reason of such REIT Partner's share of items, including distributions, reimbursements, fees, expenses or indemnities, receivable directly or indirectly from the Partnership, and this Section 15.12 shall be interpreted and applied to effectuate such purpose.

Section 15.13 *No Partition.* No Partner nor any successor-in-interest to a Partner shall have the right while this Agreement remains in effect to have any property of the Partnership partitioned, or to file a complaint or institute any proceeding at law or in equity to have such property of the Partnership partitioned, and each Partner, on behalf of itself and its successors and assigns hereby waives any such right. It is the intention of the Partners that the rights of the parties hereto and their successors-in-interest to Partnership property, as among themselves, shall be governed by the terms of this Agreement, and that the rights of the Partners and their respective successors-in-interest shall be subject to the limitations and restrictions as set forth in this Agreement.

Section 15.14 *No Third-Party Rights Created Hereby.* The provisions of this Agreement are solely for the purpose of defining the interests of the Holders, inter se; and no other person, firm or entity (i.e., a party who is not a signatory hereto or a permitted successor to such signatory hereto) shall have any right, power, title or interest by way of subrogation or otherwise, in and to the rights, powers, title and provisions of this Agreement. No creditor or other third party having dealings with the Partnership (other than as expressly *provided* herein with respect to Indemnitees) shall have the right to enforce the right or obligation of any Partner to make Capital Contributions or loans to the Partnership or to pursue any other right or remedy hereunder or at law or in equity. None of the rights or obligations of the Partners herein set forth to make Capital Contributions or loans to the Partnership shall be deemed an asset of the Partnership for any purpose by any creditor or other third party, nor may any such rights or obligations be sold, transferred or assigned by the Partnership or pledged or encumbered by the Partnership to secure any debt or other obligation of the Partnership or any of the Partners.

Section 15.15 *No Rights as Stockholders.* Nothing contained in this Agreement shall be construed as conferring upon the Holders of Partnership Units any rights whatsoever as stockholders of the General Partner, including without limitation any right to receive dividends or other distributions made to stockholders of the General Partner or to vote or to consent or receive notice as stockholders in respect of any meeting of stockholders for the election of directors of the General Partner or any other matter.

ARTICLE 16
LTIP UNITS

Section 16.1 *Designation*. A class of Partnership Units in the Partnership designated as the "LTIP Units" is hereby established. The number of LTIP Units that may be issued is not limited by this Agreement.

Section 16.2 *Vesting*.

(a) *Vesting, Generally*. LTIP Units may, in the sole discretion of the General Partner, be issued subject to vesting, forfeiture and additional restrictions on Transfer

pursuant to the terms of the applicable LTIP Unit Agreement. The terms of any LTIP Unit Agreement may be modified by the General Partner from time to time in its sole discretion, subject to any restrictions on amendment imposed by the relevant LTIP Unit Agreement or by the Plan or any other applicable Equity Plan. LTIP Units that were fully vested and nonforfeitable when issued or that have vested and are no longer subject to forfeiture under the terms of an LTIP Unit Agreement are referred to as "*Vested LTIP Units*"; all other LTIP Units are referred to as "*Unvested LTIP Units.*"

(b) *Forfeiture*. Upon the forfeiture of any LTIP Units in accordance with the applicable LTIP Unit Agreement (including any forfeiture effected through repurchase), the LTIP Units so forfeited (or repurchased) shall immediately, and without any further action, be treated as cancelled and no longer outstanding for any purpose. Unless otherwise specified in the applicable LTIP Unit Agreement, no consideration or other payment shall be due with respect to any LTIP Units that have been forfeited, other than any distributions declared with respect to a Partnership Record Date and with respect to such units prior to the effective date of the forfeiture. Except as otherwise provided in this Agreement (including without limitation Section 6.4.A(ix)), the Plan (or other applicable Equity Plan) and the applicable LTIP Unit Agreement, in connection with any forfeiture (or repurchase) of such units, the balance of the portion of the Capital Account of the Holder of LTIP Units that is attributable to all of his or her LTIP Units shall be reduced by the amount, if any, by which it exceeds the target balance contemplated by Section 6.2.D, calculated with respect to such Holder's remaining LTIP Units, if any.

Section 16.3 *Adjustments*. The Partnership shall maintain at all times a one-to-one correspondence between LTIP Units and Partnership Common Units for conversion, distribution and other purposes, including without limitation complying with the following procedures; provided, that the foregoing is not intended to alter any of (a) the special allocations pursuant to Section 6.2.D hereof, (b) differences between distributions to be made with respect to LTIP Units and Partnership Common Units pursuant to Section 13.2 and Section 16.4.B hereof in the event that the Capital Accounts attributable to the LTIP Units are less than those attributable to Partnership Common Units due to insufficient special allocation pursuant to Section 6.2.D or (c) any related provisions. If an Adjustment Event occurs, then the General Partner shall take any action reasonably necessary, including any amendment to this Agreement, any LTIP Unit Agreement and/or any update to the Register adjusting the number of outstanding LTIP Units or subdividing or combining outstanding LTIP Units, in any case, to maintain a one-for-one conversion and economic equivalence ratio between Partnership Common Units and LTIP Units. The following shall be "Adjustment Events": (i) the Partnership makes a distribution on all outstanding Partnership Common Units in Partnership Units, (ii) the Partnership subdivides the outstanding Partnership Common Units into a greater number of units or combines the outstanding Partnership Common Units into a smaller number of units, (iii) the Partnership issues any Partnership Units in exchange for its outstanding Partnership Common Units by way of a reclassification or recapitalization of its Partnership Common Units or (iv) any other non-recurring event or transaction that would, as determined by the General Partner in its sole discretion, have the similar effect of unjustly diluting or expanding the rights conferred by outstanding LTIP Units. If more than one Adjustment Event occurs, any adjustment to the LTIP Units need be made only once using a single formula that takes into account each and every Adjustment Event as if all Adjustment Events occurred simultaneously. For the avoidance of doubt, the following shall not be Adjustment Events: (x) the issuance of Partnership Units in a financing, reorganization, acquisition or other similar business transaction, (y) the issuance of Partnership Units pursuant to any employee benefit or compensation plan or distribution reinvestment plan, or (z) the issuance of any Partnership Units to the General Partner in respect of a Capital Contribution to the Partnership of proceeds from the sale of securities by the General Partner. If the Partnership takes an action affecting the Partnership Common Units other than actions specifically described above as "Adjustment Events" and in the opinion of the General Partner such action would require an action to maintain the one-to-one correspondence described above, the General Partner shall have the right to take such action, to the extent permitted by law, in such manner and at such time as the General Partner, in its sole discretion, may determine to be reasonably appropriate under the circumstances to preserve the one-to-one correspondence described above. If an amendment is made to this Agreement adjusting the number of outstanding LTIP Units as herein provided, the Partnership shall promptly file in the books and records of the Partnership an officer's certificate setting forth a brief statement of the facts requiring such adjustment, which certificate shall be conclusive evidence of the correctness of such adjustment absent manifest error. Promptly after filing of such certificate, the Partnership shall mail a notice to each Holder of LTIP Units setting forth the adjustment to his or her LTIP Units and the effective date of such adjustment.

Section 16.4 *Distributions*.

(a) *Operating Distributions*. Except as otherwise provided in this Agreement, any LTIP Unit Agreement or by the General Partner with respect to any particular class or series of LTIP Units, Holders of LTIP Units shall be entitled to receive, if, when and as authorized by the General Partner out of funds or other property legally available for the payment of distributions, regular, special, extraordinary or other distributions (other than distributions upon the occurrence of a Liquidating Event or proceeds from a Terminating Capital Transaction) which may be made from time to time, in an amount per unit equal to the amount of any such distributions that would have been payable to such holders if the LTIP Units had been Partnership Common Units (if applicable, assuming such LTIP Units were held for the entire period to which such distributions relate).

(b) *Liquidating Distributions*. Holders of LTIP Units shall also be entitled to receive, if, when and as authorized by the General Partner out of funds or other property legally available for the payment of distributions, distributions upon the occurrence of a Liquidating Event or representing proceeds from a Terminating Capital Transaction in an amount per LTIP Unit equal to the amount of any such distributions payable on one Partnership Common Unit, whether made prior to, on or after the LTIP Unit Distribution Payment Date, provided that the amount of such distributions shall not exceed the positive balances of the Capital Accounts of the holders of such LTIP Units to the extent attributable to the ownership of such LTIP Units.

(c) *Distributions Generally*. Distributions on the LTIP Units, if authorized, shall be payable on such dates and in such manner as may be authorized by the General Partner (any such date, an "*LTIP Unit Distribution Payment Date*"). Absent a contrary determination by the General Partner, the LTIP Unit Distribution Payment Date shall be the same as the corresponding date relating to the corresponding distribution on the Partnership Common Units. The record date for determining which Holders of LTIP Units are entitled to receive a distributions shall be the Partnership Record Date.

Section 16.5 *Allocations*. Holders of LTIP Units shall be allocated Net Income and Net Loss in amounts per LTIP Unit equal to the amounts allocated per Partnership Common Unit. The allocations provided by the preceding sentence shall be subject to Sections 6.2.A and 6.2.B and in addition to any special allocations required by Section 6.2.D. The General Partner is authorized in its discretion to delay or accelerate the participation of the LTIP Units in allocations of Net Income and Net Loss under this Section 16.5, or to adjust the allocations made under this Section 16.5, so that the ratio of (i) the total amount of Net Income or Net Loss allocated with respect to each LTIP Unit in the taxable year in which that LTIP Unit's LTIP Unit Distribution Payment Date falls (excluding special allocations under Section 6.2.D), to (ii) the total amount distributed to that LTIP Unit with respect to such period, is more nearly equal to the ratio of (i) the Net Income and Net Loss allocated with respect to the General Partner's Partnership Common Units in such taxable year to (ii) the amounts distributed to the General Partner with respect to such Partnership Common Units and such taxable year.

Section 16.6 *Transfers*. Subject to the terms and limitations contained in an applicable LTIP Unit Agreement and the Plan (or any other applicable Equity Plan) and except as expressly provided in this Agreement with respect to LTIP Units, a Holder of LTIP Units shall be entitled to transfer his or her LTIP Units to the same extent, and subject to the same restrictions as Holders of Partnership Common Units are entitled to transfer their Partnership Common Units pursuant to Article 11.

Section 16.7 *Redemption*. The Redemption Right provided to Qualifying Parties under Section 15.1 shall not apply with respect to LTIP Units unless and until they are converted to Partnership Common Units as provided in Section 16.9 below.

Section 16.8 *Legend*. Any certificate evidencing an LTIP Unit shall bear an appropriate legend, as determined by the General Partner, indicating that additional

terms, conditions and restrictions on transfer, including without limitation under any LTIP Unit Agreement and the Plan (or any other applicable Equity Plan), apply to the LTIP Unit.

Section 16.9 *Conversion to Partnership Common Units.*

(a)A Qualifying Party holding LTIP Units shall have the right (the "*Conversion Right*"), at his or her option, at any time to convert all or a portion of his or her Vested LTIP Units into Partnership Common Units, taking into account all adjustments (if any) made pursuant to Section 16.3; provided, however, that a Qualifying Party may not exercise the Conversion Right for less than one thousand (1,000) Vested LTIP Units or, if such Qualifying Party holds less than one thousand (1,000) Vested LTIP Units, all of the Vested LTIP Units held by such Qualifying Party to the extent not subject to the limitation on conversion under Section 16.9.B below. Qualifying Parties shall not have the right to convert Unvested LTIP Units into Partnership Common Units until they become Vested LTIP Units; provided, however, that in anticipation of any event that will cause his or her Unvested LTIP Units to become Vested LTIP Units (and subject to the timing requirements set forth in Section 16.9.B below), such Qualifying Party may give the Partnership a Conversion Notice conditioned upon and effective as of the time of vesting and such Conversion Notice, unless subsequently revoked by the Qualifying Party in writing prior to such vesting event, shall be accepted by the Partnership subject to such condition. In all cases, the conversion of any LTIP Units into Partnership Common Units shall be subject to the conditions and procedures set forth in this Section 16.9.

(b)A Qualifying Party may convert his or her Vested LTIP Units into an equal number of fully paid and non-assessable Partnership Common Units, giving effect to all adjustments (if any) made pursuant to Section 16.3. Notwithstanding the foregoing, in no event may a Qualifying Party convert a number of Vested LTIP Units that exceeds the Capital Account Limitation. In order to exercise his or her Conversion Right, a Qualifying Party shall deliver a notice (a "*Conversion Notice*") in the form attached as Exhibit C to the Partnership (with a copy to the General Partner) not less than 3 nor more than 10 days prior to a date (the "*Conversion Date*") specified in such Conversion Notice; provided, however, that if the General Partner has not given to the Qualifying Party notice of a proposed or upcoming Transaction (as defined below) at least thirty (30) days prior to the effective date of such Transaction, then the Qualifying Party shall have the right to deliver a Conversion Notice until the earlier of (x) the tenth (10th) day after such notice from the General Partner of a Transaction or (y) the third Business Day immediately preceding the effective date of such Transaction. A Conversion Notice shall be provided in the manner provided in Section 15.2. Each Qualifying Party seeking to convert Vested LTIP Units covenants and agrees with the Partnership that all Vested LTIP Units to be converted pursuant to this Section 16.9 shall be free and clear of all liens. Notwithstanding anything herein to the contrary, if the Initial Holding Period with respect to the Partnership Common Units into which the Vested LTIP Units are convertible has elapsed, a Qualifying Party may deliver a Notice of Redemption pursuant to Section 15.1.A relating to such Partnership Common Units in advance of the Conversion Date; provided, however, that the redemption of such Partnership Common Units by the Partnership shall in no event take place until on or after the Conversion Date. For clarity, it is noted that the objective of this paragraph is to put a Qualifying Party in a position where, if he or she so wishes, the Partnership Common Units into which his or her Vested LTIP Units will be converted can be redeemed by the Partnership pursuant to Section 15.1.A simultaneously with such conversion, with the further consequence that, if the General Partner elects to assume the Partnership's redemption obligation with respect to such Partnership Common Units under Section 15.1.B by delivering to such Qualifying Party REIT Shares rather than cash, then such Qualifying Party can have such REIT Shares issued to him or her simultaneously with the conversion of his or her Vested LTIP Units into Partnership Common Units. The General Partner shall cooperate with a Qualifying Party to coordinate the timing of the different events described in the foregoing sentence.

(c)The Partnership, at any time at the election of the General Partner, may cause any number of Vested LTIP Units to be converted (a "*Forced Conversion*") into an equal number of Partnership Common Units, giving effect to all adjustments (if any) made pursuant to Section 16.3; provided, however, that the Partnership may not cause a Forced Conversion of any LTIP Units that would not at the time be eligible for conversion at the option of such Qualifying Party pursuant to Section 16.9.B. In order to exercise its right of Forced Conversion, the Partnership shall deliver a notice (a "*Forced Conversion Notice*") in the form attached hereto as Exhibit D to the applicable Holder of LTIP Units not less than 10 nor more than 60 days prior to the Conversion Date specified in such Forced Conversion Notice. A Forced Conversion Notice shall be provided in the manner provided in Section 15.2.

(d) A conversion of Vested LTIP Units for which the Holder thereof has given a Conversion Notice or the Partnership has given a Forced Conversion Notice shall occur automatically after the close of business on the applicable Conversion Date without any action on the part of such Holder of LTIP Units, other than the surrender of any certificate or certificates evidencing such Vested LTIP Units, as of which time such Holder of LTIP Units shall be credited on the books and records of the Partnership as of the opening of business on the next day with the number of Partnership Common Units into which such LTIP Units were converted. After the conversion of LTIP Units as aforesaid, the Partnership shall deliver to such Holder of LTIP Units, upon his or her written request, a certificate of the General Partner certifying the number of Partnership Common Units and remaining LTIP Units, if any, held by such person immediately after such conversion. The Assignee of any Limited Partner pursuant to Article 11 hereof may exercise the rights of such Limited Partner pursuant to this Section 16.9 and such Limited Partner shall be bound by the exercise of such rights by the Assignee.

(e)For purposes of making future allocations under Section 6.2.D and applying the Capital Account Limitation, the portion of the Economic Capital Account Balance of the applicable Holder of LTIP Units that is treated as attributable to his or her LTIP Units shall be reduced, as of the date of conversion, by the product of the number of LTIP Units converted and the Common Unit Economic Balance.

(f)If the Partnership or the General Partner shall be a party to any transaction (including without limitation a merger, consolidation, unit exchange, self-tender offer for all or substantially all Partnership Common Units or other business combination or reorganization, or sale of all or substantially all of the Partnership's assets, but excluding any transaction which constitutes an Adjustment Event) in each case as a result of which Partnership Common Units shall be exchanged for or converted into the right, or the Holders shall otherwise be entitled, to receive cash, securities or other property or any combination thereof (each of the foregoing being referred to herein as a "*Transaction*"), then the General Partner shall, immediately prior to the Transaction, exercise its right to cause a Forced Conversion with respect to the maximum number of LTIP Units then eligible for conversion, taking into account any allocations that occur in connection with the Transaction or that would occur in connection with the Transaction if the assets of the Partnership were sold at the Transaction price or, if applicable, at a value determined by the General Partner in good faith using the value attributed to the Partnership Common Units in the context of the Transaction (in which case the Conversion Date shall be the effective date of the Transaction and the conversion shall occur immediately prior to the effectiveness of the Transaction). In anticipation of such Forced Conversion and the consummation of the Transaction, the Partnership shall use commercially reasonable efforts to cause each Holder of LTIP Units to be afforded the right to receive in connection with such Transaction in consideration for the Partnership Common Units into which his or her LTIP Units will be converted the same kind and amount of cash, securities and other property (or any combination thereof) receivable upon the consummation of such Transaction by a Holder of the same number of Partnership Common Units, assuming such Holder is not a Person with which the Partnership consolidated or into which the Partnership merged or which merged into the Partnership or to which such sale or transfer was made, as the case may be (a "*Constituent Person*"), or an affiliate of a Constituent Person. In the event that Holders of Partnership Common Units have the opportunity to elect the form or type of consideration to be received upon consummation of the Transaction, prior to such Transaction the General Partner shall give prompt written notice to each Holder of LTIP Units of such opportunity, and shall use commercially reasonable efforts to afford the Holder of LTIP Units the right to elect, by written notice to the General Partner, the form or type of consideration to be received upon conversion of each LTIP Unit held by such Holder into Partnership Common Units in connection with such Transaction. If a Holder of LTIP Units fails to make such an election, such Holder (and any of its transferees) shall receive upon conversion of each LTIP Unit held by him or her (or by any of his or her transferees) the same kind and amount of consideration that a Holder of Partnership Common Units would receive if such Holder of Partnership Common Units failed to make such an election. Subject to the rights of the Partnership and the General Partner under any LTIP Unit Agreement and the relevant terms of the Plan or any other applicable Equity Plan, the Partnership shall use commercially reasonable effort to cause the terms of any Transaction to be consistent with the provisions of this Section 16.9.F and to enter into an agreement with the

successor or purchasing entity, as the case may be, for the benefit of any Holder of LTIP Units whose LTIP Units will not be converted into Partnership Common Units in connection with the Transaction that will (i) contain provisions enabling the Qualifying Parties that remain outstanding after such Transaction to convert their LTIP Units into securities as comparable as reasonably possible under the circumstances to the Partnership Common Units and (ii) preserve as far as reasonably possible under the circumstances the distribution, special allocation, conversion, and other rights set forth in the Agreement for the benefit of the Holder of LTIP Units.

Section 16.10 *Voting*. LTIP Limited Partners shall have the same voting rights as Limited Partners holding Partnership Common Units, with the LTIP Units voting together as a single class with the Partnership Common Units and having one vote per LTIP Unit and Holders of LTIP Units shall not be entitled to approve, vote on or consent to any other matter. The foregoing voting provision will not apply if, at or prior to the time when the action with respect to which such vote would otherwise be required will be effected, all outstanding LTIP Units shall have been converted or provision is made for such conversion to occur as of or prior to such time into Partnership Common Units.

Section 16.11 *Section 83 Safe Harbor*. Each Partner authorizes the General Partner to elect to apply the safe harbor (the "*Section 83 Safe Harbor*") set forth in proposed Regulations Section 1.83-3(l) and proposed IRS Revenue Procedure published in Notice 2005-43 (together, the "*Proposed Section 83 Safe Harbor Regulation*") (under which the fair market value of a Partnership Interest that is Transferred in connection with the performance of services is treated as being equal to the liquidation value of the interest), or in similar Regulations or guidance, if such Proposed Section 83 Safe Harbor Regulation or similar Regulations are promulgated as final or temporary Regulations. If the General Partner determines that the Partnership should make such election, the General Partner is hereby authorized to amend this Agreement without the consent of any other Partner to provide that (i) the Partnership is authorized and directed to elect the Section 83 Safe Harbor, (ii) the Partnership and each of its Partners (including any Person to whom a Partnership Interest, including an LTIP Unit, is Transferred in connection with the performance of services) will comply with all requirements of the Section 83 Safe Harbor with respect to all Partnership Interests Transferred in connection with the performance of services while such election remains in effect and (iii) the Partnership and each of its Partners will take all actions necessary, including providing the Partnership with any required information, to permit the Partnership to comply with the requirements set forth or referred to in the applicable Regulations for such election to be effective until such time (if any) as the General Partner determines, in its sole discretion, that the Partnership should terminate such election. The General Partner is further authorized to amend this Agreement to modify Article 6 to the extent the General Partner determines in its discretion that such modification is necessary or desirable as a result of the issuance of any applicable law, Regulations, notice or ruling relating to the tax treatment of the transfer of a Partnership Interests in connection with the performance of services. Notwithstanding anything to the contrary in this Agreement, each Partner expressly confirms that it will be legally bound by any such amendment.

[Remainder of Page Left Blank Intentionally]

IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above.

GENERAL PARTNER:

Orion Office REIT Inc.
a Maryland corporation

By: _____
Name:
Its:

LIMITED PARTNER:

Orion Office REIT LP LLC
a Maryland limited liability company

By: _____
Name:
Its:

TRANSITION SERVICES AGREEMENT

BY AND BETWEEN

REALTY INCOME CORPORATION

AND

ORION OFFICE REIT INC.

DATED AS OF [●], 2021

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TRANSITION SERVICES AGREEMENT

This Transition Services Agreement (this "Agreement") is entered into and effective as of [●], 2021 (the "Effective Date"), by and between Realty Income Corporation, a Maryland corporation ("Realty Income"), and Orion Office REIT Inc., a Maryland corporation ("Orion"). Realty Income and Orion may each be referred to herein as a "Party," and are collectively referred to as the "Parties." Capitalized terms used but not defined herein shall have the meanings given them in the Separation Agreement (defined below).

RECITALS

WHEREAS, the board of directors of Realty Income has determined that it is advisable and in the best interests of Realty Income to establish Orion as an independent publicly traded company, and in furtherance thereof, to distribute to the stockholders of Realty Income, on a pro rata basis, 100% of the outstanding shares of common stock of Orion (the "Separation");

WHEREAS, Realty Income and Orion have entered into that certain Separation and Distribution Agreement, dated as of [●], 2021 (the "Separation Agreement"), to carry out, effect, and consummate the Separation; and

WHEREAS, pursuant to the Separation Agreement, each of the Parties has agreed to provide (or cause to be provided) to each other Party following the Separation and in accordance with the terms of, and subject to, the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and mutual promises, covenants, agreements, representations and warranties contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I
SERVICES

Section 1.01 General. In accordance with the provisions hereof, (i) Realty Income shall provide, or cause to be provided, the services set forth on Schedule A-1 attached hereto as may be amended or deemed amended pursuant to this Agreement (the "Realty Income Provided Services") to Orion and its affiliates, and (ii) Orion shall provide, or cause to be provided, the services set forth on Schedule A-2 attached hereto as may be amended or deemed amended pursuant to this Agreement (the "Orion Provided Services" and together with the Realty Income Provided Services, the "Services") to Realty Income and its affiliates. As used herein, "Provider" refers to the Party providing the relevant Services and "Recipient" refers to the party receiving the relevant Services.

Section 1.02 Quality of Services. Provider shall perform (or cause to be performed) the Services (i) in a workmanlike and professional manner, (ii) with the same degree of care as it exercises in performing its own functions of a like or similar nature, and, where applicable, in a manner substantially consistent with the quantity and scope of the Services provided by Provider to Recipient and its Subsidiaries in the ordinary course prior to the Effective Time (except to the extent otherwise provided herein), (iii) where and as applicable, utilizing persons set forth on Schedule A-1 or Schedule A-2 (each, a "Specified Person"), subject to the limitations set forth herein, and (iv) in a timely manner in accordance with the provisions of this Agreement and consistent with historical practice (except to the extent otherwise provided herein), it being understood

that nothing in this Agreement will require Provider to favor Recipient and its Subsidiaries over the other business operations of Provider and its Subsidiaries.

Section 1.03 Duration of Services. Subject to the terms of this Agreement, Provider will provide (or cause to be provided) the Services to Recipient and its Subsidiaries until the Termination Date (as defined below) or earlier termination of this Agreement in accordance with Section 9.02, or if earlier, with respect to each Service, the earlier of (i) the expiration date for such Service set forth on Schedule A-1 or Schedule A-2, as applicable, or (ii) the date upon which such Service is terminated under Section 9.01(b); provided, however, that to the extent that Provider's ability to provide a Service is dependent on the continuation of a related Service (and such dependence has been made known to the other Party), then Provider's obligation to provide such dependent Service shall terminate automatically with the termination of such related Service.

Section 1.04 Third Party Services. Each Party acknowledges and agrees that certain Services may be provided by third parties only with the express written consent of the Recipient not to be unreasonably withheld. If (a) Provider elects to engage a different third party to provide such Services than the third party previously engaged by Provider in connection with such Services or (b) such third party previously engaged by Provider in connection with such Services is unable or unwilling to provide any such Services, Provider shall promptly notify Recipient in writing, and shall use its commercially reasonable efforts to determine the manner in which such Services can best be provided, and, if there is any change to the Services provided as a result, including the level or cost thereof, Provider and Recipient shall negotiate in good faith to amend Schedule A-1 and Schedule A-2 as appropriate.

Section 1.05 Responsible Personnel.

(a) Provider shall designate a point of contact for each Service listed on Schedule A-1 and Schedule A-2 who will be directly responsible for coordinating and managing the delivery of such Service and have authority to act on behalf of Provider with respect to matters relating to such Service.

(b) If a Specified Person has been designated on Schedule A-1 or Schedule A-2, as applicable, with respect to a Service, unless otherwise agreed in writing by the Parties, Provider will cause such Specified Person to provide such Service. If such Specified Person ceases to be employed by Provider or one of its Subsidiaries or goes on a leave of absence (i) Provider or Recipient may terminate such Service in accordance with Section 9.01(b), or (ii) the Parties may mutually agree to amend Schedule A-1 or Schedule A-2 to designate a replacement for such Specified Person.

(c) Except as set forth in subsection (b), Provider will have the right, in its reasonable discretion, to (i) designate which of its personnel will be involved in providing Services to Recipient, and (ii) remove and replace any such personnel, so long as there is no resulting increase in costs, or decrease in the level of service for Recipient; provided, however, that Provider will use its commercially reasonable efforts to limit disruption of the provision of Services to Recipient in the transition of the Services to different personnel.

(d) In the event that the provision of any Service by Provider requires the cooperation and services of applicable personnel of Recipient, Recipient will make available to Provider such personnel as may be necessary for Provider to provide such Service. Recipient will have the right, in its reasonable discretion, to (i) designate which of its personnel it will make available to Provider in connection with the receipt of such Service, and (ii) remove and replace any such personnel, so long as there is no resulting increase in costs to Provider in providing such Service or adverse effect on Provider's ability to provide such Service; provided, however, that Recipient will use its commercially reasonable efforts to limit disruption of the provision of services by Provider in the transition of such personnel.

Section 1.06 Changes to Services. It is understood and agreed that Provider may from time to time modify, change or enhance the manner, nature and quality of any Service provided to Recipient to the extent Provider is making a similar change in the performance of such Services for Provider and its Subsidiaries; provided, however, that, except as set forth in Section 1.05(b), any such modification, change or enhancement will not reasonably be expected to materially negatively affect such Services. Provider shall furnish to Recipient substantially the same notice (in content and timing), if any, as Provider furnishes to its own organization with respect to such modifications, changes or enhancements.

Section 1.07 Amendments to Schedule A. Each amendment to Schedule A-1 or Schedule A-2, as agreed to in writing by the Parties, shall be deemed part of this Agreement and any changes to the Services or other amendments set forth therein shall be subject to the terms and conditions of this Agreement.

ARTICLE II
COMPENSATION; BILLING

Section 2.01 Service Fees. In consideration for providing the Services, Provider will charge Recipient the fees indicated for each Service listed on Schedule A-1 or Schedule A-2 (each, a "Service Fee" and collectively, the "Service Fees").

Section 2.02 Expenses. Except to the extent provided otherwise on Schedule A-1 or Schedule A-2, in addition to the Service Fee, Provider shall also be entitled to charge Recipient for any reasonable, documented, out-of-pocket costs and expenses incurred by Provider in providing the Services ("Expenses").

Section 2.03 Taxes. In addition to any amounts otherwise payable by Recipient pursuant to this Agreement, Recipient shall pay, be responsible, and promptly reimburse Provider, for any sales, use, value added, goods and services, excise, transfer, recording or similar taxes, including any interest, penalties or additional amounts imposed with respect thereto, imposed with respect to, or in connection with, the provision of Services or payment of any Service Fees hereunder.

Section 2.04 Payment of Fees. No later than the first day of each calendar month, Recipient shall pay to Provider the Service Fees due for the upcoming month in accordance with Schedule A-1 or Schedule A-2. Payments shall be made by check or wire transfer of immediately available funds to one or more accounts specified in writing by Provider.

Section 2.05 Payment of Expenses. Within thirty (30) days after the end of each calendar month, Provider shall send Recipient an invoice that includes in reasonable detail the Expenses due in connection with the Services provided to Recipient. Payments of invoices shall be made by check or wire transfer of immediately available funds to one or more accounts specified in writing by Provider. Payment shall be made within thirty (30) days after the date of receipt of Provider's invoice.

Section 2.06 Payment Delay; Finance Charges.

(a) If Recipient fails to make any material payment within thirty (30) days of the date such payment was due to Provider, Provider shall have the right, at its sole option, upon ten (10) days' prior written notice (such notice, a "Suspension Notice"), to suspend performance of any Services until payment has been received.

(b) If Recipient fails to make any payment within sixty (60) days of the date such payment was due to Provider, a finance charge of per month, payable from the date of the invoice to the date such payment is received and levied upon the balance of any such payment, shall be due and payable to Provider. In addition, Recipient shall indemnify Provider for its costs, including reasonable attorneys' fees and disbursements, incurred to collect any unpaid amount.

(c) Recipient shall not be liable for the payment of any finance charges pursuant to this Section 2.06, and Provider shall not be authorized to suspend performance pursuant to this Section 2.06, to the extent, but only to the extent, that Recipient is in good faith disputing Service Fees or Expenses incurred under Sections 2.01 and 2.02.

Section 2.07 No Right to Set-Off. Recipient shall pay the full amount of all Service Fees and Expenses and shall not set off, counterclaim or otherwise withhold any amount owed to Provider under this Agreement on account of any obligation owed by Provider to Recipient.

ARTICLE III
COOPERATION AND CONSENTS

Section 3.01 General. Each Party shall reasonably cooperate with and provide assistance to the other Party in carrying out the provisions of this Agreement. Such cooperation shall include, but not be limited to, exchanging information, responding to inquiries, making adjustments and, subject to Section 3.03, obtaining all consents, licenses, sublicenses or approvals necessary to permit each Party to perform its obligations hereunder; provided, however, that neither Party shall be required to disclose privileged information to the other Party.

Section 3.02 Transition. At the request of Recipient in contemplation of the termination of any Services hereunder, in whole or in part, Provider shall cooperate with Recipient, at Recipient's expense, in transitioning such Services to Recipient or to any third party service provider designated by Recipient.

Section 3.03 Consents. Provider will take commercially reasonable efforts to obtain, and to keep and maintain in effect, any third party licenses and consents necessary to provide the Services (the "Consents"). The costs relating to obtaining any such licenses or Consents obtained solely for the benefit of Recipient shall be borne by Recipient; provided, however, that Provider shall not incur any such costs that are not contemplated by Schedule A-1 or Schedule A-2 or consistent with historical practice of the Parties without the prior written consent of Recipient. If any such Consent is not obtained or maintained despite using commercially reasonable efforts to do so, Provider shall promptly notify Recipient in writing, and (i) Provider shall not be obligated under this Agreement to provide Recipient access to or use of any third party software or services requiring such Consents or to provide any Services dependent upon such Consents until such Consents are obtained or maintained, and (ii) the Parties will reasonably cooperate with one another to achieve a reasonable alternative arrangement with respect thereto as necessary.

ARTICLE IV
CONFIDENTIALITY

Section 4.01 Recipient Confidential Information. From and after the Effective Date, subject to Section 4.03, and except as contemplated by or otherwise provided for under this Agreement or the Separation Agreement, Provider shall not, and shall cause its Affiliates and its own and its Affiliates' officers, directors, employees, and other agents and representatives, including attorneys, agents, customers, suppliers, contractors, consultants and other representatives or third parties providing Services pursuant to this Agreement (collectively, "Representatives"), to not, directly or indirectly, disclose, reveal, divulge or communicate to any Person, other than to Recipient and its Affiliates (collectively, the "Recipient Group") and their respective Representatives, and to Provider and its Affiliates (collectively, the "Provider Group") and their respective Representatives who reasonably need to know such information in connection with the provision of Services under this Agreement and who are informed of their obligation to hold such information confidential to the same extent as is applicable to the Parties and in respect of whose failure to comply with such obligations, Recipient will be responsible, or use or otherwise exploit for its own benefit or for the benefit of any third party (other than members of the Recipient Group), any Recipient Confidential Information (as defined below).

For the purposes of this Agreement, "Group" shall mean the Provider Group or the Recipient Group, as the context requires. If any disclosures are made by members of the Recipient Group to members of the Provider Group in connection with the provision of Services under this Agreement, then the Recipient Confidential Information so disclosed shall be used by the Provider Group only as required to perform the Services or, if applicable, to the extent permitted by the Separation Agreement. Provider shall use the same degree of care to prevent and restrain the unauthorized use or disclosure of the Recipient Confidential Information by any member of the Provider Group or its Representatives as it uses for its own confidential information of a like nature, but in no event less than a reasonable standard of care. For purposes of this Agreement, any information, material or documents relating to the businesses currently or formerly conducted, or proposed to be conducted, by the Recipient Group that is furnished to, or in possession of, any member of the Provider Group, in each case in connection with the Services provided under this Agreement and irrespective of the form of communication, and all notes, analyses, compilations, forecasts, data, translations, studies, memoranda or other documents prepared by members of the Provider Group, that contain, or otherwise reflect, such information, material or documents is hereinafter referred to as "Recipient Confidential Information." Recipient Confidential Information does not include, and there shall be no obligation hereunder, with respect to information that (i) is or becomes generally available to the public, other than as a result of a disclosure by a member of the Provider Group or its Representatives not otherwise permissible hereunder, (ii) Provider can demonstrate was or became available to the Provider Group from a source other than the Recipient Group or its Representatives, or (iii) is developed independently by the Provider Group without reference to the Recipient Confidential Information; provided, however, that, in the case of clause (ii), the source of such information was not known by Provider to be bound by a confidentiality or non-disclosure agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, any member of the Recipient Group with respect to such information.

Section 4.02 Provider Confidential Information. From and after the Effective Date, subject to Section 4.03, and except as contemplated by or otherwise provided for under this Agreement or the Separation Agreement, Recipient shall not, and shall cause the members of the Recipient Group and their respective Representatives to not, directly or indirectly, disclose, reveal, divulge or communicate to any Person other than members of the Provider Group and its Representatives, or members of the Recipient Group and its Representatives, who reasonably need to know such information in connection with the receipt of Services under this Agreement and who are informed of their obligation to hold such information confidential to the same extent as is applicable to the Parties and in respect of whose failure to comply with such obligations, Provider will be responsible, or use or otherwise exploit for its own benefit or for the benefit of any third party (other than members of the Provider Group), any Provider Confidential Information (as defined below). If any disclosures are made by members of the Provider Group to members of the Recipient Group in connection with the provision of Services under this Agreement, then the Provider Confidential Information (as defined below) so disclosed shall be used by the Recipient Group only as required to receive the Services or, if applicable, to the extent permitted by the Separation Agreement. Recipient shall use the same degree of care to prevent and restrain the unauthorized use or disclosure of the Provider Confidential Information by any member of the Recipient Group or its Representatives as it uses for its own confidential information of a like nature, but in no event less than a reasonable standard of care.

For purposes of this Agreement, any information, material or documents relating to the businesses currently or formerly conducted, or proposed to be conducted, by the Provider Group that is furnished to, or in possession of, any member of the Recipient Group, in each case in connection with the Services provided under this Agreement and irrespective of the form of communication, and all notes, analyses, compilations, forecasts, data, translations, studies, memoranda or other documents prepared by members of the Recipient Group, that contain, or otherwise reflect, such information, material or documents, is hereinafter referred to as "Provider Confidential Information," and, together with the Recipient Confidential Information, "Confidential Information." Provider Confidential Information does not include, and there shall be no obligation hereunder with respect to, information that (i) is or becomes generally available to the public, other than as a result of a disclosure by any member of the Recipient Group or its Representatives not otherwise permissible hereunder, (ii) Recipient can demonstrate was or became available to the Recipient Group from a source other than the Provider Group or its Representatives, or (iii) is developed independently by the Recipient Group without reference to the Provider Confidential Information; provided, however, that, in the case of clause (ii), the source of such information was not known by Recipient to be bound by a confidentiality or non-disclosure agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, any member of the Provider Group with respect to such information.

Section 4.03 Required Disclosure. Notwithstanding anything to the contrary in Sections 4.01 and 4.02, in the event that any demand or request for disclosure of Confidential Information is made by judicial or administrative process or by other requirements of Law, the Party requested to disclose Confidential Information concerning a member of the other Group shall (to the extent not prohibited by judicial or administrative process or by other requirements of Law) promptly notify such member of the other Group of the existence of such request or demand and, to the extent commercially practicable, shall provide such member of the other Group thirty (30) days (or such lesser period as is commercially practicable) to seek an appropriate protective order or other remedy, which the Parties will, at the expense of the requesting Party, cooperate in obtaining. In the event that such appropriate protective order or other remedy is not obtained, the Party that is required to disclose Confidential Information about a member of the Group shall furnish, or cause to be furnished, only that portion of the Confidential Information that is legally required to be disclosed and shall use commercially reasonable efforts to ensure that confidential treatment is accorded such information.

Section 4.04 Return or Destruction of Confidential Information. Upon the written request of a Party or a member of its Group, except as contemplated by or otherwise provided for under the Separation Agreement, the other Party shall take, and shall cause the applicable members of its Group to take, reasonable steps to promptly (a) deliver to the requesting Person all original copies of Confidential Information (whether written or electronic) concerning the requesting Person or any member of its Group that is in the possession of the other Party or any member of its Group and (b) if specifically requested by the requesting Person, destroy any copies of such Confidential Information (including any extracts therefrom), unless such delivery or destruction would violate any Law; provided, however, that if Recipient requests that Provider return or destroy Confidential Information concerning Recipient or any member of the Recipient Group, then Provider shall not be required to continue providing any Services to the extent Provider's ability to provide such Services is negatively impacted by its failure to no longer have possession of such Confidential Information. Upon the written request of the requesting Person, the other Party shall, or shall cause another member of its Group to cause, its duly authorized officers to certify in writing to the requesting party that the requirements of the preceding sentence have been satisfied in full.

ARTICLE V
INTELLECTUAL PROPERTY

Section 5.01 Recipient Intellectual Property. Except as otherwise agreed by the Parties, all data, software, or other property or assets owned or created by Recipient, including, without limitation, derivative works thereof, and new data or software created by Recipient at Recipient's expense, in connection with its receipt of Services and all intellectual property rights therein (the "Recipient Property"), shall remain the sole and exclusive property and responsibility of Recipient. Provider shall not acquire any rights in any Recipient Property pursuant to this Agreement.

Section 5.02 Provider Intellectual Property. Except as otherwise agreed by the Parties, all data, software or other property or assets owned or created by Provider, including, without limitation, derivative works thereof, and new data or software created by Provider at Provider's expense, in connection with the provision of Services and all intellectual property rights therein (the "Provider Property"), shall be the sole and exclusive property and responsibility of Provider. Recipient shall not acquire any rights in any Provider Property pursuant to this Agreement.

ARTICLE VI
LIMITED LIABILITY AND INDEMNIFICATION

Section 6.01 Consequential and Other Damages. Notwithstanding anything to the contrary contained in the Separation Agreement or this Agreement, no member of either Group or their Representatives shall be liable to any member of the other Group or its Representatives, whether in contract, tort (including negligence and strict liability) or otherwise, at law or equity, for any special, indirect, incidental, punitive or consequential damages whatsoever (including lost profits or damages calculated on multiples of earnings approaches), which in any way arise out of, relate to or are a consequence of, the performance or nonperformance of any Services under this Agreement, including with respect to business interruptions or claims of customers.

Section 6.02 Limitation of Liability. Subject to any obligations to reperform any Services as set forth in Section 6.03, the maximum amount of the Losses of each member of the Provider Group and its Representatives, collectively, under this Agreement for any act or failure to act in connection herewith (including the performance or breach of this Agreement), or from the sale, delivery, provision or use of any Services provided under or contemplated by this Agreement, whether in contract, tort (including negligence and strict liability) or otherwise, shall not exceed the total aggregate Service Fees (excluding any Expenses or other third-party costs) actually paid to Provider by Recipient pursuant to this Agreement.

Section 6.03 Obligation To Reperform; Liabilities. In the event of any breach of this Agreement by any member of the Provider Group (or any third parties providing Services under this Agreement) with respect to the provision of any Services (with respect to which the Provider can reasonably be expected to reperform in a commercially reasonable manner), the Provider shall (a) promptly correct or cause to be corrected in all material respects such error, defect or breach or reperform in all material respects such Services at the request of Recipient and at the sole cost and expense of the Provider and (b) subject to the limitations set forth in Sections 6.01 and 6.02, reimburse Recipient for Liabilities attributable to such breach by such member of the Provider Group (or any third parties providing Services under this Agreement). The remedy set forth in this Section 6.03 shall be the sole and exclusive remedy of Recipient for any such breach of this Agreement. Any request for reperformance in accordance with this Section 6.03 by Recipient must be in writing and specify in reasonable detail the particular breach, and such request must be made no more than one (1) month from the date such breach occurred.

Section 6.04 Release and Recipient Indemnity. Subject to Section 6.01, Recipient, on behalf of itself and its Affiliates, Representatives or other Persons using such Services, hereby releases each member of the Provider Group and its Representatives (each, a "Provider Indemnified Party"), and Recipient hereby agrees to indemnify, defend and hold harmless each such Provider Indemnified Party from and against any and all Losses arising from, relating to or in connection with the use of any Services by Recipient or any of its Affiliates, Representatives or other Persons using such Services, except to the extent such Losses arise out of, relate to or are a consequence of Provider's recklessness or willful misconduct.

Section 6.05 Provider Indemnity. Subject to Section 6.01, Provider hereby agrees to indemnify, defend and hold harmless each member of the Recipient Group and its Representatives (each a "Recipient Indemnified Party"), from and against any and all Losses arising from, relating to or in connection with the sale, delivery, provision or use of any Services provided under or contemplated by this Agreement to the extent that such Losses arise out of, relate to or are a consequence of Provider's recklessness or willful misconduct.

Section 6.06 Indemnification Procedures. The provisions of Section 9.4 of the Separation Agreement shall govern claims for indemnification under this Agreement.

Section 6.07 Liability for Payment Obligations. Nothing in this Article VI shall be deemed to eliminate or limit, in any respect, Recipient's express obligation to pay the Service Fees, Expenses and other amounts in accordance with this Agreement.

Section 6.08 Exclusion of Other Remedies. Except for the provisions of Section 2.06(b), Sections 6.03, 6.04, 6.05 and 6.06 of this Agreement shall be the sole and exclusive remedies of the Provider Indemnified Parties and the Recipient Indemnified Parties, as applicable, for any Losses arising pursuant to this Agreement.

ARTICLE VII
INDEPENDENT CONTRACTOR

In performing the Services hereunder, each Group shall operate as, and have the status of, an independent contractor. No Party's employees shall be considered employees or agents of the other Party, nor shall the employees of either Party be eligible or entitled to any benefits, perquisites, or privileges given or extended to any of the other Party's employees. Nothing contained in this Agreement shall be deemed or construed to create a joint venture or partnership between the Parties. No Party shall have any power or authority to bind or commit any other Party.

ARTICLE VIII
COMPLIANCE WITH LAWS

In the performance of its duties and obligations under this Agreement, each Party shall comply with all applicable laws. The Parties shall cooperate fully in obtaining and maintaining in effect all permits and licenses that may be required for the performance of the Services.

ARTICLE IX
TERM AND TERMINATION

Section 9.01 Term.

(a) The term of this Agreement shall commence on the Effective Date and end on [●], 2021 (the "Termination Date"), or such earlier date, if any, upon which this Agreement is terminated in accordance with Section 9.02.

(b) Except as may be otherwise set forth on Schedule A-1 or Schedule A-2, and subject to the last proviso of Section 1.03, Recipient may terminate any Service prior to the scheduled expiration date by giving Provider not less than thirty (30) days' prior written notice, or such less time as may be agreed upon by the Parties. Recipient or Provider may terminate any Service for which a Specified Person is listed on Schedule A-1 or Schedule A-2, as applicable, at any time after such Specified Person ceases to be employed by Provider or one its Subsidiaries or goes on a leave of absence; provided, however, that if during the term that the applicable Service is being provided pursuant to this Agreement, Provider receives advance notice that a Specified Person will cease to be employed by Provider or one of its Subsidiaries or will be going on a leave of absence, Provider will promptly provide such notice thereof to Recipient. Except as set forth in the immediately preceding sentence, Services can only be terminated at month-end. To the extent there are any break-up costs (including commitments made to, or in respect of, personnel or third parties due to the requirement to provide the Services, prepaid expenses related to the Services or costs related to terminating such commitments) reasonably incurred by Provider as a result of any early termination of a Service by Recipient, Provider shall use its reasonable best efforts to mitigate such costs, and Recipient shall bear such costs and reimburse Provider in full for the same.

Section 9.02 Termination of this Agreement. This Agreement may be terminated:

(a) by the written agreement of the Parties;

(b) by Provider in the event that it delivers a Suspension Notice to Recipient and suspends delivery of a Service in accordance with Section 2.06(a), and such Suspension Notice is not satisfied within thirty (30) days of the date of delivery of such Suspension Notice;

(c) by either Party upon a material breach (other than non-payment of Service Fees or Expenses) by the other Party that is not cured (or reperformed in accordance with Section 6.03) within thirty (30) days after delivery of written notice of such breach from the non-breaching Party;

(d) by either Party in the event that the other Party shall (i) file a petition in bankruptcy, (ii) become or be declared insolvent, or become the subject of any proceedings (not dismissed within sixty (60) calendar days) related to its liquidation, insolvency or the appointment of a receiver, (iii) make an assignment on behalf of all or substantially all of its creditors, (iv) take any corporate action for its winding up or dissolution;

(e) by either Party, upon a Change in Control (as defined below) of the other Party. For the purposes of this Agreement, "Change in Control" shall mean, with respect to a Party, the occurrence after the Effective Time of any of the following: (i) the sale, conveyance or disposition, in one or a series of related transactions, of all or substantially all of the assets of such Party and its Group (taken as a whole) to a third party that is not a member of such Party's Group prior to such transaction or the first of such related transactions; (ii) the consolidation, merger or other business combination of a Party with or into any other Person, immediately following which the then-current shareholders of the Party, as such, fail to own, in the aggregate, at least majority voting power of the surviving Party in such consolidation, merger or business combination, or of its ultimate publicly traded parent; (iii) a transaction or series of transactions in which any Person or "group" (as the term "group" is used in Sections 13(d) and 14(d) of the United States Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder) acquires majority voting power of such Party (other than a reincorporation or similar corporate transaction in which each of such Party's shareholders owns, immediately thereafter, interests in the new parent company in substantially the same percentage as such shareholder owned in such Party immediately prior to such transaction); or (iv) a majority of the board of directors of such Party ceases to consist of individuals who have become directors as a result of being nominated or elected by a majority of such Party's directors; or

(f) by either Party if all of the Services have been terminated early in accordance with Section 9.01(b).

Section 9.03 Effect. In the event of termination of this Agreement in its entirety pursuant to this Article IX, or upon the Termination Date, this Agreement shall cease to have further force or effect, and neither Party shall have any liability to the other Party with respect to this Agreement; provided that:

(a) termination or expiration of this Agreement for any reason shall not release a Party from any liability or obligation, including the requirement to pay Service Fees or Expenses, that already has accrued as of the effective date of such termination or expiration, and shall not constitute a waiver or release of, or otherwise be deemed to adversely affect, any rights, remedies or claims which a Party may have hereunder at law, equity or otherwise or which may arise out of or in connection with such termination or expiration;

(b) as promptly as practicable, following termination of this Agreement in its entirety or with respect to any Service to the extent applicable, and the payment by Recipient of all amounts owing hereunder, Provider shall return all reasonably available material, inventory and other property of Recipient held by Provider, and shall deliver copies of all of Recipient's records maintained by Provider with regard to the Services in Provider's standard format and media. Provider shall deliver such property and records to such location or locations, as reasonably requested by Recipient. Arrangements for shipping, including the cost of freight and insurance, and the reasonable cost of packing incurred by Provider shall be borne by Recipient; and

(c) Articles IV, V, VI, VII, X and XI, and this Section 9.03, shall survive any termination or expiration of this Agreement and remain in full force and effect.

ARTICLE X
DISPUTE RESOLUTION

Section 10.01 Dispute Resolution. Article VII of the Separation Agreement shall apply, *mutatis mutandis*, to all disputes, controversies or claims (whether arising in contract, tort or otherwise) that may arise out of or relate to, or arise under or in connection with this Agreement or the transactions contemplated hereby.

Section 10.02 Waiver of Jury Trial. EACH PARTY IRREVOCABLY AND ABSOLUTELY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING BROUGHT BY A PARTY TO COMPEL THE DISPUTE RESOLUTION PROCEDURES PROVIDED IN THIS ARTICLE X AND THE ENFORCEMENT OF ANY AWARDS OR DECISION OBTAINED FROM SUCH ARBITRATION PROCEEDING, AND AGREES TO TAKE ANY AND ALL ACTION NECESSARY OR APPROPRIATE TO EFFECT SUCH WAIVER.

ARTICLE XI
MISCELLANEOUS

Section 11.01 Further Assurances. From time to time, each Party agrees to execute and deliver such additional documents, and will provide such additional information and assistance as either Party may reasonably require to carry out the terms of this Agreement.

Section 11.02 Amendments and Waivers(a).

(a) No provision of this Agreement, including Schedule A-1 and Schedule A-2, may be amended except by an agreement in writing signed by both Parties.

(b) Any term or provision of this Agreement may be waived, or the time for its performance may be extended, by the Party or the Parties entitled to the benefit thereof. Any such waiver shall be validly and sufficiently given for the purposes of this Agreement if, as to any Party, it is executed by a writing signed by an authorized representative of such Party. Waiver by any Party of any default by the other Party of any provision of this Agreement shall not be construed to be a waiver by the waiving Party of any subsequent or other default, nor shall it in any way affect the validity of this Agreement or prejudice the rights of the other Party, thereafter, to enforce each and every such provision. No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. The rights and remedies hereunder are cumulative and not exclusive of any rights or remedies that either Party would otherwise have.

Section 11.03 Entire Agreement. This Agreement and Schedule A-1 and Schedule A-2 hereto, as well as any other agreements and documents referred to herein (including the Separation Agreement and the agreements contemplated thereby, to the extent applicable), constitute the entire agreement between the Parties with respect to the subject matter hereof, and supersede all previous agreements, negotiations, discussions, understandings, writings, commitments and conversations between the Parties with respect to such subject matter. No agreements or understandings exist between the Parties with respect to the subject matter hereof other than those set forth or referred to herein.

Section 11.04 Third Party Beneficiaries. Except for the indemnification provisions in Article VI, this Agreement is for the sole benefit of the Parties and their successors and assigns, and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

Section 11.05 Notices. All notices, demands and other communications required to be given to a Party hereunder shall be in writing and shall be personally delivered, sent by a nationally recognized overnight courier, or mailed by registered or certified mail (postage prepaid, return receipt requested) to such Party at the relevant street address set forth below (or at such other street address as such Party may designate from time to time by written notice in accordance with this provision):

If to Realty Income, to:

Realty Income Corporation
11995 El Camino Real
San Diego, California 92130
Attention: General Counsel

If to Orion, to:

Orion Office REIT Inc.
2325 E. Camelback Road, Floor 8
Phoenix, AZ 85016
Attention: Chief Executive Officer

Notice by courier or certified or registered mail shall be effective on the date it is officially recorded as delivered to the intended recipient by return receipt or similar acknowledgment. All notices and communications delivered in person shall be deemed to have been delivered to and received by the addressee, and shall be effective, on the date of personal delivery.

Section 11.06 Counterparts; Electronic Delivery. This Agreement may be executed in one or more counterparts, each of which, when so executed and delivered or transmitted by facsimile, e-mail or other electronic means, shall be deemed to be an original, and all of which taken together shall constitute but one and the same instrument. Execution and delivery of this Agreement or any other documents pursuant to this Agreement by facsimile or other electronic means shall be deemed to be, and shall have the same legal effect as, execution by an original signature and delivery in person.

Section 11.07 Severability. If any term or other provision of this Agreement or the Schedules attached hereto or thereto is determined by a nonappealable decision by a court, administrative agency or arbitrator to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the court, administrative agency or arbitrator shall interpret this Agreement so as to affect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible. If any sentence in this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only as broad as is enforceable.

Section 11.08 Assignability. This Agreement shall be binding upon and inure to the benefit of the Parties, and their respective successors and permitted assigns; provided, however, that, except as provided in Section 1.04 and other provisions herein allowing Provider to delegate its obligations hereunder to third parties, no Party may assign, delegate or transfer (by operation of law or otherwise) its respective rights, or delegate its respective obligations, under this Agreement without the express prior written consent of the other Party. Notwithstanding the foregoing, either Party may assign its rights and obligations under this Agreement to (i) any member of such Party's Group; provided, however, that each Party shall at all times remain liable for the performance of its obligations under this Agreement by any such Group member, or (ii), subject to Provider's right to terminate this Agreement pursuant to Section 9.01(e) hereof, any successor by merger, consolidation, reorganization, recapitalization, acquisition or person acquiring all or substantially all of the assets of such Party pursuant to a Change of Control, provided, however, that such successor shall assume all obligations of such under this Agreement. Any attempted assignment or delegation in violation of this Section 11.08 shall be null and void. In the event that Provider has assigned any rights or obligations to a member of Provider's Group, to the extent Provider receives any Service Fees or other amounts with respect to any services so assigned, such amounts shall be collected by Provider as agent of, and paid over to, such other member.

Section 11.09 Governing Law . This Agreement, and the legal relations between the Parties hereto, shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflict of laws rules thereof, to the extent such rules would require the application of the law of another jurisdiction.

Section 11.10 Disclaimer of Representations and Warranties.

(a) It is understood and agreed that the employees of Provider and the other members of the Provider Group performing the Services are not professional providers to third parties of the types of services included in the Services and that some or all of the Provider Group employees performing Services may have other responsibilities and may not be dedicated full-time to performing Services hereunder. EXCEPT FOR THE REPRESENTATIONS, WARRANTIES AND COVENANTS EXPRESSLY MADE IN THIS AGREEMENT, PROVIDER HAS NOT MADE, AND DOES NOT HEREBY MAKE, ANY EXPRESS OR IMPLIED REPRESENTATIONS, WARRANTIES OR COVENANTS, STATUTORY OR OTHERWISE, OF ANY NATURE, INCLUDING WITH RESPECT TO THE WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT, QUALITY, QUANTITY, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. ALL OTHER REPRESENTATIONS, WARRANTIES, AND COVENANTS, EXPRESS OR IMPLIED, STATUTORY, COMMON LAW OR OTHERWISE, OF ANY NATURE, INCLUDING WITH RESPECT TO THE WARRANTIES OF MERCHANTABILITY, QUALITY, QUANTITY, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE ARE HEREBY DISCLAIMED.

(b) Without limiting the generality of any other provision hereof, it is not the intent of any member of the Provider Group (or their Affiliates) to render professional advice or opinions, whether with regard to tax, legal, treasury, finance, intellectual property, employment or other matters; Recipient shall not rely on any Service provided by (or caused to be provided by) Provider for such professional advice or opinions; and notwithstanding Recipient's receipt of any proposal, recommendation or suggestion in any way relating to tax, legal, treasury, finance, intellectual property, employment or any other subject matter, Recipient shall seek all third-party professional advice and opinions as it may desire or need; and, with respect to any software or documentation provided in connection with the Services, Recipient shall use such software and documentation internally and for their intended purpose only, shall not distribute, publish, transfer, sublicense or in any manner make such software or documentation available to other organizations or persons, and shall not act as a service bureau or consultant in connection with such software.

(c) A material inducement to the provision of Services is the limitation of liability, damages and recourse set forth herein and the release and indemnity provided by Recipient.

Section 11.11 Force Majeure.

(a) Neither Party (nor any Person acting on its behalf) shall have any liability or responsibility for failure to fulfill any obligation (other than a payment obligation) under this Agreement so long as, and to the extent to which, the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure; provided that (i) such Party (or such Person) shall have exercised commercially reasonable efforts to minimize the effect of Force Majeure on its obligations, and (ii) the nature, quality and standard of care that Provider shall provide in delivering a Service after a Force Majeure shall again comply with Section 1.02. In the event of an occurrence of a Force Majeure, the Party whose performance is affected thereby shall give notice of suspension as soon as reasonably practicable to the other stating the date and extent of such suspension and the cause thereof, and such Party shall resume the performance of such obligations as soon as reasonably practicable after the removal of such cause.

(b) During the period of a Force Majeure impacting Provider, Recipient shall be entitled to seek an alternative service provider with respect to such Service(s) (and shall be relieved of the obligation to pay Service Fees for such Service(s) throughout the duration of such Force Majeure) and shall be entitled to permanently terminate such Service(s) if a Force Majeure shall continue to exist for more than sixty (60) consecutive days, it being understood that Recipient shall provide advance notice of such termination to Provider.

(c) For purposes of this Agreement "Force Majeure" means with respect to a Party, an event beyond the control of such Party (or any Person acting on its behalf), which by its nature could not have been reasonably foreseen by such Party (or such Person), or, if it could have been reasonably foreseen, was unavoidable, and includes acts of God, storms, floods, riots, fires, sabotage, civil commotion or civil unrest, interference by civil or military authorities, acts of war (declared or undeclared) or armed hostilities or other national or international calamity or one or more acts of terrorism or failure of energy sources or distribution facilities. Notwithstanding the foregoing, the receipt by a Party of an unsolicited takeover offer or other acquisition proposal, even if unforeseen or unavoidable, and such Party's response thereto shall not be deemed an event of Force Majeure.

Section 11.12 Construction and Interpretation.

(a) This Agreement shall be construed as if jointly drafted by the Parties and no rule of construction strict interpretation shall be applied against either Party. The Parties represent that this Agreement is entered into with full consideration of any and all rights which the Parties may have. The Parties have relied upon their own knowledge and judgment. The Parties have conducted such investigations they thought appropriate, and have consulted with such advisors as they deemed appropriate regarding this Agreement and their rights and asserted rights in connection therewith. The Parties are not relying upon any representations or statements made by the other Party, or such other Party's employees, agents, representatives or attorneys, regarding this Agreement, except to the extent such representations are expressly set forth or incorporated in this Agreement. The Parties are not relying upon a legal duty, if one exists, on the part of the other Party (or such other Party's employees, agents, representatives or attorneys) to disclose any information in connection with the execution of this Agreement or their preparation, it being expressly understood that neither Party shall ever assert any failure to disclose information on the part of the other Party as a ground for challenging this Agreement.

(b) If there is any conflict between the provisions of this Agreement and the Separation Agreement, the provisions of this Agreement shall control (but only with respect to the subject matter hereof) unless explicitly stated otherwise herein. If there is any conflict between the provisions of the main body of this Agreement and any Schedule to this Agreement, the provisions of the main body of this Agreement shall control unless explicitly stated otherwise herein.

(c) References in this Agreement to any gender include references to all genders, and references to the singular include references to the plural and vice versa. Unless the context otherwise requires, the words "include," "includes" and "including" when used in this Agreement shall be deemed to be followed by the phrase "without limitation." Unless the context otherwise requires, references in this Agreement to Articles, Sections and Exhibits shall be deemed references to Articles and Sections of, and Exhibits to, this Agreement. Unless the context otherwise requires, the words "hereof," "hereby" and "herein" and words of similar meaning when used in this Agreement refer to this Agreement in its entirety and not to any particular Article, Section or provision of this Agreement.

Section 11.13 Titles and Headings. Titles and headings to Sections and Articles are inserted for the convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement

Section 11.14 Schedules. The Schedules attached hereto are incorporated herein by reference and shall be construed with and as an integral part of this Agreement to the same extent as if the same had been set forth verbatim herein.

Section 11.15 Specific Performance. Subject to the provisions of Article X, from and after the Distribution, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Parties agree that the Party to this Agreement who is or is to be thereby aggrieved shall have the right to seek specific performance and injunctive or other equitable relief of its rights under this Agreement, in addition to any and all other rights and remedies at Law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that, from and after the Distribution, the remedies at Law for any breach or threatened breach of this Agreement, including monetary damages, may be inadequate compensation for any loss, that any defense in any action for specific performance that a remedy at Law would be adequate is hereby waived, and that any requirements for the securing or posting of any bond with such remedy are hereby waived.

Section 11.16 Limited Liability. Notwithstanding any other provision of this Agreement, no Specified Person, person designated as the coordinator of Services pursuant to Section 1.05(a) or other individual who is a shareholder, director, employee, officer, agent or representative of Provider or Recipient, in such individual's capacity as such, shall have any liability in respect of or relating to the covenants or obligations of Provider or Recipient, as applicable, under this Agreement or in respect of any certificate delivered with respect hereto or thereto and, to the fullest extent legally permissible, each of Provider or Recipient, for itself and its respective Subsidiaries and its and their respective shareholders, directors, employees and officers, waives and agrees not to seek to assert or enforce any such liability that any such Person otherwise might have pursuant to applicable law.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized officers or representatives as of the date first written above.

REALTY INCOME CORPORATION

By: _____
Name:
Title:

ORION OFFICE REIT INC.

By: _____

Name:
Title:

TAX MATTERS AGREEMENT

by and between

REALTY INCOME CORPORATION

and

ORION OFFICE REIT INC.

dated as of

[·], 2021

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TAX MATTERS AGREEMENT

This TAX MATTERS AGREEMENT (this "Agreement") is entered into as of [·], 2021, by and between Realty Income Corporation, a Maryland corporation ("Realty Income"), and Orion Office REIT Inc., a Maryland corporation and an indirect, wholly owned subsidiary of Realty Income ("Orion"). Realty Income and Orion are sometimes referred to herein individually as a "Party," and collectively as the "Parties." Capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in Section 1 of this Agreement.

RECITALS

WHEREAS, Realty Income, Orion and VEREIT, Inc., a Maryland corporation, have entered into a Separation and Distribution Agreement, dated as of [·], 2021 (the "Separation Agreement") pursuant to which the Separation Transactions will be consummated; and

WHEREAS, Realty Income and Orion desire to set forth their agreement on the rights and obligations of Realty Income and Orion and the members of the Realty Income Group and the Orion Group, respectively, with respect to (A) the administration and allocation of federal, state, local, and foreign Taxes incurred in Tax Periods beginning prior to the Distribution Date, (B) Taxes resulting from the Distribution and transactions effected in connection with the Distribution and (C) various other Tax matters.

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements set forth below and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties hereby agree as follows:

Section 1. Definition of Terms. For purposes of this Agreement (including the recitals hereof), the following terms have the following meanings:

"Adjustment Request" means any formal or informal claim or request filed with any Tax Authority, or with any administrative agency or court, for the adjustment, refund, or credit of Taxes, including (i) any amended Tax Return claiming adjustment to the Taxes as reported on the Tax Return or, if applicable, as previously adjusted, (ii) any claim for equitable recoupment or other offset, and (iii) any claim for refund or credit of Taxes previously paid.

"Affiliate" has the meaning set forth in the Separation Agreement.

"Agreement" means this Tax Matters Agreement.

"Allowed Amount" has the meaning set forth in Section 12 of this Agreement.

"Ancillary Agreements" has the meaning set forth in the Separation Agreement; *provided*, *however*, that for purposes of this Agreement, this Agreement shall not constitute an Ancillary Agreement.

"Business Day" has the meaning set forth in the Separation Agreement.

"Code" has the meaning set forth in the Separation Agreement.

"Controlling Party" has the meaning set forth in Section 9.2(c) of this Agreement.

"Dispute" has the meaning set forth in the Separation Agreement.

"Distribution" has the meaning set forth in the Separation Agreement.

"Distribution Date" has the meaning set forth in the Separation Agreement.

"Distribution Effective Time" has the meaning set forth in the Separation Agreement.

"Escrowed Amount" has the meaning set forth in Section 12 of this Agreement.

"Final Allocation" has the meaning set forth in Section 3.5(b) of this Agreement.

"Final Determination" means the final resolution of liability for any Tax, which resolution may be for a specific issue or adjustment or for any Tax Period, (i) by IRS Form 870 or 870-AD (or any successor forms thereto), on the date of acceptance by or on behalf of the taxpayer, or by a comparable form under the laws of a state, local, or foreign taxing jurisdiction, except that an IRS Form 870 or 870-AD or comparable form shall not constitute a Final Determination to the extent that it reserves (whether by its terms or by operation of law) the right of the taxpayer to file a claim for refund or credit or the right of the Tax Authority to assert a further deficiency in respect of such issue or adjustment or for such Tax Period (as the case may be); (ii) by a decision, judgment, decree, or other order by a court of competent jurisdiction, which has become final and unappealable; (iii) by a closing agreement or accepted offer in compromise under Sections 7121 or 7122 of the Code, or a comparable agreement under the laws of a state, local, or foreign taxing jurisdiction; (iv) by any allowance of a refund or credit in respect of an overpayment of a Tax, but only after the expiration of all periods during which such refund may be recovered (including by way of offset) by the jurisdiction with the authority to impose such Tax; (v) by a final settlement resulting from a treaty-based competent authority determination; or (vi) by any other final disposition, including by reason of the expiration of the applicable statute of limitations, the execution of a pre-filing agreement with the IRS or other Tax Authority, or by mutual agreement of the Parties.

"Governmental Authority" has the meaning set forth in the Separation Agreement.

"Group" has the meaning set forth in the Separation Agreement.

"Income Tax" means all U.S. federal, state, local and foreign income, franchise or similar Taxes imposed on (or measured by) net income or net profits, and any interest, penalties, additions to Tax or additional amounts in respect of the foregoing.

"Indemnification Payee" has the meaning set forth in Section 12 of this Agreement.

"Indemnification Payment" has the meaning set forth in Section 12 of this Agreement.

"Indemnification Payor" has the meaning set forth in Section 12 of this Agreement.

"Intended Tax Treatment" means the treatment of the Distribution as a taxable distribution under Section 301 of the Code.

"IRS" has the meaning set forth in the Separation Agreement.

"Joint Return" means any Tax Return that includes, by election or otherwise, one or more members of the Realty Income Group together with one or more members of the Orion Group.

"Law" has the meaning set forth in the Separation Agreement.

"Loss" has the meaning set forth in Section 5.2(a) of this Agreement.

"Non-Controlling Party" has the meaning set forth in Section 9.2(c) of this Agreement.

"Orion" has the meaning provided in the preamble to this Agreement.

"Orion Carryback" means any net operating loss, net capital loss, excess Tax credit, or other similar Tax item of any member of the Orion Group which may or must be carried from one Tax Period to another prior Tax Period under the Code or other applicable Tax Law.

"Orion Group" has the meaning set forth in the Separation Agreement.

"Orion Separate Return" means any Tax Return of or including any member of the Orion Group (including any consolidated, combined or unitary return) that does not include any member of the Realty Income Group.

"Parties" and "Party" have the meaning set forth in the preamble to this Agreement.

"Past Practices" has the meaning set forth in Section 3.3(a) of this Agreement.

"Payment Date" means, with respect to a Tax Return, (A) the due date for any required installment of estimated Taxes, (B) the due date (determined without regard to extensions) for filing such Tax Return, or (C) the date such Tax Return is filed, as the case may be.

"Payor" has the meaning set forth in Section 4.3(a) of this Agreement.

"Person" has the meaning set forth in the Separation Agreement.

"Positive Tax Opinion or Ruling" has the meaning set forth in Section 12 of this Agreement.

"Post-Distribution Period" means any Tax Period beginning after the Distribution Date and, in the case of any Straddle Period, the portion of such Tax Period beginning on the day after the Distribution Date.

"Pre-Distribution Period" means any Tax Period ending on or before the Distribution Date and, in the case of any Straddle Period, the portion of such Straddle Period ending on and including the Distribution Date.

"Prime Rate" means the "prime rate" as published in *The Wall Street Journal*, Eastern Edition.

"Prior Group" means any group that filed or was required to file (or will file or be required to file) a Tax Return, for a Tax Period or portion thereof ending at the close of the Distribution Date, on an affiliated, consolidated, combined, unitary, fiscal unity or other group basis (including as permitted by Section 1501 of the Code) that includes at least one member of the Orion Group.

"Privilege" means any privilege that may be asserted under applicable law, including, any privilege arising under or relating to the attorney-client relationship (including the attorney-client and work product privileges), the accountant-client privilege and any privilege relating to internal evaluation processes.

"Proposed Allocation" shall have the meaning set forth in Section 3.5(b) of this Agreement.

"Protected REIT" means any entity that (i) has elected or intends to elect to be taxed as a REIT, and (ii) either (A) is an Indemnification Payee or (B) owns a direct or indirect equity interest in an Indemnification Payee and is treated for purposes of Section 856 of the Code as owning all or a portion of the assets of such Indemnification Payee or as receiving all or a portion of such Indemnification Payee's income.

"Qualifying Income" has the meaning set forth in Section 12 of this Agreement.

"Realty Income" has the meaning set forth in the preamble to this Agreement.

"Realty Income Group" has the meaning set forth in the Separation Agreement.

"Realty Income Separate Return" means any Tax Return of or including any member of the Realty Income Group (including any consolidated, combined or unitary return) that does not include any member of the Orion Group.

"REIT" has the meaning set forth in the Separation Agreement.

"Required Party" has the meaning set forth in Section 4.3(a) of this Agreement.

"Responsible Party" means, with respect to any Tax Return, the Party having responsibility for preparing and filing such Tax Return under this Agreement.

"Retention Date" has the meaning set forth in Section 8.1 of this Agreement.

"Ruling" means a private letter ruling from the IRS regarding the Tax treatment of all or any part of the Separation Transactions.

"Separation Agreement" has the meaning set forth in the recitals to this Agreement.

"Separation Transactions" has the meaning set forth in the Separation Agreement.

"Shared Contract" has the meaning set forth in the Separation Agreement.

"Straddle Period" means any Tax Period that begins before and ends after the Distribution Date.

"Subsidiary" has the meaning set forth in the Separation Agreement.

"Tax" or "Taxes" has the meaning set forth in the Separation Agreement.

"Tax Advisor" means a Tax counsel or accountant, in each case of recognized national standing.

"Tax Attribute" means a net operating loss, net capital loss, unused investment credit, unused foreign Tax credit, disallowed business interest, excess charitable contribution, general business credit, research and development credit, earnings and profits, basis, or any other Tax Item that could reduce a Tax or create a Tax Benefit.

"Tax Authority" means, with respect to any Tax, the Governmental Authority or political subdivision thereof that imposes such Tax, and the agency (if any) charged with the collection of such Tax for such entity or subdivision.

"Tax Benefit" has the meaning set forth in the Separation Agreement.

"Tax Contest" has the meaning set forth in the Separation Agreement.

"Tax Item" means, with respect to any Income Tax, any item of income, gain, loss, deduction, or credit.

"Tax Law" means the Law of any Governmental Authority or political subdivision thereof relating to any Tax.

"Tax Opinion" means an opinion from a Tax Advisor regarding the qualification of Realty Income or Orion as a REIT or regarding the Tax treatment of all or any part of the Separation Transactions.

"Tax Period" means, with respect to any Tax, the period for which the Tax is reported as provided under the Code or other applicable Tax Law.

"Tax Records" means any (i) Tax Returns, (ii) Tax Return workpapers, (iii) documentation relating to any Tax Contests, and (iv) any other books of account or records (whether or not in written, electronic or other tangible or intangible forms and whether or not stored on electronic or any other medium) maintained or required to be maintained under the Code or other applicable Tax Laws or under any record retention agreement with any Tax Authority, in each case filed or required to be filed with respect to or otherwise relating to Taxes.

"Tax Return" means any report of Taxes due, any claim for refund of Taxes paid, any information return with respect to Taxes, or any other similar report, statement, declaration, or document filed or required to be filed under the Code or other Tax Law with respect to Taxes, including any attachments, exhibits, or other materials submitted with any of the foregoing, and including any amendments or supplements to any of the foregoing.

"Transfer Taxes" means all sales, use, transfer, real property transfer, intangible, recordation, registration, documentary, stamp or similar Taxes imposed in connection with the Separation Transactions (excluding in each case, for the avoidance of doubt, any Income Taxes).

"Treasury Regulations" means the regulations promulgated from time to time under the Code as in effect for the relevant Tax Period.

Section 2. Allocation of Tax Liabilities.

Section 2.1 General Rule.

(a) *Realty Income Liability.* Except with respect to Taxes described in Section 2.1(b) of this Agreement, Realty Income shall be liable for, and shall indemnify and hold harmless the Orion Group from and against any liability for:

(i) Taxes that are allocated to Realty Income under this Section 2;

(ii) any Tax resulting from a breach of any of Realty Income's representations or covenants in this Agreement, the Separation Agreement or any Ancillary Agreement; and

(iii) Taxes imposed on Orion or any member of the Orion Group pursuant to the provisions of Treasury Regulations § 1.1502-6 (or similar provisions of state, local, or foreign Tax Law) as a result of any such member being or having been a member of a Prior Group.

(b) *Orion Liability*. Orion shall be liable for, and shall indemnify and hold harmless the Realty Income Group from and against any liability for:

(i) Taxes that are allocated to Orion under this Section 2; and

(ii) any Tax resulting from a breach of any of Orion's representations or covenants in this Agreement, the Separation Agreement or any Ancillary Agreement.

Section 2.2 General Allocation Principles. Except as otherwise provided in this Section 2, all Taxes shall be allocated as follows:

(a) *Allocation of Taxes for Joint Returns*. Realty Income shall be responsible for all Taxes reported, or required to be reported, on any Joint Return that any member of the Realty Income Group files or is required to file under the Code or other applicable Tax Law; *provided*, *however*, that to the extent any such Joint Return includes any Tax Item attributable to the operations or assets of any member of the Orion Group for any Post-Distribution Period, Orion shall be responsible for all Taxes attributable to such Tax Items, computed in a manner reasonably determined by Realty Income.

(b) *Allocation of Taxes for Separate Returns*.

(i) Realty Income shall be responsible for all Taxes reported, or required to be reported, on (x) a Realty Income Separate Return or (y) an Orion Separate Return with respect to a Pre-Distribution Period.

(ii) Orion shall be responsible for all Taxes reported, or required to be reported, on an Orion Separate Return with respect to a Post-Distribution Period.

(c) *Taxes Not Reported on Tax Returns*.

(i) Realty Income shall be responsible for any Tax attributable to any member of the Realty Income Group that is not required to be reported on a Tax Return.

(ii) Orion shall be responsible for any Tax attributable to any member of the Orion Group that is not required to be reported on a Tax Return.

Section 2.3 Allocation Conventions.

(a) All Taxes allocated pursuant to Section 2.2 of this Agreement shall be apportioned between portions of a Tax Period based on a closing of the books and records on the close of the Distribution Date (in the event that the Distribution Date is not the last day of the Tax Period, as if the Distribution Date were the last day of the Tax Period), subject to adjustment for items accrued on the Distribution Date that are properly allocable to the Tax Period following the Distribution, as jointly determined by Realty Income and Orion; provided that any items not susceptible to such apportionment shall be apportioned on the basis of elapsed days during the relevant portion of the Tax Period.

(b) Any Tax Item of Orion or any member of the Orion Group arising from a transaction engaged in outside of the ordinary course of business on the Distribution Date after the Distribution Effective Time and not contemplated by this Agreement, the Separation Agreement or the Ancillary Agreements shall be properly allocable to Orion and any such transaction by or with respect to Orion or any member of the Orion Group occurring after the Distribution Effective Time shall be treated for all Tax purposes (to the extent permitted by applicable Tax Law) as occurring at the beginning of the day following the Distribution Date in accordance with the principles of Treasury Regulation § 1.1502-76(b) or any similar provisions of state, local or foreign Law.

Section 2.4 Transfer Taxes. Any Transfer Taxes shall be allocated solely to Realty Income

Section 3. Preparation and Filing of Tax Returns.

Section 3.1 Realty Income Separate Returns and Joint Returns(a).

(a) Realty Income shall prepare and file, or cause to be prepared and filed, all Realty Income Separate Returns and Joint Returns, and each member of the Orion Group to which any such Joint Return relates shall execute and file such consents, elections and other documents as Realty Income may determine, after consulting with Orion in good faith, are required or appropriate, or otherwise requested by Realty Income in connection with the filing of such Joint Return. Orion will elect and join, and will cause its respective Affiliates to elect and join, in filing any Joint Returns that Realty Income determines are required to be filed or that Realty Income elects to file, in each case pursuant to this Section 3.1(a).

(b) The Parties and their respective Affiliates shall elect to close the Tax Period of each Orion Group member on the Distribution Date, to the extent permitted by applicable Tax Law.

Section 3.2 Orion Separate Returns. Orion shall prepare and file (or cause to be prepared and filed) all Orion Separate Returns.

Section 3.3 Tax Reporting Practices.

(a) *General Rule*. Except as provided in Section 3.3(b) of this Agreement, Realty Income shall prepare any Straddle Period Joint Return in accordance with past practices, permissible accounting methods, elections or conventions ("Past Practices") used by the members of the Realty Income Group and the members of the Orion Group prior to the Distribution Date with respect to such Tax Return, and to the extent any items, methods or positions are not covered by Past Practices, then Realty Income shall prepare such Tax Return in accordance with reasonable Tax accounting practices selected by Realty Income. With respect to any Tax Return that Orion has the obligation and right to prepare, or cause to be prepared, under this Section 3, to the extent such Tax Return could affect Realty Income, such Tax Return shall be prepared in accordance with Past Practices used by the members of the Realty Income Group and the members of the Orion Group prior to the Distribution Date with respect to such Tax Return, and to the extent any items, methods or positions are not covered by Past Practices, such Tax Return shall be prepared in accordance with reasonable Tax accounting practices selected by Orion, subject to the consent of Realty Income (which consent may not be unreasonably withheld, conditioned or delayed).

(b) *Consistency with Intended Tax Treatment*. Except as otherwise agreed by the Parties, the Parties shall prepare all Tax Returns consistent with the Intended Tax Treatment unless, and then only to the extent, an alternative position is required pursuant to a determination by a Tax Authority; *provided*, *however*, that neither Party shall be required to litigate before any court any challenge to the Intended Tax Treatment by a Tax Authority.

(c) *Shared Contracts*. Each of Realty Income and Orion shall, and shall cause the members of its Group to, (i) treat for all Tax purposes the portion of each Shared Contract inuring to its respective businesses as assets owned by, and/or liabilities or Taxes of, as applicable, such Party, or its Subsidiaries, as applicable, not later than

the Distribution Effective Time, and (ii) neither report nor take any Tax position (on a Tax Return or otherwise) inconsistent with such treatment (unless required by applicable Law); *provided*, *however*, that neither Party shall be required to litigate before any court any challenge to such treatment.

Section 3.4 Orion Carrybacks and Claims for Refund.

(a) Orion hereby agrees that, unless Realty Income consents in writing (which consent may not be unreasonably withheld, conditioned or delayed) or as required by Law, (i) no member of the Orion Group (nor its successors) shall file any Adjustment Request with respect to any Tax Return that could affect any Joint Return or any other Tax Return reflecting Taxes that are allocated to Realty Income under Section 2 and (ii) any available elections to waive the right to claim any Orion Carryback in any Joint Return or any other Tax Return reflecting Taxes that are allocated to Realty Income under Section 2 shall be made, and no affirmative election shall be made to claim any such Orion Carryback. In the event that Orion (or the appropriate member of the Orion Group) is prohibited by applicable Law from waiving or otherwise forgoing an Orion Carryback or Realty Income consents to an Orion Carryback (which consent may not be unreasonably withheld, conditioned or delayed), Realty Income shall cooperate with Orion, at Orion's expense, in seeking from the appropriate Tax Authority such Tax Benefit as reasonably would result from such Orion Carryback, to the extent that such Tax Benefit is directly attributable to such Orion Carryback, and shall pay over to Orion the amount of such Tax Benefit within ten (10) days after such Tax Benefit is recognized by the Realty Income Group; *provided*, *however*, that Orion shall indemnify and hold the members of the Realty Income Group harmless from and against any and all collateral Tax consequences resulting from or caused by any such Orion Carryback, including, without limitation, the loss or postponement of any benefit from the use of Tax Attributes generated by a member of the Realty Income Group if (i) such Tax Attributes expire unused, but would have been utilized but for such Orion Carryback, or (ii) the use of such Tax Attributes is postponed to a later Tax Period than the Tax Period in which such Tax Attributes would have been used but for such Orion Carryback.

(b) Realty Income hereby agrees that, unless Orion consents in writing (which consent may not be unreasonably withheld, conditioned or delayed) or as required by Law, no member of the Realty Income Group shall file any Adjustment Request with respect to any Orion Separate Return.

Section 3.5 Apportionment of Tax Attributes.

(a) Tax Attributes arising in a Pre-Distribution Period will be allocated to (and the benefits and burdens of such Tax Attributes will inure to) the members of the Realty Income Group and the members of the Orion Group in accordance with the Code, Treasury Regulations, and any other applicable Tax Law, and, in the absence of controlling legal authority or unless otherwise provided under this Agreement, Tax Attributes shall be allocated to the legal entity that created such Tax Attributes.

(b) On or before the first anniversary of the Distribution Date, Realty Income shall deliver to Orion its determination in writing of the portion, if any, of any earnings and profits, Tax Attributes, overall foreign loss or other affiliated, consolidated, combined, unitary, fiscal unity or other group basis Tax Attribute which is allocated or apportioned to the members of the Orion Group under applicable Tax Law and this Agreement ("Proposed Allocation"). Orion shall have sixty (60) days to review the Proposed Allocation and provide Realty Income any comments with respect thereto. Realty Income shall accept any such comments that are reasonable, and such resulting determination will become final ("Final Allocation"). All members of the Realty Income Group and Orion Group shall prepare all Tax Returns in accordance with the Final Allocation. In the event of an adjustment to the earnings and profits, any Tax Attributes or other affiliated, consolidated, combined, unitary, fiscal unity or other group basis attribute, Realty Income shall promptly notify Orion in writing of such adjustment. For the avoidance of doubt, Realty Income shall not be liable to any member of the Orion Group for any failure of any determination under this Section 3.5(b) to be accurate under applicable Tax Law; provided such determination was made in good faith.

(c) Except as otherwise provided herein, to the extent that the amount of any Tax Attribute is later reduced or increased by a Tax Authority or Tax Contest, such reduction or increase shall be allocated to the Party to which such Tax Attribute was allocated pursuant to Section 3.5(a) of this Agreement, as agreed by the Parties.

Section 4. Tax Payments.

Section 4.1 Taxes Shown on Tax Returns. Realty Income shall pay (or cause to be paid) to the proper Tax Authority the Tax shown as due on any Tax Return that a member of the Realty Income Group is responsible for preparing under Section 3 of this Agreement, and Orion shall timely pay (or cause to be timely paid) to the proper Tax Authority the Tax shown as due on any Tax Return that a member of the Orion Group is responsible for preparing under Section 3 of this Agreement. At least seven (7) Business Days prior to any Payment Date for any Straddle Period Joint Return, Orion shall pay to Realty Income the amount Orion is responsible for under the provisions of Section 2 as calculated pursuant to this Agreement; and at least seven (7) Business Days prior to any Payment Date for any Orion Separate Return for either a Straddle Period or a Tax Period ending on or before the Distribution Date, Realty Income shall pay to Orion the amount Realty Income is responsible for under the provisions of Section 2 as calculated pursuant to this Agreement.

Section 4.2 Adjustments Resulting in Underpayments. In the case of any adjustment pursuant to a Final Determination with respect to any Tax, the Party to which such Tax is allocated pursuant to this Agreement shall pay to the applicable Tax Authority when due any additional Tax required to be paid as a result of such adjustment.

Section 4.3 Indemnification Payments.

(a) Except as provided in the last sentence of Section 4.1 of this Agreement, if any Party (the "Payor") is required under applicable Tax Law to pay to a Tax Authority a Tax that another Party (the "Required Party") is liable for under this Agreement, the Required Party shall reimburse the Payor within twenty (20) Business Days of delivery by the Payor to the Required Party of an invoice for the amount due, accompanied by evidence of payment and a statement detailing the Taxes paid and describing in reasonable detail the particulars relating thereto. The reimbursement shall include interest on the Tax payment computed at the Prime Rate based on the number of days from the date of the Payor's payment to the Tax Authority to the date of reimbursement by the Required Party under this Section 4.3. The Required Party shall also pay to the Payor any reasonable costs and expenses related to the foregoing (including reasonable attorneys' fees and expenses) within five (5) days after the Payor's written demand therefor.

(b) All indemnification payments under this Agreement shall be made by Realty Income directly to Orion and by Orion directly to Realty Income;*provided*, *however*, that if the Parties mutually agree for administrative convenience with respect to any such indemnification payment, any member of the Realty Income Group, on the one hand, may make such indemnification payment to any member of the Orion Group, on the other hand, and vice versa.

Section 5. Tax Benefits.

Section 5.1 Tax Refunds. Realty Income shall be entitled (subject to the limitations provided in Section 3.4 of this Agreement) to any refund (and any interest thereon received from the applicable Tax Authority) of Taxes for which Realty Income is liable hereunder, and Orion shall be entitled (subject to the limitations provided in Section 3.4 of this Agreement) to any refund (and any interest thereon received from the applicable Tax Authority) of Taxes for which Orion is liable hereunder. A Party receiving a refund to which another Party is entitled hereunder shall pay over such refund to such other Party within twenty (20) Business Days after such refund is received (together with interest computed at the Prime Rate based on the number of days from the date the refund was received to the date the refund was paid over).

Section 5.2 Other Tax Benefits.

(a) If (i) a member of the Orion Group actually realizes any Tax Benefit as a result of any liability, obligation, loss or payment (each, a "Loss") for which a member of the Realty Income Group is required to indemnify any member of the Orion Group pursuant to this Agreement, the Separation Agreement or any Ancillary Agreement (in each case, without duplication of any amounts payable or taken into account under this Agreement, the Separation Agreement or any Ancillary Agreement), or (ii) if a member of the Realty Income Group actually realizes any Tax Benefit as a result of any Loss for which a member of the Orion Group is required to indemnify any member of the Realty Income Group pursuant to this Agreement, the Separation Agreement or any Ancillary Agreement (in each case, without duplication of any amounts payable or taken into account under this Agreement, the Separation Agreement or any Ancillary Agreement), and, in each case, such Tax Benefit would not have arisen but for such adjustment or Loss (determined on a "with and without" basis), Orion (in the case of the foregoing clause (i)) or Realty Income (in the case of the foregoing clause (ii)), as the case may be, shall make a payment to the other Party in an amount equal to the amount of such actually realized Tax Benefit in cash within ten (10) Business Days of actually realizing such Tax Benefit. To the extent that any Tax Benefit (or portion thereof) in respect of which any amounts were paid over pursuant to the foregoing provisions of this Section 5.2(a) is subsequently disallowed by the applicable Tax Authority, the Party that received such amounts shall promptly repay such amounts (together with any penalties, interest or other charges imposed by the relevant Tax Authority) to the other Party.

(b) No later than ten (10) Business Days after a Tax Benefit described in Section 5.2(a) is actually realized by a member of the Realty Income Group or a member of the Orion Group, Realty Income or Orion, as the case may be, shall provide the other Party with a written calculation of the amount payable to such other Party pursuant to Section 5.2(a). In the event that Realty Income or Orion, as the case may be, disagrees with any such calculation described in this Section 5.2(b), such Party shall so notify the other Party in writing within twenty (20) Business Days of receiving such written calculation. The Parties shall endeavor in good faith to resolve such disagreement, and, failing that, the amount payable under this Section 5.2 shall be determined in accordance with Section 13 of this Agreement.

Section 6. REIT Qualification.

Section 6.1 Realty Income. Realty Income represents that, commencing with its taxable year ended December 31, 2017, through its taxable year ending December 31, 2020, Realty Income has been organized and has operated in conformity with the requirements for qualification and taxation as a REIT under the Code. Realty Income further represents that, as of the date hereof, Orion has no earnings and profits accumulated in a non-REIT year. Realty Income covenants that it will qualify as a REIT under the Code for its taxable year ending December 31, 2021.

Section 6.2 Orion. Orion covenants that it will elect to qualify as a REIT under the Code and will be organized and operate so that it will qualify as a REIT under the Code for its taxable year ending December 31, 2021.

Section 7. Assistance and Cooperation.

Section 7.1 Assistance and Cooperation.

(a) The Parties shall cooperate (and cause their respective Affiliates to cooperate) with each other and with each other's agents, including accounting firms and legal counsel, in connection with Tax matters relating to the Parties and their Affiliates, including (i) preparation and filing of Tax Returns, (ii) determining the liability for and amount of any Taxes due (including estimated Taxes) or the right to and amount of any refund of Taxes, (iii) examinations of Tax Returns, and (iv) any administrative or judicial proceeding in respect of Taxes assessed or proposed to be assessed. Such cooperation shall include making all information and documents in their possession relating to any other Party and its Affiliates reasonably available to such other Party as provided in Section 8 of this Agreement. Each of the Parties shall also make available to any other Party, as reasonably requested and available, personnel (including officers, directors, employees and agents of the Parties or their respective Affiliates) responsible for preparing, maintaining, and interpreting information and documents relevant to Taxes, and personnel reasonably required as witnesses or for purposes of providing information or documents in connection with any administrative or judicial proceedings relating to Taxes. Orion and each other member of the Orion Group, on the one hand, and Realty Income and member of the Realty Income Group, on the other hand, shall cooperate with each other and take any and all actions reasonably requested by the other in connection with obtaining a Tax Opinion or Ruling (including, without limitation, by making any new representation or covenant, confirming any previously made representation or covenant or providing any materials or information requested by any Tax Advisor; provided that no one shall be required to make or confirm any representation or covenant that is inconsistent with historical facts or as to future matters or events occurring after December 31, 2021 or over which it has no control).

(b) Any information or documents provided under this Agreement shall be kept confidential by the Party receiving the information or documents, except as may otherwise be necessary in connection with the filing of Tax Returns or in connection with any administrative or judicial proceedings relating to Taxes. In addition, in the event that Realty Income determines that the provision of any information or documents to Orion or any of its Affiliates, or Orion determines that the provision of any information or documents to Realty Income or any Realty Income Affiliate, could be commercially detrimental, violate any Law or agreement or waive any Privilege, the Parties shall use commercially reasonable efforts to permit each other's compliance with its obligations under this Section 7 in a manner that avoids any such harm or consequence.

Section 7.2 Tax Return Information. Each of Realty Income and Orion, and each member of their respective Groups, acknowledges that time is of the essence in relation to any request for information, assistance or cooperation made pursuant to Section 7.1 of this Agreement or this Section 7.2. Each of Realty Income and Orion, and each member of their respective Groups, acknowledges that failure to conform to the reasonable deadlines set by the Party making such request could cause irreparable harm. Each Party shall provide to the other Party information and documents relating to its Group reasonably required by the other Party to prepare Tax Returns, including any pro forma returns required by the Responsible Party for purposes of preparing such Tax Returns. Any information or documents the Responsible Party requires to prepare such Tax Returns shall be provided in such form as the Responsible Party reasonably requests and at or prior to the time reasonably specified by the Responsible Party so as to enable the Responsible Party to file such Tax Returns on a timely basis.

Section 7.3 Reliance by Realty Income. If any member of the Orion Group supplies information to a member of the Realty Income Group in connection with a Tax liability and an officer of a member of the Realty Income Group signs a statement or other document under penalties of perjury in reliance upon the accuracy of such information, then upon the written request of such member of the Realty Income Group identifying the information being so relied upon, the chief financial officer of Orion (or any officer of Orion as designated by the chief financial officer of Orion) shall certify in writing that to his or her knowledge (based upon consultation with appropriate employees) the information so supplied is accurate and complete.

Section 7.4 Reliance by Orion. If any member of the Realty Income Group supplies information to a member of the Orion Group in connection with a Tax liability and an officer of a member of the Orion Group signs a statement or other document under penalties of perjury in reliance upon the accuracy of such information, then upon the written request of such member of the Orion Group identifying the information being so relied upon, the chief financial officer of Realty Income (or any officer of Realty Income as designated by the chief financial officer of Realty Income) shall certify in writing that to his or her knowledge (based upon consultation with appropriate employees) the information so supplied is accurate and complete.

Section 8. Tax Records.

Section 8.1 Retention of Tax Records. Each of Realty Income and Orion shall preserve and keep all Tax Records exclusively relating to the assets and activities of its Group for Pre-Distribution Periods, and Realty Income shall preserve and keep all other Tax Records relating to Taxes of the Realty Income and Orion Groups for Pre-Distribution Periods, for so long as the contents thereof may be or become material in the administration of any matter under the Code or other applicable Tax Law, but in any event until the later of (i) the expiration of any applicable statutes of limitations, or (ii) seven (7) years after the Distribution Date (such later date, the "Retention Date"). After the Retention Date, each of Realty Income and Orion may dispose of such Tax Records. If, prior to the Retention Date, Realty Income or Orion reasonably determines that any Tax Records which it would otherwise be required to preserve and keep under this Section 8 are no longer material in the administration of any matter under the Code or other applicable Tax Law and the other Party agrees, then such first Party may dispose of such Tax Records. Any notice of an intent to dispose given pursuant to this Section 8.1 shall include a list of the Tax Records to be disposed of describing in reasonable detail each file, book, or other record accumulation being disposed. The notified Parties shall have the opportunity, at their cost and expense, to copy or remove, within such sixty (60) Business Day period, all or any part of such Tax Records. If, at any time prior to the Retention Date, a Party or any of its Affiliates determines to decommission or otherwise discontinue any computer program or information technology system used to access or store any Tax Records, then such program or system may be decommissioned or discontinued upon ninety (90) Business Days' prior notice to the other Party and the other Party shall have the opportunity, at its cost and expense, to copy, within such ninety (90) Business Day period, all or any part of the underlying data relating to the Tax Records accessed by or stored on such program or system.

Section 8.2 Access to Tax Records. The Parties and their respective Affiliates shall make available to each other for inspection and copying during normal business hours upon reasonable notice all Tax Records (and, for the avoidance of doubt, any pertinent underlying data accessed or stored on any computer program or information technology system) in their possession pertaining to (i) in the case of any Tax Return of the Realty Income Group, the portion of such return that relates to Taxes for which the Orion Group may be liable pursuant to this Agreement or (ii) in the case of any Tax Return of the Orion Group, the portion of such return that relates to Taxes for which the Realty Income Group may be liable pursuant to this Agreement, and shall permit the other Party and its Affiliates, authorized agents and representatives and any representative of a Tax Authority or other Tax auditor direct access, at the cost and expense of the requesting Party, during normal business hours upon reasonable notice to any computer program or information technology system used to access or store any Tax Records, in each case to the extent reasonably required by the other Party in connection with the preparation of Tax Returns or financial accounting statements, audits, litigation, or the resolution of items under this Agreement.

Section 8.3 Preservation of Privilege. The Parties and their respective Affiliates shall not provide access to, copies of, or otherwise disclose to any Person any documentation relating to Taxes existing prior to the Distribution Date to which Privilege may reasonably be asserted without the prior written consent of the other Party, such consent not to be unreasonably withheld, conditioned or delayed.

Section 9. Tax Contests.

Section 9.1 Notice. Each Party shall provide prompt notice to the other Party of any written communication from a Tax Authority regarding any pending Tax audit, assessment or proceeding or other Tax Contest of which it becomes aware (i) related to Taxes for Tax Periods for which it is indemnified by the other Party hereunder or for which it may be required to indemnify the other Party hereunder or (ii) otherwise relating to the Intended Tax Treatment or the Separation Transactions (including the resolution of any Tax Contest relating thereto). Such notice shall attach copies of the pertinent portion of any written communication from a Tax Authority and contain factual information (to the extent known) describing any asserted Tax liability in reasonable detail and shall be accompanied by copies of any notice and other documents received from any Tax Authority in respect of any such matters. If an indemnified Party has knowledge of an asserted Tax liability with respect to a matter for which it is to be indemnified hereunder and such Party fails to give the indemnifying Party prompt notice of such asserted Tax liability and the indemnifying Party is entitled under this Agreement to contest the asserted Tax liability, then (x) to the extent the indemnifying Party is precluded from contesting the asserted Tax liability in any forum as a result of the failure to give prompt notice, the indemnifying Party shall have no obligation to indemnify the indemnified Party for any Taxes arising out of such asserted Tax liability, and (y) to the extent the indemnifying Party is not precluded from contesting the asserted Tax liability in any forum, but such failure to give prompt notice results in a material monetary detriment to the indemnifying Party, then any amount which the indemnifying Party is otherwise required to pay the indemnified Party pursuant to this Agreement shall be reduced by the amount of such detriment.

Section 9.2 Control of Tax Contests.

(a) *Realty Income Control.* Notwithstanding anything in this Agreement to the contrary, Realty Income shall have the right to control any Tax Contest with respect to any Tax matters relating to (i) a Joint Return or (ii) a Realty Income Separate Return. Subject to Section 9.2(c) and Section 9.2(d) of this Agreement, Realty Income shall have absolute discretion with respect to any decisions to be made, or the nature of any action to be taken, with respect to any such Tax Contest.

(b) *Orion Control.* Except as otherwise provided in this Section 9.2, Orion shall have the right to control any Tax Contest with respect to any Tax matters relating to an Orion Separate Return. Subject to Section 9.2(c) and Section 9.2(d) of this Agreement, Orion shall have reasonable discretion, after consultation with Realty Income, with respect to any decisions to be made, or the nature of any action to be taken, with respect to any such Tax Contest relating to an Orion Separate Return for a Pre-Distribution Period or Straddle Period, and absolute discretion with respect to any decisions to be made, or the nature of any action to be taken, with respect to any other such Tax Contest.

(c) *Settlement Rights.* The Controlling Party shall have the sole right to contest, litigate, compromise and settle any Tax Contest without obtaining the prior consent of the Non-Controlling Party; *provided*, that to the extent any such Tax Contest (i) could give rise to a claim for indemnity by the Controlling Party or its Affiliates against the Non-Controlling Party or its Affiliates under this Agreement, or (ii) is with respect to an Orion Separate Return for a Pre-Distribution Period or Straddle Period, then the Controlling Party shall not settle any such Tax Contest without the Non-Controlling Party's prior written consent (which consent may not be unreasonably withheld,

conditioned or delayed and must take into account the reasonable likelihood of success of such Tax Contest on its merits without regard to the ability of Orion to pay). Subject to Section 9.2(e) of this Agreement, and unless waived by the Parties in writing, in connection with any potential adjustment in a Tax Contest as a result of which adjustment the Non-Controlling Party may reasonably be expected to become liable to make any indemnification payment to the Controlling Party under this Agreement: (I) the Controlling Party shall keep the Non-Controlling Party informed in a timely manner of all actions taken or proposed to be taken by the Controlling Party with respect to such potential adjustment in such Tax Contest; (II) the Controlling Party shall timely provide the Non-Controlling Party copies of any written materials relating to such potential adjustment in such Tax Contest received from any Tax Authority; (III) the Controlling Party shall timely provide the Non-Controlling Party with copies of any correspondence or filings submitted to any Tax Authority or judicial authority in connection with such potential adjustment in such Tax Contest; (IV) the Controlling Party shall consult with the Non-Controlling Party and offer the Non-Controlling Party a reasonable opportunity to comment before submitting any written materials prepared or furnished in connection with such potential adjustment in such Tax Contest; and (V) the Controlling Party shall defend such Tax Contest diligently and in good faith. The failure of the Controlling Party to take any action specified in the preceding sentence with respect to the Non-Controlling Party shall not relieve the Non-Controlling Party of any liability and/or obligation which it may have to the Controlling Party under this Agreement except to the extent that the Non-Controlling Party was actually harmed by such failure, and in no event shall such failure relieve the Non-Controlling Party from any other liability or obligation which it may have to the Controlling Party. In the case of any Tax Contest described in this Section 9, "Controlling Party" means the Party entitled to control the Tax Contest under such Section and "Non-Controlling Party" means (x) Realty Income if Orion is the Controlling Party and (y) Orion if Realty Income is the Controlling Party.

(d) *Tax Contest Participation.* Subject to Section 9.2(e) of this Agreement, and unless waived by the Parties in writing, the Controlling Party shall provide the Non-Controlling Party with written notice reasonably in advance of, and the Non-Controlling Party shall have the right to attend, any formally scheduled meetings with Tax Authorities or hearings or proceedings before any judicial authorities in connection with any potential adjustment in a Tax Contest pursuant to which the Non-Controlling Party may reasonably be expected to become liable to make any indemnification payment to the Controlling Party under this Agreement. The failure of the Controlling Party to provide any notice specified in this Section 9.2(d) to the Non-Controlling Party shall not relieve the Non-Controlling Party of any liability or obligation which it may have to the Controlling Party under this Agreement except to the extent that the Non-Controlling Party was actually harmed by such failure, and in no event shall such failure relieve the Non-Controlling Party from any other liability or obligation which it may have to the Controlling Party.

(e) *Joint Returns.* Notwithstanding anything in this Section 9 to the contrary, in the case of a Tax Contest related to a Joint Return, the rights of Orion and its Affiliates under Section 9.2(c) and Section 9.2(d) of this Agreement shall be limited in scope to the portion of such Tax Contest relating to Taxes for which Orion may reasonably expected to become liable to make any indemnification payment to Realty Income under this Agreement.

(f) *Power of Attorney*. Each member of the Orion Group shall execute and deliver to Realty Income (or such member of the Realty Income Group as Realty Income shall designate) any power of attorney or other similar document reasonably requested by Realty Income (or such designee) in connection with any Tax Contest (as to which Realty Income is the Controlling Party) described in this Section 9. Each member of the Realty Income Group shall execute and deliver to Orion (or such member of the Orion Group as Orion shall designate) any power of attorney or other similar document requested by Orion (or such designee) in connection with any Tax Contest (as to which Orion is the Controlling Party) described in this Section 9.

Section 10. Survival of Obligations. The representations, warranties, covenants and agreements set forth in this Agreement shall be unconditional and absolute and shall remain in effect without limitation as to time.

Section 11. Tax Treatment of Payments.

Section 11.1 General Rule. Unless otherwise required by applicable Law, the Parties will treat any indemnity payment made pursuant to this Agreement, the Separation Agreement or any Ancillary Agreement by Realty Income or Orion, or vice versa, in the same manner as if such payment were a non-taxable distribution or capital contribution, as the case may be, made immediately prior to the Distribution, except to the extent that Realty Income and Orion treat a payment as the settlement of an intercompany liability; *provided*, *however*, that any such payment that is made or received by a Person other than Realty Income or Orion, as the case may be, shall be treated as if made or received by the payor or the recipient as agent for Realty Income or Orion, in each case as appropriate. No Party shall take any position inconsistent with the treatment described in the preceding sentence; *provided*, *however*, that neither Party shall be required to litigate before any court any challenge to such treatment.

Section 11.2 Interest. Anything herein or in the Separation Agreement to the contrary notwithstanding, to the extent one Party makes a payment of interest to the other Party under this Agreement with respect to the period from the date that the Party receiving the interest payment made a payment of Tax to a Tax Authority to the date that the Party making the interest payment reimbursed the Party receiving the interest payment for such Tax payment, the interest payment shall be treated as interest expense to the Party making such payment (deductible to the extent provided by Law) and as interest income by the Party receiving such payment (includible in income to the extent provided by Law). The amount of the payment shall not be adjusted to take into account any associated Tax Benefit to the Party making such payment or increase in Tax to the Party receiving such payment.

Section 12. Indemnification Payment Escrow. Notwithstanding anything to the contrary in this Agreement, the Separation Agreement or any Ancillary Agreement, if one party to this Agreement, the Separation Agreement or any Ancillary Agreement (the "Indemnification Payor") is required to pay another party to such agreement (the "Indemnification Payee") any indemnification payment that could reasonably result in income to any Protected REIT for U.S. federal income Tax purposes if paid (such payment, an "Indemnification Payment"), then, unless the Indemnification Payee shall have received a tax opinion of a Tax Advisor or a ruling from the IRS to the effect that the Indemnification Payee's receipt of such payment will be treated as qualifying income with respect to any applicable Protected REIT for purposes of Section 856(c)(2) and 856(c)(3) of the Code ("Qualifying Income") or shall be excluded from income for such purposes (such opinion or ruling, a "Positive Tax Opinion or Ruling"), and notified the Indemnification Payor in writing of its receipt of such Positive Tax Opinion or Ruling and directed that payment be made otherwise than into escrow as provided below, the amounts payable to the Indemnification Payee shall be limited to the maximum amount ("Allowed Amount") that can be paid without causing the Indemnification Payee's receipt of its share of such funds to cause any applicable Protected REIT to fail to meet the requirements of Sections 856(c)(2) and (3) of the Code, determined as if the payment of such amount did not constitute Qualifying Income and the Protected REIT has 0.5% of its gross income from unknown sources during such year that does not constitute Qualifying Income (in addition to any known or anticipated income that is not Qualifying Income), as determined by independent accountants to the Indemnification Payee, and any excess of the amount of the Indemnification Payment over the Allowed Amount (such excess, the "Escrowed Amount") shall be placed into escrow. Any such Escrowed Amount shall be retained by the escrow agent in a separate interest-bearing, segregated account for the account of the Indemnification Payor. The Indemnification Payee shall pay all costs associated with obtaining any tax opinion of a Tax Advisor or ruling from the IRS described above. The Escrowed Amount shall be fully disbursed (and therefore any unpaid portion of the Indemnification Payment shall be paid to the Indemnification Payee) upon the escrow agent's receipt of a Positive Tax Opinion or Ruling. To the extent not previously paid, upon any determination by independent accountants to the Indemnification Payee that any additional amount of the Indemnification Payment may be disbursed to the Indemnification Payee without causing any applicable Protected REIT to fail to meet the requirements of Sections 856(c)(2) and 856(c)(3) of the Code, determined as if the payment of such amount did not constitute Qualifying Income and the Protected REIT has 0.5% of its gross income from unknown sources during such year that does not constitute Qualifying Income (in addition to any known or anticipated income that is not Qualifying Income), the determination of such independent accountants shall be provided to the escrow agent and such additional amount shall be disbursed to the Indemnification Payee. At the end of the third calendar year beginning after the date on which the Indemnification Payor's obligation to pay the Indemnification Payment arose (or earlier if directed by the Indemnification

Payee), any remainder of the Escrowed Amount (together with interest thereon) then being held by the escrow agent shall be disbursed to the Indemnification Payor and, in the event that the Indemnification Payment has not by then been paid in full, such unpaid portion shall never be due. The Indemnification Payee shall bear any and all expenses associated with the escrow of the Escrowed Amount. The Indemnification Payee is hereby granted the power of attorney on behalf of the Indemnification Payor to execute, acknowledge, swear to and deliver all such documents required in connection with the foregoing escrow account, such power to be irrevocable and coupled with an interest.

Section 13. Dispute Resolution. Any and all Disputes arising hereunder shall be resolved through the procedures provided in Article VII of the Separation Agreement.

Section 14. General Provisions.

Section 14.1 Counterparts; Entire Agreement.

(a) This Agreement (including the exhibits, schedules and appendices hereto), along with the Separation Agreement, contain the entire agreement between the Parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties other than those set forth or referred to herein or therein; for the avoidance of doubt, the preceding clause shall apply to all other agreements, whether or not written, in respect of any Tax between or among any member or members of the Realty Income Group, on the one hand, and any member or members of the Orion Group, on the other hand, which agreements shall be of no further effect between the parties thereto and any rights or obligations existing thereunder shall be fully and finally settled, calculated as of the date hereof.

(b) Except as expressly set forth in the Separation Agreement or any Ancillary Agreement: (i) all matters relating to Taxes and Tax Returns of the Parties and their respective Subsidiaries, to the extent such matters are the subject of this Agreement, shall be governed exclusively by this Agreement; and (ii) for the avoidance of doubt, in the event of any conflict between the Separation Agreement or any Ancillary Agreement, on the one hand, and this Agreement, on the other hand, with respect to such matters, the terms and conditions of this Agreement shall govern.

(c) This Agreement may be executed in counterparts, each of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each of the Parties and delivered to each other Party (including by means of electronic delivery), it being understood that the Parties need not sign the same counterpart. Signatures to this Agreement transmitted by facsimile transmission, by electronic mail in "portable document format" (".pdf") form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing the original signature.

Section 14.2 Notices. All notices and other communications hereunder shall be in writing and shall be delivered personally, by telecopy or facsimile, by a recognized courier service, or by registered or certified mail, return receipt requested, postage prepaid, and in each case shall be deemed duly given on the date of actual delivery, upon confirmation of receipt. All notices hereunder shall be delivered as set forth below, or pursuant to such other instructions as may be designated in writing by the Party to receive such notice, and a copy of each notice shall also be sent via e-mail:

If to Realty Income, to:

Realty Income Corporation
11995 El Camino Real
San Diego, California, 92130
Attention: General Counsel
E-mail: mbushore@realtyincome.com

If to Orion, to:

Orion Office REIT Inc.
2325 E. Camelback Road, 9th Floor
Phoenix, Arizona 85016

Attention: Chief Executive Officer
E-mail: [·]

A Party may, by notice to the other Party, change the address to which such notices are to be given.

Section 14.3 Interpretation(a). When a reference is made in this Agreement to Sections, Exhibits or Schedules, such reference shall be to a Section of or Exhibit or Schedule to this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The phrase "made available" in this Agreement shall mean that the information referred to has been made available if requested by the Party to whom such information is to be made available. The phrases "herein," "hereof," "hereunder" and words of similar import shall be deemed to refer to this Agreement as a whole, including the Exhibits hereto, and not to any particular provision of this Agreement. Any pronoun shall include the corresponding masculine, feminine and neuter forms. In the event that an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement.

Section 14.4 Severability(a). Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability and, unless the effect of such invalidity or unenforceability would prevent the Parties from realizing the major portion of the economic benefits of the Distribution that they currently anticipate obtaining therefrom, shall not render invalid or unenforceable the remaining terms and provisions of this Agreement or affect the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

Section 14.5 Assignment(a). Neither this Agreement, nor any of the rights, interests or obligations of the Parties hereunder, shall be assigned by any of the Parties (whether by operation of law or otherwise) without the prior written consent of the other Parties, and any attempt to make any such assignment without such consent shall be null and void. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors and permitted assigns. Notwithstanding the foregoing, (a) any merger, consolidation, business combination, sale of all or substantially all of a Party's assets; or (b) any

restructuring, recapitalization, reorganization or similar transaction involving either Party or any of the members of its Group shall not require the prior written consent of the other Parties.

Section 14.6 Other Agreements. Except as expressly set forth herein, this Agreement is not intended to address, and should not be interpreted to address, the matters specifically and expressly covered by the Separation Agreement or the Ancillary Agreements.

Section 14.7 Payment Terms.

(a) Except as otherwise expressly provided to the contrary in this Agreement, any amount to be paid or reimbursed by a Party (where applicable, or a member of such Party's Group) to the other Party (where applicable, or a member of such other Party's Group) under this Agreement shall be paid or reimbursed hereunder within sixty (60) days after presentation of an invoice or a written demand therefor, in either case setting forth, or accompanied by, reasonable documentation or other reasonable explanation supporting such amount.

(b) Except as expressly provided to the contrary in this Agreement, any amount not paid when due pursuant to this Agreement (and any amount billed or otherwise invoiced or demanded and properly payable that is not paid within sixty (60) days of such bill, invoice or other demand) shall bear interest at a rate per annum equal to the Prime Rate, from time to time in effect, plus two percent (2%), calculated for the actual number of days elapsed, accrued from the date on which such payment was due up to the date of the actual receipt of payment.

(c) Without the consent of the Party receiving any payment under this Agreement specifying otherwise, all payments to be made by either Realty Income or Orion under this Agreement shall be made in U.S. dollars. Except as expressly provided herein, any amount which is not expressed in U.S. dollars shall be converted into U.S. dollars by using the exchange rate published on Bloomberg at 5:00 pm, Eastern time, on the day before the relevant date, or in *The Wall Street Journal* on such date if not so published on Bloomberg. Except as expressly provided herein, in the event that any Tax indemnity payment required to be made hereunder may be denominated in a currency other than U.S. dollars, the amount of such payment shall be converted into U.S. dollars on the date in which notice of the claim is given to the indemnifying Party.

Section 14.8 No Admission of Liability. The allocation of assets and liabilities herein is solely for the purpose of allocating such assets and liabilities between Realty Income and Orion and is not intended as an admission of liability or responsibility for any alleged liabilities vis-à-vis any third party, including with respect to the liabilities of any non-wholly owned subsidiary of Realty Income or Orion.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective officers as of the date first set forth above.

REALTY INCOME CORPORATION

By: _____
Name:
Title:

ORION OFFICE REIT INC.

By: _____
Name:
Title:

[*Signature Page to Tax Matters Agreement*]

Exhibit 2.5

EMPLOYEE MATTERS AGREEMENT

by and among

REALTY INCOME CORPORATION,

VEREIT, INC.,

ORION OFFICE REIT INC.,

and

ORION OFFICE REIT LP

Dated as of [●], 2021

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EMPLOYEE MATTERS AGREEMENT

This **EMPLOYEE MATTERS AGREEMENT** (this "Agreement"), dated as of [_____], 2021, is by and among Realty Income Corporation, a Maryland corporation ("Realty Income"), VEREIT, Inc., a Maryland corporation ("VEREIT"), Orion Office REIT Inc., a Maryland corporation ("Orion") and Orion Office REIT LP, a Maryland limited partnership ("Orion OP"), each a "Party," and collectively the "Parties").

RECITALS

WHEREAS, Realty Income and VEREIT entered into an Agreement and Plan of Merger, dated April 29, 2021 (as amended from time to time, the "Merger Agreement"), by and among Realty Income, Rams MD Subsidiary I, Inc., Maryland corporation and a direct wholly owned Subsidiary of Realty Income ("Merger Sub 1"), Rams Acquisition Sub II, LLC, a Delaware limited liability company and a direct wholly owned Subsidiary of Realty Income ("Merger Sub 2"), VEREIT, and VEREIT Operating Partnership, L.P., a Delaware limited partnership ("VEREIT OP"), pursuant to which (i) Merger Sub 2 will merge with and into VEREIT OP (the "Partnership Merger"), with VEREIT OP continuing as the surviving entity, and (ii) immediately thereafter, VEREIT will merge with and into Merger Sub 1 (the "Merger" and together with the Partnership Merger, the "Mergers"), with Merger Sub 1 continuing as the surviving corporation as a wholly owned Subsidiary of Realty Income;

WHEREAS, contemporaneously with the execution of this Agreement, the Parties are entering into a Separation and Distribution Agreement, dated as of [_____], 2021 (the "Separation and Distribution Agreement"), pursuant to which, among other things, (i) the Parties will consummate a series of reorganization and separation transactions, (the "Separation") and (ii) Realty Income will distribute to the stockholders of Realty Income (which then will include former VEREIT common stockholders and certain former VEREIT OP common unitholders who hold shares of Realty Income stock as of the close of business on the Record Date) all of the issued and outstanding common stock of Orion (the "Distribution" and together with the Separation, the "Separation Transactions"); and

WHEREAS, in connection with the transactions contemplated by the Separation and Distribution Agreement, the Parties are entering into this Agreement for the purpose of allocating between them assets, liabilities and responsibilities with respect to certain employee matters, to the extent that such matters are not addressed in the Merger Agreement or the Separation and Distribution Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE I
DEFINED TERMS

Section 1.01 Certain Defined Terms. As used in this Agreement, the following capitalized terms shall have the following meanings:

"Affiliate" has the meaning set forth in the Separation and Distribution Agreement.

"Ancillary Agreements" has the meaning set forth in the Separation and Distribution Agreement.

"Assets" has the meaning set forth in the Separation and Distribution Agreement.

"Assumed Liabilities" has the meaning set forth in the Separation and Distribution Agreement.

"Benefit Commencement Date" means the first day of the first calendar month following the Distribution Effective Time.

"Benefit Plan" means, with respect to any entity, each plan, program, arrangement, agreement or commitment that is an employment, consulting, non-competition or deferred compensation agreement, or an executive compensation, incentive bonus or other bonus, employee pension, profit-sharing, savings, retirement, supplemental retirement, stock option, stock purchase, stock appreciation rights, restricted stock, operating partnership unit, other equity-based compensation, severance pay, salary continuation, life, health, hospitalization, sick leave, vacation pay, paid time-off, disability or accident insurance plan, program, arrangement, agreement or commitment, corporate-owned or key-man life insurance or other employee benefit plan, program, arrangement, agreement or commitment, including any "employee benefit plan" (as defined in Section 3(3) of ERISA), sponsored or maintained by such entity (or to which such entity contributes or is required to contribute).

"COBRA" means the continuation coverage requirements for "group health plans" under Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and as codified in Code Section 4980B and Sections 601 through 608 of ERISA, and any similar state group health plan continuation Law, together with all regulations and proposed regulations promulgated thereunder, including any amendments or other modifications of such Laws and regulations that may be made from time to time.

"Code" means the Internal Revenue Code of 1986, as amended.

"Continuing Employee" means an individual who is either a Continuing VEREIT Employee or a Continuing Realty Income Employee.

"Continuing Realty Income Employee" means an individual (i) who, immediately prior to the Merger, was an employee of Realty Income or any of its Affiliates, (ii) who will not transfer employment to the Orion Group as of the Distribution Date, and (iii) whose employment will continue with the Realty Income Group following the Merger and the Distribution.

"Continuing VEREIT Employee" means an individual (i) who, immediately prior to the Merger, was an employee of VEREIT or any of its Affiliates, (ii) who will not transfer employment to the Orion Group as of the Distribution Date, and (iii) whose employment will continue with the Realty Income Group following the Merger and the Distribution.

"Distribution Date" has the meaning set forth in the Separation and Distribution Agreement.

"Distribution Effective Time" has the meaning set forth in the Separation and Distribution Agreement.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Excluded Liabilities" has the meaning set forth in the Separation and Distribution Agreement.

"Former Employee" means any former employee of the Realty Income Group (including, for the avoidance of doubt, a former employee of VEREIT or an Affiliate of VEREIT) as of immediately prior to the Distribution Effective Time, including retired and other terminated employees.

"HIPAA" means the Health Insurance Portability and Accountability Act of 1996, as amended.

"Law" has the meaning set forth in the Separation and Distribution Agreement.

"Liabilities" has the meaning set forth in the Separation and Distribution Agreement.

"Merger Agreement" has the meaning set forth in the recitals of this Agreement.

"Merger Effective Time" has the meaning assigned to "Effective Time" in Section 1.1(b)(ii) of the Merger Agreement.

"Net FSA Balance" has the meaning set forth in Section 7.04 of this Agreement.

"Orion 401(k) Plan" has the meaning set forth in Section 6.01 of this Agreement.

"Orion Benefit Plan" means any Benefit Plan sponsored, maintained, or contributed to by Orion or any of its Subsidiaries, including any Benefit Plan that is sponsored or maintained by a professional employer organization, human resources and benefits outsourcing entity or other similar vendor or provider and that is contributed to, or required to be contributed to by the Orion Group with respect to employees of the Orion Group (a "PEO Plan").

"Orion Cafeteria Plan" has the meaning set forth in Section 7.04 of this Agreement.

"Orion Common Stock" has the meaning set forth in the Separation and Distribution Agreement.

"Orion Equity Plan" has the meaning set forth in Section 4.01 of this Agreement.

"Orion Group" has the meaning set forth in the Separation and Distribution Agreement.

"Person" has the meaning set forth in the Separation and Distribution Agreement.

"Pro-Rated 2021 Target Bonus" has the meaning set forth in Section 5.01 hereof.

"Record Date" has the meaning set forth in the Separation and Distribution Agreement.

"Realty Income Benefit Plan" means any Benefit Plan sponsored, maintained, or contributed to by Realty Income or any of its Affiliates (other than VEREIT, Orion and their Subsidiaries).

"Realty Income Cafeteria Plan" has the meaning set forth in Section 7.04 of this Agreement.

"Realty Income Common Stock" has the meaning set forth in the Merger Agreement.

"Realty Income DSU Award" means an award of deferred stock units that corresponds to a number of shares of Realty Income Common Stock (which, for the avoidance of doubt, includes Realty Income DSU Awards resulting from the conversion of VEREIT DSU Awards into Realty Income DSU Awards pursuant to the Merger Agreement).

"Realty Income Group" has the meaning set forth in the Separation and Distribution Agreement.

"Realty Income Post-Distribution Stock Value" means the volume weighted average per-share price of Realty Income Common Stock trading over the five (5) trading-day period commencing on the Distribution Date.

"Realty Income Pre-Distribution Stock Value" means the volume weighted average per-share price of Realty Income Common Stock over the five (5) trading-day period ending on the trading day immediately prior to the Distribution Date.

"Realty Income Ratio" means the quotient obtained by dividing the Realty Income Pre-Distribution Stock Value by the Realty Income Post-Distribution Stock Value.

"Realty Income RSU Award" means an award of restricted stock units that corresponds to a number of shares of Realty Income Common Stock (which, for the avoidance of doubt, includes Realty Income RSU Awards resulting from the conversion of VEREIT RSU Awards into Realty Income RSU Awards pursuant to the Merger Agreement).

"Realty Income Stock Option" means an option to purchase shares of Realty Income Common Stock (which, for the avoidance of doubt, includes Realty Income Stock Options resulting from the conversion of VEREIT Stock Options into Realty Income Stock Options pursuant to the Merger Agreement).

"Retained Personnel Records" has the meaning set forth in Section 3.05(a) of this Agreement.

"Subsidiary" has the meaning set forth in the Separation and Distribution Agreement.

"Tax" has the meaning set forth in the Separation and Distribution Agreement.

"Terminating VEREIT Employee" means an individual (i) who, immediately prior to the Merger, was an employee of VEREIT or any of its Affiliates, (ii) who will not transfer employment to the Orion Group as of the Distribution Date, and (iii) whose employment will be terminated as a result of the Merger or the Distribution. Each Terminating VEREIT Employee is set forth on Schedule 1.01(b).

"Transferring Employee Personnel Records" has the meaning set forth in Section 3.05(a) of this Agreement.

"Transferring Employee" means an individual (i) who, immediately prior to the Merger, was an employee of VEREIT or any of its Affiliates and (ii) who commences employment with, the Orion Group prior to or as of the Distribution Date. Each Transferring Employee is set forth on Schedule 1.01(d).

"VEREIT Annual Bonus Program" has the meaning set forth in Section 5.01 of this Agreement.

"VEREIT 401(k) Plan" means the Equity Fund Advisors, LLC 401(k) Plan.

"VEREIT Benefit Plan" means any Benefit Plan sponsored, maintained, or contributed to by VEREIT or any of its Subsidiaries (other than Orion and its Subsidiaries).

"VEREIT Common Stock" has the meaning set forth in the Merger Agreement.

"VEREIT DSU Award" has the meaning set forth in the Merger Agreement.

"VEREIT RSU Award" has the meaning set forth in the Merger Agreement.

"VEREIT Stock Option" has the meaning set forth in the Merger Agreement.

ARTICLE II GENERAL PRINCIPLES

Section 2.01 Nature of Liabilities. All Liabilities assumed or retained by Realty Income under this Agreement shall be Excluded Liabilities for purposes of the Separation and Distribution Agreement. All Liabilities assumed by Orion under this Agreement shall be Assumed Liabilities for purposes of the Separation and Distribution Agreement.

Section 2.02 General Allocation of Liabilities and Assets.

(a) Except as otherwise provided in this Agreement, effective as of the Distribution Effective Time, the Realty Income Group hereby retains or assumes (i) except as provided in Section 2.02(b), all Liabilities relating to or with respect to employment, compensation, severance, employment practices, and similar claims (including any legal action, suit, investigation, inquiry, proceeding, arbitration, order or other claim) of Continuing Employees, Terminating VEREIT Employees, and Former Employees, regardless of when incurred, and (ii) all Liabilities under Realty Income Benefit Plans and VEREIT Benefit Plans regardless of when incurred, including Liabilities for workers' compensation, short- and long-term disability, medical, prescription drug, dental, vision, life insurance, accidental death and dismemberment and other welfare benefit claims incurred under a Realty Income Benefit Plan or a VEREIT Benefit Plan by Transferring Employees prior to the Benefit Commencement Date. Effective as of the Distribution Effective Time, the Realty Income Group hereby retains or assumes all Assets (including trusts and other funding vehicles and insurance contracts) related to the Realty Income Benefit Plans, VEREIT Benefit Plans and other Liabilities it assumes or retains pursuant to this Section 2.02(a).

(b) Except as otherwise provided in this Agreement, effective as of the Distribution Effective Time, the Orion Group hereby assumes (i) other than Liabilities under VEREIT Benefit Plans, Liabilities under the agreements set forth on Schedule 2.02(b), or to the extent the Realty Income Group is reimbursed (without regard to any deductibles) for such Liabilities by an insurance policy maintained, but not funded, by a member of the Realty Income Group (including, for the avoidance of doubt, third-party insurance), all Liabilities relating to or with respect to employment, compensation, severance, employment practices, and similar claims (including any legal action, suit, investigation, inquiry, proceeding, arbitration, order or other claim) of Transferring Employees, regardless of when incurred, and (ii) all Liabilities under Orion Benefit Plans regardless of when incurred, including Liabilities for workers' compensation, short- and long-term disability, medical, prescription drug, dental, vision, life insurance, accidental death and dismemberment and other welfare benefit claims incurred under a Orion Benefit Plan. Effective as of the Distribution Effective Time, the Orion Group hereby assumes all Assets (including trusts and other funding vehicles and insurance contracts) related to the Orion Benefit Plans and other Liabilities it assumes pursuant to this Section 2.02(b).

(c) Notwithstanding any provision of Section 2.02(a) or Section 2.02(b) to the contrary, the Orion Group shall reimburse the Realty Income Group for all Liabilities incurred by the Realty Income Group in providing health and welfare benefits to the Transferring Employees following the Distribution Effective Time to the extent that the aggregate value of such Liabilities exceeds the sum of (i) $[100,000] plus (ii) any premiums or deductibles paid by the Transferring Employees (excluding the employer-paid portion of any such premiums or deductibles) in respect of such coverage from the Distribution Effective Time to the Benefit Commencement Date that are retained by the Realty Income Group; provided, however, the Orion Group shall not be responsible for reimbursing any such Liabilities for which the Realty Income Group is reimbursed by an insurance policy maintained, but not funded, by a member of the Realty Income Group (including, for the avoidance of doubt, both specific and aggregate stop loss insurance). Within sixty (60) days of the final date on which a claim may be timely submitted for reimbursement under the terms (as in effect as of this date hereof) of the plans providing the health and welfare benefits contemplated by this Section 2.02(c), the Realty Income Group shall provide the Orion Group with a summary, with reasonable detail, by Transferring Employee of the Liabilities to be reimbursed under this Section 2.02(c), and the Orion Group shall reimburse the Realty Income Group for such Liabilities within thirty (30) days following the Orion Group's receipt of notice from the Realty Income Group that it has incurred any such Liabilities. For purposes of this Section 2.02, a claim shall be deemed to be incurred: (i) in the case of workers' compensation and short- or long-term disability benefits (including related health benefits), at the time of the injury, sickness or other event giving rise to the claim for such benefits; (ii) in the case of medical, prescription drug, dental or vision benefits, at the time professional services, equipment or prescription drugs covered by the applicable plan are obtained; (iii) in the case of life insurance benefits, upon death; and (iv) in the case of accidental death and dismemberment benefits, at the time of the accident.

Section 2.03 No Changes to Certain Benefit Plans as a Result of the Distribution This Agreement addresses the employee benefit plans, programs and policies of the Parties and each of their respective Affiliates that might be impacted by the Distribution. Any employee benefit plans, programs and policies of the Parties and each of their respective Affiliates not specifically addressed in this Agreement shall not be impacted by the Distribution or this Agreement.

Section 2.04 No Duplication or Acceleration of Benefits. Notwithstanding anything to the contrary in this Agreement, no participant in any Orion Benefit Plans or any other benefit plans or arrangements shall receive benefits that duplicate benefits provided to such individual by a corresponding Realty Income Benefit Plan or VEREIT Benefit Plan, and no participant in any VEREIT Benefit Plans, Realty Income Benefit Plans or any other benefit plans or arrangements of a member of the Realty Income Group shall receive benefits that duplicate benefits provided to such individual by a corresponding Orion Benefit Plan. Furthermore, unless expressly provided for in this Agreement or required by applicable Law, no provision in this Agreement shall be construed to create any right to accelerate vesting or entitlements to any compensation or benefit plan on the part of a Continuing Employee, Terminating VEREIT Employee, or Transferring Employee.

Section 2.05 Cessation of Participation in Realty Income Benefit Plans and VEREIT Benefit Plans Except as otherwise provided in this Agreement, effective as of the Distribution Effective Time, the Transferring Employees shall cease to be active participants in the Realty Income Benefit Plans and VEREIT Benefit Plans.

ARTICLE III
EMPLOYMENT

Section 3.01 Transferring Employees.

(a) *Employment*. Prior to or as of the Distribution Date, each Transferring Employee shall commence employment with the Orion Group.

(b) *Compensation and Benefits*. For a period of one (1) year following the Distribution Date (or, if earlier, the date of the applicable Transferring Employee's termination of employment), the Orion Group shall provide to each Transferring Employee for so long as such Transferring Employee continues in employment with the Orion Group (and in the case of clause (iv), for the applicable period following termination of such Transferring Employee's employment), (i) at least the base compensation provided to such Transferring Employee immediately prior to the Merger Effective Time; (ii) an annual bonus opportunity that is no less favorable than is provided to a similarly situated employee of the Orion Group; (iii) long-term incentive award opportunities, whether cash or equity, that are no less favorable than are provided to a similarly situated employee of the Orion Group; (iv) severance benefits as set forth in the VEREIT Disclosure Letter (as defined in the Merger Agreement) in accordance with the terms and conditions described thereon; and (v) other compensation and employee benefits (excluding, for this purpose, the compensation contemplated by clauses (i)-(iv) above and defined benefit pension plans, post-retirement medical and welfare plans, and retention change in control or similar plans, policies, or agreements) that are substantially comparable in the aggregate to those provided to a similarly situated employee of the Orion Group; provided that, for purposes of this clause (v), the employee benefits generally provided to employees of VEREIT and its Subsidiaries as of immediately prior to the Merger Effective Time shall be deemed to be substantially comparable in the aggregate to those provided to a similarly situated employee of the Orion Group, it being understood that the Transferring Employees may commence participation in the Orion Benefit Plans at such times as are determined by the Orion Group.

(c) *Service Recognition*. For purposes of any Orion Benefit Plans providing benefits to any Transferring Employees after the Distribution Date, the Orion Group shall: (i) use commercially reasonable efforts to waive all pre-existing conditions, exclusions and waiting periods with respect to participation and coverage requirements applicable to the Transferring Employees and their eligible dependents under any Orion Benefit Plans in which such Transferring Employees may be eligible to participate after the Distribution Date, except, with respect to pre-existing conditions or exclusions, to the extent such pre-existing conditions or exclusions would apply under the analogous VEREIT Benefit Plan or Realty Income Benefit Plan, as applicable; (ii) use commercially reasonable efforts to provide each Transferring Employee and their eligible dependents under any Orion Benefit Plan with credit for any co-payments and deductibles paid during the portion of the plan year of the corresponding VEREIT Benefit Plan or Realty Income Benefit Plan, as applicable, ending on the date such Transferring Employee's participation in the Orion Benefit Plan begins (to the same extent that such credit was given under the analogous VEREIT Benefit Plan or Realty Income Benefit Plan, as applicable, prior to the date that the Transferring Employee first participates in the Orion Benefit Plan) in satisfying any applicable deductible or out-of-pocket requirements under the Orion Benefit Plan; and (iii) recognize all service of the Transferring Employees with VEREIT and its Subsidiaries (and any predecessors or affiliates thereof), for all purposes under any Orion Benefit Plan in which such Transferring Employees may be eligible to participate after the Distribution Date to the same extent such service was taken into account under the analogous VEREIT Benefit Plan prior to the date that the Transferring Employee first participates in the Orion Benefit Plan; provided, however, that the foregoing clause shall not apply (A) to the extent it would result in duplication of benefits, or (B) for any purpose with respect to any defined benefit pension plan, postretirement welfare plan or any Orion Benefit Plan under which similarly situated employees do not receive credit for prior service or that is grandfathered or frozen, either with respect to level of benefits or participation.

Section 3.02 At Will Status. Subject to the express terms of any written employment agreement, nothing in this Agreement shall create any obligation on the part of any Party to (a) continue the employment of any employee or other service provider following the date of this Agreement or the Distribution Date (except as required by applicable Law) or (b) change the employment status of any employee or other service provider from "at will," to the extent such employee is an "at will" employee under applicable Law.

Section 3.03 Personnel Records.

(a) *Transfer of Personnel Records*. To the extent permitted by applicable Law, copies of all personnel records and files relating to a Transferring Employee that were created prior to the Distribution Effective Time and that are held by the Realty Income Group as of the Distribution Date (the "Transferring Employee Personnel Records") shall be provided to the Orion Group as of the Distribution Date. Until the seventh (7th) anniversary of the Distribution Effective Time, (i) if the Orion Group discovers that all or any portion of any Transferring Employee Personnel Records were not provided to the Orion Group as of the Distribution Date, to the extent permitted by applicable Law and such Transferring Employee Personnel Records then remain in the possession of the Realty Income Group, the Realty Income Group shall deliver copies of such omitted Transferring Employee Personnel Records to the Orion Group within five (5) business days of the Realty Income Group's receipt of a written request from the Orion Group for such Transferring Employee Personnel Records, or (ii) if the Realty Income Group discovers that all or any portion of any personnel records and files relating to an individual who is not a Transferring Employee (the "Retained Personnel Records") were transferred to the Orion Group as of the Distribution Date, to the extent permitted by applicable Law and such Retained Personnel Records then remain in the possession of the Orion Group, the Orion Group shall deliver copies of such omitted Retained Personnel Records to the Realty Income Group within five (5) business days of the Orion Group's receipt of a written request from the Realty Income Group for such Retained Personnel Records. For the avoidance of doubt, the Realty Income Group may retain copies of the Transferring Employee Personnel Records to the extent necessary to administer the Realty Income Benefit Plans, VEREIT Benefit Plans, and other obligations related to the Transferring Employees, and in no event shall be required to provide Retained Personnel Records to the Orion Group, except to the extent necessary for the Orion Group to administer the Orion Benefit Plans or to meet its obligations under this Agreement.

(b) *Sharing of Information.* Until the seventh (7th) anniversary of the Distribution Effective Time, to the extent permitted by applicable Law, each Party and each Party's Affiliates shall provide, in a timely manner, to the other Party and, if requested, the other Party's Affiliates and its or their respective agents and vendors all information and documentation necessary for each Party to perform their respective duties under this Agreement. The Parties also hereby agree to enter into any business associate arrangements that may be required for the sharing of any information and documentation pursuant to this Agreement to comply with the requirements of HIPAA.

(c) *Access to Records and Record Retention*. To the extent transfer of the Transferring Employee Personnel Records is not permitted by applicable Law in accordance with Section 3.05(a), the Realty Income Group shall, to the extent permitted by applicable Law, permit the Orion Group and their successors and their authorized representatives to have full access upon reasonable notice during normal business hours to all Transferring Employee Personnel Records for a period of at least seven (7) years following the Distribution Effective Time to the extent reasonably necessary in order for the Orion Group or successors to respond to a subpoena, court order, audit, investigation or otherwise as required by applicable Law or in connection with any pending or threatened lawsuits, actions, arbitrations, claims, complaints, investigations or other proceedings.

ARTICLE IV
EQUITY INCENTIVE AWARDS

Section 4.01 Orion Equity Incentive Plan. Prior to the Distribution Date, the Board of Directors of Orion (or an applicable committee thereof) shall approve and adopt a new equity incentive plan, to be effective as of the Distribution Effective Time (the "Orion Equity Plan"). On the Distribution Date, Orion shall file a registration statement on Form S-8 (or any successor or other appropriate form) with respect to the shares of Orion Common Stock reserved for issuance under the Orion Equity Plan.

Section 4.02 Stock Options.

(a) In the event that the Realty Income Post-Distribution Stock Value is less than the Realty Income Pre-Distribution Stock Value, then, effective as of the Distribution Effective Time, each Realty Income Stock Option that is outstanding immediately prior to the Distribution Effective Time shall be adjusted as follows: (I) the number of shares of Realty Income Common Stock subject to the post-Distribution Realty Income Stock Option shall be equal to the product obtained by multiplying (x) the number of shares of Realty Income Common Stock subject to the Realty Income Stock Option immediately prior to the Distribution Effective Time, times (y) the Realty Income Ratio, rounded down to the nearest whole share, and (II) the per share exercise price of the post-Distribution Realty Income Stock Option shall be equal to the quotient obtained by dividing (I) the per share exercise price of the Realty Income Stock Option immediately prior to the Distribution Effective Time, by (II) the Realty Income Ratio, rounded up to the nearest whole cent. For the avoidance of doubt, in the event that the Realty Income Post-Distribution Stock Value is greater than or equal to the Realty Income Pre-Distribution Stock Value, no adjustment shall be made to the Realty Income Stock Options hereunder.

(b) The foregoing adjustments to the Realty Income Stock Options contemplated by this Agreement are intended to comply in all respects with the requirements of Sections 409A of the Code, to the extent applicable, and all such provisions shall be interpreted and implemented in accordance with the foregoing.

Section 4.03 Restricted Stock Unit Awards. In the event that the Realty Income Post-Distribution Stock Value is less than the Realty Income Pre-Distribution Stock Value, then, effective as of the Distribution Effective Time, each Realty Income RSU Award that is outstanding immediately prior to the Distribution Effective Time shall be adjusted as follows: the number of shares of Realty Income Common Stock subject to the post-Distribution Realty Income RSU Award shall be equal to the product obtained by multiplying (x) the number of shares of Realty Income Common Stock subject to the Realty Income RSU Award immediately prior to the Distribution Effective Time, times (y) the Realty Income Ratio, rounded down to the nearest whole share. For the avoidance of doubt, in the event that the Realty Income Post-Distribution Stock Value is greater than or equal to the Realty Income Pre-Distribution Stock Value, no adjustment shall be made to the Realty Income RSU Awards hereunder.

Section 4.04 Deferred Stock Unit Awards. In the event that the Realty Income Post-Distribution Stock Value is less than the Realty Income Pre-Distribution Stock Value, then, effective as of the Distribution Effective Time, each Realty Income DSU Award that is outstanding immediately prior to the Distribution Effective Time shall be adjusted as follows: the number of shares of Realty Income Common Stock subject to the post-Distribution Realty Income DSU Award shall be equal to the product obtained by multiplying (x) the number of shares of Realty Income Common Stock subject to the Realty Income DSU Award immediately prior to the Distribution Effective Time, times (y) the Realty Income Ratio, rounded down to the nearest whole share. For the avoidance of doubt, in the event that the Realty Income Post-Distribution Stock Value is greater than or equal to the Realty Income Pre-Distribution Stock Value, no adjustment shall be made to the Realty Income DSU Awards hereunder.

Section 4.05 Dividend Equivalent Payments to Transferring Employees. Not later than fifteen (15) days following the applicable vesting date of each Realty Income RSU Award held by a Transferring Employee, the Realty Income Group shall notify the Orion Group of the dividend equivalent amounts payable to Transferring Employees in respect of such Realty Income RSU Awards, and, not later than thirty (30) days following each such vesting date, the Orion Group shall pay such dividend equivalent amounts to the applicable Transferring Employee. Notwithstanding anything contained herein, or in any applicable plan or award agreement, to the contrary, the Orion Group shall be solely responsible and liable for all income, payroll and other Tax reporting, withholding and remittance (including the payment of the employer portion of any payroll Taxes) to each applicable Tax authority with respect to such dividend equivalent amounts. For the avoidance of doubt, the provisions of this Section 4.05 shall apply to all Realty Income RSU Awards, irrespective of whether such awards are adjusted pursuant Section 4.03 above.

Section 4.06 Miscellaneous Terms. The Distribution shall not, in and of itself, constitute a termination of employment or service for any Transferring Employee for purposes of any Realty Income Stock Option or Realty Income RSU Award, as applicable, held by such Transferring Employee. With respect to awards adjusted in accordance with this Article IV, following the Distribution Effective Time, the vesting, forfeiture and/or exercisability, as applicable, of adjusted Realty Income Stock Options and/or Realty Income RSU Awards held by Transferring Employees shall be based on employment with or service to, as applicable, the Orion Group and its Affiliates.

Section 4.07 Cooperation. If the Realty Income Group or the Orion Group determines in its reasonable judgment that any action required under this Article IV will not achieve the intended Tax, accounting and legal results with respect to the adjusted Realty Income Stock Options, Realty Income DSU Awards and/or Realty Income RSU Awards, including the intended results under Section 409A of the Code or FASB ASC Topic 718 – Stock Compensation, then at the request of the Realty Income Group or the Orion Group, as applicable, the Realty Income Group and the Orion Group shall mutually cooperate in taking such actions as are commercially reasonable and generally consistent with the terms of this Agreement to achieve such results, or most nearly achieve such results if the originally intended results are not fully attainable. In addition, the Realty Income Group and the Orion Group shall mutually cooperate in taking any actions as are commercially reasonable and generally consistent with the terms of this Agreement to effectuate the issuance of shares of Realty Income Common Stock by the Realty Income Group and/or income, payroll or other Tax reporting, withholding and remittance to each applicable Tax authority by the Orion Group, in each case, in respect of Realty Income Stock Options and/or Realty Income RSU Awards held by Transferring Employees.

ARTICLE V
OTHER INCENTIVE PLANS

Section 5.01 Cash Incentive Plans. The Realty Income Group shall pay to each Transferring Employee who was eligible to receive an annual cash bonus from VEREIT or a Subsidiary thereof as of immediately prior to the Merger Effective Time under VEREIT's annual bonus program (the "VEREIT Annual Bonus Program"), a prorated 2021 annual bonus, payable within thirty (30) days following the Distribution Date, in an amount equal to the product of (A) such Transferring Employee's 2021 target annual bonus amount, multiplied by (B) a fraction, the numerator of which is the number of days from January 1, 2021 through the Distribution Date and the denominator of which is 365. The Orion Group shall pay each Transferring Employee who was eligible to receive an annual cash bonus under the VEREIT Annual Bonus Program as of immediately prior to the Merger Effective Time, (x) if such Transferring Employee remains actively employed by the Orion Group through December 31, 2021, a pro-rated 2021 annual bonus in an amount equal to (A) such Transferring Employee's 2021 target annual bonus amount, multiplied by (B) a fraction, the numerator of which is the number of days from the Distribution Date through December 31, 2021, and the denominator of which is 365 (such amount the "Pro-Rated 2021 Target Bonus"), payable no later than March 15, 2022 or (y) if such Transferring Employee's employment is terminated by the Orion Group without Cause (as defined in the Merger Agreement) on or after the Distribution Date and prior to December 31, 2021, a prorated 2021 annual bonus, payable within thirty (30) days following the date of such termination of employment, equal to the product of (A) such Transferring Employee's Pro-Rated 2021 Target Bonus, multiplied by (B) a fraction, the numerator of which is the number of days from the Distribution Date through the date of such termination and the denominator of which is the number of days from the Distribution Date through December 31, 2021 (provided that such prorated 2021 annual bonus shall not be payable to any Transferring Employee who is otherwise entitled to receive, and does receive, a prorated annual bonus payment for the same period of service under the terms of such Transferring Employee's employment agreement with the Orion Group or pursuant to any other Orion Group plan, policy agreement or arrangement).

ARTICLE VI
RETIREMENT PLANS

Section 6.01 Qualified Defined Contribution Plan.

(a) *Orion 401(k) Plan*. Prior to the Distribution Date, each Party shall take any and all actions necessary or appropriate for Orion to establish, maintain or provide for the benefit of Transferring Employees (i) a defined contribution plan that is intended to be qualified under Section 401(a) of the Code and that includes a cash or deferred arrangement qualified under Section 401(k) of the Code, and (ii) a related trust or trusts exempt under Section 501(a) of the Code, each to be effective no later than the Distribution Effective Time (the "Orion 401(k) Plan"). The Orion 401(k) Plan may, in the discretion of Orion, be a PEO Plan. Transferring Employees shall be eligible to participate in the Orion 401(k) Plan no later than the Distribution Effective Time.

(b) *Rollover*. The Parties shall take any and all actions necessary or appropriate for the VEREIT 401(k) Plan to permit, and for the Orion 401(k) Plan to accept, a rollover with respect to Transferring Employees who so elect of (i) the cash portion of any "eligible rollover distributions" (within the meaning of Section 402(c)(4) of the Code) to such Transferring Employee from the VEREIT 401(k) Plan, and (ii) the portion of any such eligible rollover distribution that consists of a promissory note applicable to a loan from the VEREIT 401(k) Plan to such Transferring Employee.

ARTICLE VII
HEALTH AND WELFARE BENEFITS

Section 7.01 Generally.

(a) *Establishment.* As of the Benefit Commencement Date, the Orion Group shall establish or provide welfare plans (within the meaning of Section 3(1) of ERISA) reasonably necessary, in their sole discretion, to satisfy their obligations under Section 3.02(b). Such plans may, in the discretion of Orion, be one or more PEO Plans. Until the day before the Benefit Commencement Date, each Transferring Employee shall continue to be an active participant in the Realty Income Benefit Plans and/or VEREIT Benefit Plans, as applicable, that are welfare plans (within the meaning of Section 3(1) of ERISA) in which such Transferring Employee was participating as of immediately prior to the Distribution Effective Time.

Section 7.02 Cafeteria Plan. As of the Benefit Commencement Date, Orion or any of its Subsidiaries shall establish or provide a cafeteria plan qualifying under Section 125 of the Code (the "Orion Cafeteria Plan") and health care and dependent care flexible spending reimbursement accounts thereunder in which Transferring Employees who meet the eligibility criteria thereof may be immediately eligible to participate. The Orion Cafeteria Plan may, in the discretion of Orion, be a PEO Plan. As soon as practicable following the Benefit Commencement Date, the Realty Income Group shall determine the aggregate accumulated contributions to the flexible spending reimbursement accounts under Realty Income's cafeteria plan or VEREIT's cafeteria plan, as applicable, in which such Transferring Employees participated (the "Realty Income Cafeteria Plans") made during the year in which the Distribution Date occurs by the Transferring Employees less the aggregate reimbursement payouts made for such year up to the day immediately prior to the Benefit Commencement Date from such accounts to such Transferring Employees (the "Net FSA Balance"). If the Net FSA Balance is (a) positive, the Realty Income Group shall pay to the Orion Group an amount in cash equal to the Net FSA Balance or (b) negative, the Orion Group shall pay to the Realty Income Group, the absolute value of the Net FSA Balance attributable to Transferring Employees. Orion or its applicable Subsidiary shall cause the balance (whether positive or negative) of each Transferring Employee's accounts under the Realty Income Cafeteria Plans as of the Benefit Commencement Date to be credited to the Transferring Employee's corresponding accounts under the Orion Cafeteria Plan in which such Transferring Employee participates following the Benefit Commencement Date. On and after the Benefit Commencement Date, Orion shall assume and be solely responsible for all claims for reimbursement by the Transferring Employees with respect to the plan year that includes the Distribution Date, whether incurred prior to, on or after the Distribution Date, that have not been paid in full as of the Benefit Commencement Date, which claims shall be paid pursuant to and under the terms of the Orion Cafeteria Plan. Orion agrees to cause the Orion Cafeteria Plan to honor, through the end of the calendar year in which the Distribution Date occurs, the elections made by each Transferring Employee under the Realty Income Cafeteria Plans in respect of the flexible spending reimbursement accounts that are in effect immediately prior to the Benefit Commencement Date.

Section 7.03 COBRA and HIPAA Compliance . The Realty Income Group shall continue to be responsible for compliance with the health care continuation requirements of COBRA, the certificate of creditable coverage requirements of HIPAA and the corresponding provisions of the Realty Income Benefit Plans and VEREIT Benefit Plans with respect to any Continuing Employees, Terminating VEREIT Employees, Former Employees and any of their covered dependents who incur a qualifying event or loss of coverage under COBRA at or before the Benefit Commencement Date (including as a result of the Distribution). The Orion Group shall assume responsibility for compliance with the health care continuation requirements of COBRA, the certificate of creditable coverage requirements of HIPAA and the corresponding provisions of the Orion Benefit Plans with respect to any Transferring Employees and any of their covered dependents who incur a qualifying event or loss of coverage under the Orion Benefit Plans after the Benefit Commencement Date.

ARTICLE VIII
ADDITIONAL COMPENSATION MATTERS

Section 8.01 Tax Reporting and Withholding.

(a) Except as may be otherwise agreed subsequently by the Realty Income Group and the Orion Group, (i) the Realty Income Group shall be responsible for all income, payroll or other Tax reporting and remitting applicable Tax withholdings to each applicable Tax authority as related to compensation and benefits provided to any individual with respect to his or her service to an entity that is a member the Realty Income Group as of immediately following the Distribution Effective Time, and (ii) the Orion Group shall be responsible for all income, payroll or other Tax reporting and remitting applicable Tax withholdings to each applicable Tax authority as related to compensation and benefits provided to any individual with respect to his or her service to an entity that is a member the Orion Group as of immediately following the Distribution Effective Time, including, but not limited to, such obligations with respect to Realty Income Stock Options and/or Realty Income RSU Awards held by Transferring Employees.

(b) Without limiting the generality of Section 3.05, the Parties shall take commercially reasonable steps to cooperate in all matters reasonably necessary to administer their obligations under this Section 8.01, including exchanging information and data relating to payroll and Benefit Plans.

Section 8.02 Code Section 409A. Notwithstanding anything to the contrary herein, if any of the provisions of this Agreement would result in imposition of Taxes and/or penalties under Section 409A of the Code, the Parties shall cooperate in good faith to modify the applicable provision so that such Taxes and/or penalties do not apply in order to comply with the provisions of Section 409A of the Code, other applicable provisions of the Code and/or any rules, regulations or other regulatory guidance issued under such statutory provisions.

Section 8.03 Termination of Service; Not a Change in Control. The Parties acknowledge and agree that the transactions contemplated by the Separation and Distribution Agreement and this Agreement do not constitute a "change in control" or a termination of a Transferring Employee's employment without "cause" or for "good reason" for purposes of any Realty Income Benefit Plan, VEREIT Benefit Plan, or Orion Benefit Plan.

ARTICLE IX
MISCELLANEOUS

Section 9.01 No Third-Party Beneficiaries; Reservation of Rights. The provisions of this Agreement are solely for the benefit of the Parties to this Agreement, and no current or former director, employee, or other service provider or any other Person shall be a third-party beneficiary of this Agreement. Nothing contained in this Agreement shall be construed as an amendment to any Realty Income Benefit Plan, VEREIT Benefit Plan, Orion Benefit Plan or other compensation or benefit plan or arrangement for any purpose. Without limiting the generality of the foregoing, nothing contained in this Agreement shall obligate the Parties to maintain any particular Benefit Plan or retain the employment or services of any current or former director, employee, or other service provider.

Section 9.02 Counterparts; Entire Agreement; Corporate Power.

(a) This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

(b) This Agreement (including the schedules hereto) and the Separation and Distribution Agreement contain the entire agreement between the Parties with respect to the subject matter hereof and supersedes all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties other than those set forth or referred to herein or therein.

(c) Realty Income represents on behalf of itself and each other member of the Realty Income Group, and Orion represents on behalf of itself and each other member of the Orion Group, as follows:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby; and

(ii) this Agreement has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms thereof.

(d) Each Party acknowledges that it and each other Party may execute this Agreement by facsimile, stamp or mechanical or electronic signature, and that delivery of an executed counterpart of a signature page to this Agreement (whether executed by manual, stamp or mechanical or electronic signature) by facsimile or by email in portable document format (PDF) shall be effective as delivery of such executed counterpart of this Agreement. Each Party expressly adopts and confirms each such facsimile, stamp or mechanical or electronic signature (regardless of whether delivered in person, by mail, by courier, by facsimile or by email in portable document format (PDF)) made in its respective name as if it were a manual signature delivered in person, agrees that it will not assert that any such signature or delivery is not adequate to bind such Party to the same extent as if it were signed manually and delivered in person and agrees that, at the reasonable request of the other Party at any time, it will as promptly as reasonably practicable cause the Agreement to be manually executed (any such execution to be as of the date of the initial date thereof) and delivered in person, by mail or by courier.

Section 9.03 Governing Law. This Agreement (and any claims or disputes arising out of or related hereto or to the transactions contemplated hereby or to the inducement of any Party to enter herein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the Laws of the State of Maryland irrespective of the choice of laws principles of the State of Maryland including all matters of validity, construction, effect, enforceability, performance and remedies.

Section 9.04 Assignability. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided, however, that a Party may not assign its rights or delegate its obligations under this Agreement without the express prior written consent of the other Parties hereto.

Section 9.05 Notices. All notices, requests, claims, demands or other communications under this Agreement and, to the extent, applicable and unless otherwise provided therein, under each of the Ancillary Agreements shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, or by facsimile with receipt confirmed (followed by delivery of an original via overnight courier service) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 9.05):

If to Realty Income, or Orion or Orion OP prior to the Distribution Effective Time, or VEREIT after the Merger Effective Time, to:

c/o Realty Income Corporation
11995 El Camino Real
San Diego, California, 92130
Attention: General Counsel
E-mail:

with a copy to:

Latham & Watkins LLP
650 Town Center Drive, 20th Floor
Costa Mesa, California 92626
Attention: Charles Ruck
William Cernius
Darren Guttenberg
Fax No.: (714) 755-8290
E-mail: charles.ruck@lw.com
william.cernius@lw.com
darren.guttenberg@lw.com

If to VEREIT prior to the Merger Effective Time, to:

VEREIT
2325 E. Camelback Road, 9th Floor
Phoenix, AZ 85016
Attention: Lauren Goldberg

Attention: Lauren Goldberg
E-mail:

with a copy to:

Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Attention: Adam O. Emmerich
Karessa L. Cain
Fax No.: (212) 403-2000
E-mail: AOEmmerich@wlrk.com
KLCain@wlrk.com

If to Orion or Orion OP after the Distribution Effective Time, to:

Orion Office REIT Inc.
2325 E. Camelback Road, 8th Floor
Phoenix, AZ 85016
Attention: Paul McDowell, Chief Executive Officer
E-mail:

with a copy to:

Latham & Watkins LLP
650 Town Center Drive, 20th Floor
Costa Mesa, California 92626
Attention: Charles Ruck
William Cernius
Darren Guttenberg
Fax No.: (714) 755-8290
E-mail: charles.ruck@lw.com
william.cernius@lw.com
darren.guttenberg@lw.com

A Party may, by notice to the other Party, change the address to which such notices are to be given.

Section 9.06 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

Section 9.07 Headings. The article, section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 9.08 Amendments. No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by a Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it is sought to enforce such waiver, amendment,

supplement or modification.

Section 9.09 Interpretation. In this Agreement, (a) words in the singular shall be deemed to include the plural and vice versa and words of one gender shall be deemed to include the other genders as the context requires; (b) the terms "hereof," "herein," and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including all schedules hereto) and not to any particular provision of this Agreement; (c) Article, Section and Schedule references are to the Articles, Sections and Schedules to this Agreement unless otherwise specified; (d) unless otherwise stated, all references to any agreement shall be deemed to include the exhibits, schedules and annexes to such agreement; (e) the word "including" and words of similar import when used in this Agreement shall mean "including, without limitation," unless otherwise specified; (f) the word "or" shall not be exclusive; (g) unless otherwise specified in a particular case, the word "days" refers to calendar days; (h) references to "business day" shall mean any day other than a Saturday, a Sunday or a day on which banking institutions are generally authorized or required by law to close in the United States; (i) references herein to this Agreement or any other agreement contemplated herein shall be deemed to refer to this Agreement or such other agreement as of the date on which it is executed and as it may be amended, modified or supplemented thereafter, unless otherwise specified; and (j) a reference to a Party to this Agreement or another agreement or document includes the Party's successors, permitted substitutes, and permitted assigns.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective officers thereunto duly authorized, all as of the date first set forth above.

REALTY INCOME CORPORATION

By: _____
Name:
Title:

VEREIT, INC.

By: _____
Name:
Title:

ORION OFFICE REIT INC.

By: _____
Name:
Title:

ORION OFFICE REIT LP

By: _____
Name:
Title:

[*Signature page to Employee Matters Agreement*]

Schedule 2.02(b)

Agreement Regarding Termination of Employment Agreement, dated as of [●], 2021, by and between Realty Income Corporation, VEREIT, Inc., and Paul McDowell

Agreement Regarding Termination of Employment Agreement, dated as of [●], 2021, by and between Realty Income Corporation, VEREIT, Inc., and Gavin Brandon

ARTICLES OF INCORPORATION

OF

ORION OFFICE REIT INC.

ARTICLE I

INCORPORATOR

The undersigned, Douglas M. Fox, whose address is% Ballard Spahr LLP, 300 East Lombard Street, Suite 1800, Baltimore Maryland 21202, being at least eighteen (18) years of age, does hereby form a corporation under the general laws of the State of Maryland.

ARTICLE II

NAME

The name of the corporation (this "Corporation") is:

Orion Office REIT Inc.

ARTICLE III

PURPOSE

The purposes for which this Corporation is formed are to engage in any lawful business or other activity for which a corporation may be organized under the general laws of the State of Maryland now or hereafter in force.

The foregoing purposes and objects shall be in no way limited or restricted by reference to, or inference from, the terms of any other clause of this or any other Article of the charter of the Corporation (the "Charter"), and are intended to be and shall be construed as powers as well as purposes and objects of the Corporation, and not in limitation of the general powers of corporations under the general laws of the State of Maryland.

ARTICLE IV

PRINCIPAL OFFICE IN MARYLAND

The address of the principal office of this Corporation in Maryland is c/o CSC-Lawyers Incorporating Services Company, 7 St. Paul Street, Suite 820, Baltimore, Maryland 21202.

ARTICLE V

RESIDENT AGENT

The name of the resident agent of this Corporation in Maryland is CSC-Lawyers Incorporating Services Company. The resident agent is a Maryland corporation.

ARTICLE VI

STOCK

This Corporation is authorized to issue one class of stock to be designated "Common Stock." The total number of shares that this Corporation is authorized to issue is One Hundred Thousand (100,000) shares of Common Stock, each having a par value of one cent ($0.01). The aggregate par value of all authorized shares of stock of the Corporation having par value is $1,000. The Board of Directors, with the approval of a majority of the entire Board of Directors and without any action by the stockholders of the Corporation, may amend the Charter from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that the Corporation has authority to issue.

ARTICLE VII

BOARD OF DIRECTORS

The business and affairs of this Corporation shall be managed by and under the direction of the Board of Directors of this Corporation (the "Board of Directors"). The number of directors of this Corporation initially shall be three (3). Thereafter, the number of directors may be increased or decreased pursuant to the bylaws of the Corporation (the "Bylaws"); provided, however, that the total number of directors shall not be less than the minimum number required by the general laws of the State of Maryland. A director need not be a stockholder of this Corporation.

The name of the directors who will serve until the first annual meeting of stockholders and until their successors are elected and qualified are;

Sumit Roy
Christie Kelly
Michelle Bushore

ARTICLE VIII

RIGHTS AND POWERS OF CORPORATION, THE BOARD OF DIRECTORS AND OFFICERS

In carrying on its business, or for the purpose of attaining or furthering any of its objects, the Corporation shall have all of the rights, powers and privileges granted to corporations by the laws of the State of Maryland, as well as the power to do any and all acts and things that a natural person or partnership could do as now or hereafter authorized by law, either alone or in partnership or conjunction with others. In furtherance and not in limitation of the powers conferred by statute, and without limiting any other procedures available by law or otherwise to the Corporation, the powers of the Corporation and of the directors and stockholders shall include the following:

(a) The Board of Directors may authorize the issuance from time to time of shares of stock of the Corporation of any class or series, whether now or hereafter authorized, or securities or rights convertible into shares of its stock of any class or series, whether now or hereafter authorized, for such consideration as the Board of Directors may deem advisable (or without consideration in the case of a stock split or stock dividend), subject to such restrictions or limitations, if any, as may be set forth in the Charter or the Bylaws of the Corporation.

(b) The Board of Directors shall, consistent with applicable law, have the power in its sole discretion to determine from time to time in accordance with sound accounting practice or other reasonable valuation methods what constitutes annual or other net profits, earnings, surplus, or net assets in excess of capital; to fix and vary from time to time the amount to be reserved as working capital, or determine that retained earnings or surplus shall remain in the hands of the Corporation; to set apart out of any funds of the Corporation such reserve or reserves in such amount or amounts and for such proper purpose or purposes as it shall determine and to abolish any such reserve or any part thereof; to distribute and pay distributions or dividends in stock, cash or other securities or property, out of surplus or any other funds or amounts legally available therefor, at such times and to the stockholders of record on such dates as it may, from time to time, determine; and to determine whether and to what extent and at what times and places and under what conditions and regulations the books, accounts and documents of the Corporation, or any of them, shall be open to the inspection of stockholders, except as otherwise provided by statute or by the Bylaws of the Corporation, and, except as so provided, no stockholder shall have any right to inspect any book, account or document of the Corporation unless authorized so to do by resolution of the Board of Directors.

(c) Any director or officer of the Corporation individually, or any firm of which any director or officer may be a member, or any corporation or association of which any director or officer may be a director or officer or in which any director or officer may be interested as the holder of any amount of its stock or otherwise, may be a party to, or may be pecuniarily or otherwise interested in, any contract or transaction of the Corporation, and, in the absence of fraud, no contract or other transaction shall be thereby affected or invalidated; provided, however, that

(i) such fact shall have been disclosed or shall have been known to the Board of Directors or the committee thereof that approved such contract or transaction and such contract or transaction shall have been approved or satisfied by the affirmative vote of a majority of the disinterested directors, or (ii) such fact shall have been disclosed or shall have been known to the stockholders entitled to vote, and such contract or transaction shall have been approved or ratified by a majority of the votes cast by the stockholders entitled to vote, other than the votes of shares owned of record or beneficially by the interested director or corporation, firm or other entity, or (iii) the contract or transaction is fair and reasonable to the Corporation. Any director of the Corporation who is also a director or officer of or interested in such other corporation or association, or who, or the firm of which he or she is a member, is so interested, may be counted in determining the existence of a quorum at any meeting of the Board of Directors of the Corporation which shall authorize any such contract or transaction, with like force and effect as if he or she were not such director or officer of such other corporation or association or were not so interested or were not a member of a firm so interested.

(d)The enumeration and definition of particular powers of the Board of Directors included in the foregoing provisions of this Article VIII shall in no way be limited or restricted by reference to or inference from the terms of any other clause of this or any other Article of this Charter, or construed as or deemed by inference or otherwise in any manner to exclude or limit any powers conferred upon the Board of Directors under the general laws of the State of Maryland now or hereafter in force.

ARTICLE IX

INDEMNIFICATION

This Corporation shall indemnify, in the manner and to the fullest extent permitted by law, any person (or the estate of any person) who is or was a party to, or is threatened to be made a party to, any threatened, pending or completed action, suit or proceeding, whether or not by or in the right of this Corporation, and whether civil, criminal, administrative, investigative or otherwise, by reason of the fact that such person is or was a director or officer of this Corporation or, while a director or officer, is or was serving at the request of this Corporation as a director, officer, agent, trustee, partner or employee of another corporation, partnership, joint venture, limited liability company, trust, real estate investment trust, employee benefit plan or other enterprise. To the fullest extent permitted by law, the indemnification provided herein shall include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement and any such expenses may be paid by this Corporation in advance of the final disposition of such action, suit or proceeding and without requiring a preliminary determination as to the ultimate entitlement to indemnification. Any repeal or modification of this Article IX shall not result in any liability for a director with respect to any action or omission occurring prior to such repeal or modification.

This Corporation may, to the fullest extent permitted by law, purchase and maintain insurance on behalf of any such person against any liability which may be asserted against such person.

The indemnification provided herein shall not be deemed to limit the right of this Corporation to indemnify any other person for any such expenses to the fullest extent permitted by law, nor shall it be deemed exclusive of any other rights to which any person seeking indemnification from this Corporation may be entitled under any agreement, vote of stockholders or disinterested directors, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office.

ARTICLE X

LIMITATION ON LIABILITY

To the fullest extent permitted by Maryland statutory or decisional law, as amended or interpreted from time to time, no director or officer of this Corporation shall be personally liable to this Corporation or its stockholders, or any of them, for money damages. Neither the amendment or the repeal of this Article X, nor the adoption of any other provision in these Articles inconsistent with this Article X, shall eliminate or reduce the protection afforded by this Article X to a director or officer of this Corporation with respect to any matter which occurred, or any cause of action, suit or claim which but for this Article X would have accrued or arisen, prior to such amendment, repeal or adoption.

ARTICLE XI

AMENDMENTS

The Corporation reserves the right from time to time to make any amendment to the Charter, now or hereafter authorized by law, including any amendment altering the terms or contract rights, as expressly set forth in the Charter, of any shares of outstanding stock. All rights and powers conferred by the Charter on stockholders, directors and officers are granted subject to this reservation.

ARTICLE XII

PREEMPTIVE RIGHTS; RIGHTS OF OBJECTING STOCKHOLDERS

No holder of shares of stock of any class shall have any preemptive right to subscribe to or purchase any additional shares of any class, or any bonds or convertible securities of any nature; provided, however, that the Board of Directors may, in authorizing the issuance of shares of stock of any class, confer any preemptive right that the Board of Directors may deem advisable in connection with such issuance. No holder of shares of stock of any class or any other securities of the Corporation, whether now or hereafter authorized, shall be entitled to exercise the rights of an objecting stockholder under Title 3, Subtitle 2 of the Maryland General Corporation Law.

[SIGNATURE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation and acknowledges the same to be his act on this 1st day of July, 2021.

/s/ Douglas M. Fox
Douglas M. Fox, Sole Incorporator

ORION OFFICE REIT INC.

BYLAWS

ARTICLE I

OFFICES

Section 1. PRINCIPAL OFFICE. The principal office of the Corporation in the State of Maryland shall be located at such place as the Board of Directors may designate.

Section 2. ADDITIONAL OFFICES. The Corporation may have additional offices, including a principal executive office, at such places as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. PLACE. All meetings of stockholders shall be held at the principal executive office of the Corporation or at such other place as shall be set in accordance with these Bylaws and stated in the notice of the meeting.

Section 2. ANNUAL MEETING. An annual meeting of stockholders for the election of directors and the transaction of any business within the powers of the Corporation shall be held on the date and at the time and place set by the Board of Directors.

Section 3. SPECIAL MEETINGS.

(a) General. The Board of Directors may call a special meeting of stockholders. Except as provided in subsection (b)(4) of this Section 3, a special meeting of stockholders shall be held on the date and at the time and place set by the Board of Directors. Subject to subsection (b) of this Section 3, a special meeting of stockholders shall also be called by the secretary of the Corporation to act on any matter that may properly be considered at a meeting of stockholders upon the written request of stockholders entitled to cast not less than a majority of all the votes entitled to be cast on such matter at such meeting.

(b) Stockholder-Requested Special Meetings. (1) Any stockholder of record seeking to have stockholders request a special meeting shall, by sending written notice to the secretary (the "Record Date Request Notice") by registered mail, return receipt requested, request the Board of Directors to fix a record date to determine the stockholders entitled to request a special meeting (the "Request Record Date"). The Record Date Request Notice shall set forth the purpose of the meeting and the matters proposed to be acted on at it, shall be signed by one or more stockholders of record as of the date of signature (or their agents duly authorized in a writing accompanying the Record Date Request Notice), shall bear the date of signature of each such stockholder (or such agent) and shall set forth all information relating to each such stockholder and each matter proposed to be acted on at the meeting that would be required to be disclosed in connection with the solicitation of proxies for the election of directors in an election contest (even if an election contest is not involved), or would otherwise be required in connection with such a solicitation, in each case pursuant to Regulation 14A (or any successor provision) under the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the "Exchange Act"). Upon receiving the Record Date Request Notice, the Board of Directors may fix a Request Record Date. The Request Record Date shall not precede and shall not be more than ten days after the close of business on the date on which the resolution fixing the Request Record Date is adopted by the Board of Directors. If the Board of Directors, within ten days after the date on which a valid Record Date Request Notice is received, fails to adopt a resolution fixing the Request Record Date, the Request Record Date shall be the close of business on the tenth day after the first date on which a Record Date Request Notice is received by the secretary.

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(2)In order for any stockholder to request a special meeting to act on any matter that may properly be considered at a meeting of stockholders, one or more written requests for a special meeting (collectively, the "Special Meeting Request") signed by stockholders of record (or their agents duly authorized in a writing accompanying the request) as of the Request Record Date entitled to cast not less than a majority of all of the votes entitled to be cast on such matter at such meeting (the "Special Meeting Percentage") shall be delivered to the secretary. In addition, the Special Meeting Request shall (a) set forth the purpose of the meeting and the matters proposed to be acted on at it (which shall be limited to those lawful matters set forth in the Record Date Request Notice received by the secretary), (b) bear the date of signature of each such stockholder (or such agent) signing the Special Meeting Request, (c) set forth (i) the name and address, as they appear in the Corporation's books, of each stockholder signing such request (or on whose behalf the Special Meeting Request is signed), (ii) the class, series and number of all shares of stock of the Corporation which are owned (beneficially or of record) by each such stockholder and (iii) the nominee holder for, and number of, shares of stock of the Corporation owned beneficially but not of record by such stockholder, (d) be sent to the secretary by registered mail, return receipt requested, and (e) be received by the secretary within 60 days after the Request Record Date. Any requesting stockholder (or agent duly authorized in a writing accompanying the revocation of the Special Meeting Request) may revoke his, her or its request for a special meeting at any time by written revocation delivered to the secretary.

(3)The secretary shall inform the requesting stockholders of the reasonably estimated cost of preparing and mailing or delivering the notice of the meeting (including the Corporation's proxy materials). The secretary shall not be required to call a special meeting upon stockholder request and such meeting shall not be held unless, in addition to the documents required by paragraph (2) of this Section 3(b), the secretary receives payment of such reasonably estimated cost prior to the preparation and mailing or delivery of such notice of the meeting.

(4)In the case of any special meeting called by the secretary upon the request of stockholders (a "Stockholder-Requested Meeting"), such meeting shall be held at such place, date and time as may be designated by the Board of Directors; *provided*, however, that the date of any Stockholder-Requested Meeting shall be not more than 90 days after the record date for such meeting (the "Meeting Record Date"); and *provided further* that if the Board of Directors fails to designate, within ten days after the date that a valid Special Meeting Request is actually received by the secretary (the "Delivery Date"), a date and time for a Stockholder-Requested Meeting, then such meeting shall be held at 2:00 p.m., Eastern Time, on the 90th day after the Meeting Record Date or, if such 90th day is not a Business Day (as defined below), on the first preceding Business Day; and *provided further* that in the event that the Board of Directors fails to designate a place for a Stockholder-Requested Meeting within ten days after the Delivery Date, then such meeting shall be held at the principal executive office of the Corporation. In fixing a date for a Stockholder-Requested Meeting, the Board of Directors may consider such factors as it deems relevant, including, without limitation, the nature of the matters to be considered, the facts and circumstances surrounding any request for the meeting and any plan of the Board of Directors to call an annual meeting or a special meeting. In the case of any Stockholder-Requested Meeting, if the Board of Directors fails to fix a Meeting Record Date that is a date within 30 days after the Delivery Date, then the close of business on the 30th day after the Delivery Date shall be the Meeting Record Date. The Board of Directors may revoke the notice for any Stockholder-Requested Meeting in the event that the requesting stockholders fail to comply with the provisions of paragraph (3) of this Section 3(b).

(5)If written revocations of the Special Meeting Request have been delivered to the secretary and the result is that stockholders of record (or their agents duly authorized in writing), as of the Request Record Date, entitled to cast less than the Special Meeting Percentage have delivered, and not revoked, requests for a special meeting on the matter to the secretary: (i) if the notice of meeting has not already been delivered, the secretary shall refrain from delivering the notice of the meeting and send to all

requesting stockholders who have not revoked such requests written notice of any revocation of a request for a special meeting on the matter, or (ii) if the notice of meeting has been delivered and if the secretary first sends to all requesting stockholders who have not revoked requests for a special meeting on the matter written notice of any revocation of a request for the special meeting and written notice of the Corporation's intention to revoke the notice of the meeting or for the chairman of the meeting to adjourn the meeting without action on the matter, (A) the secretary may revoke the notice of the meeting at any time before ten days before the commencement of the meeting or (B) the chairman of the meeting may call the meeting to order and adjourn the meeting from time to time without acting on the matter. Any request for a special meeting received after a revocation by the secretary of a notice of a meeting shall be considered a request for a new special meeting.

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(6)The chairman of the board, chief executive officer, president or Board of Directors may appoint regionally or nationally recognized independent inspectors of elections to act as the agent of the Corporation for the purpose of promptly performing a ministerial review of the validity of any purported Special Meeting Request received by the secretary. For the purpose of permitting the inspectors to perform such review, no such purported Special Meeting Request shall be deemed to have been received by the secretary until the earlier of (i) five Business Days after actual receipt by the secretary of such purported request and (ii) such date as the independent inspectors certify to the Corporation that the valid requests received by the secretary represent, as of the Request Record Date, stockholders of record entitled to cast not less than the Special Meeting Percentage. Nothing contained in this paragraph (6) shall in any way be construed to suggest or imply that the Corporation or any stockholder shall not be entitled to contest the validity of any request, whether during or after such five Business Day period, or to take any other action (including, without limitation, the commencement, prosecution or defense of any litigation with respect thereto, and the seeking of injunctive relief in such litigation).

(7)For purposes of these Bylaws, "Business Day" shall mean any day other than a Saturday, a Sunday or a day on which banking institutions in New York City are authorized or obligated by law or executive order to close.

Section 4. NOTICE. Not less than ten nor more than 90 days before each meeting of stockholders, the secretary shall give to each stockholder entitled to vote at such meeting and to each stockholder not entitled to vote who is entitled to notice of the meeting notice in writing or by electronic transmission stating the time and place of the meeting and, in the case of a special meeting or as otherwise may be required by any statute, the purpose for which the meeting is called, by mail, by presenting it to such stockholder personally, by leaving it at the stockholder's residence or usual place of business, by electronic transmission or by any other means permitted by Maryland law. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the stockholder at the stockholder's address as it appears on the records of the Corporation, with postage thereon prepaid. If transmitted electronically, such notice shall be deemed to be given when transmitted to the stockholder by an electronic transmission to any address or number of the stockholder at which the stockholder receives electronic transmissions. The Corporation may give a single notice to all stockholders who share an address, which single notice shall be effective as to any stockholder at such address, unless a stockholder at such address objects to receiving such single notice or revokes a prior consent to receiving such single notice. Failure to give notice of any meeting to one or more stockholders, or any irregularity in such notice, shall not affect the validity of any meeting fixed in accordance with this Article II or the validity of any proceedings at any such meeting.

Subject to Section 11(a) of this Article II, any business of the Corporation may be transacted at an annual meeting of stockholders without being specifically designated in the notice, except such business as is required by any statute to be stated in such notice. No business shall be transacted at a special meeting of stockholders except as specifically designated in the notice. The Corporation may postpone or cancel a meeting of stockholders by making a public announcement (as defined in Section 11(c)(3) of this Article II) of such postponement or cancellation prior to the meeting. Notice of the date, time and place to which the meeting is postponed shall be given not less than ten days prior to such date and otherwise in the manner set forth in this section.

Section 5. ORGANIZATION AND CONDUCT. Every meeting of stockholders shall be conducted by an individual appointed by the Board of Directors to be chairman of the meeting or, in the absence of such appointment or appointed individual, by the chairman of the board or, in the case of a vacancy in the office or absence of the chairman of the board, by one of the following officers present at the meeting in the following order: the chief executive officer, the president, the vice presidents in their order of rank and, within each rank, in their order of seniority, the secretary, or, in the absence of such officers, a chairman chosen by the stockholders by the vote of a majority of the votes cast by stockholders present in person or by proxy. The secretary or, in the case of a vacancy in the office or absence of the secretary, an assistant secretary or an individual appointed by the Board of Directors or the chairman of the meeting shall act as secretary. In the event that the secretary presides at a meeting of stockholders, an assistant secretary, or, in the absence of all assistant secretaries, an individual appointed by the Board of Directors or the chairman of the meeting, shall record the minutes of the meeting. Even if present at the meeting, the person holding the office named herein may delegate to another person the power to act as chairman or secretary of the meeting. The order of business and all other matters of procedure at any meeting of stockholders shall be determined by the chairman of the meeting. The chairman of the meeting may prescribe such rules, regulations and procedures and take such action as, in the discretion of the chairman and without any action by the stockholders, are appropriate for the proper conduct of the meeting, including, without limitation, (a) restricting admission to the time set for the commencement of the meeting; (b) limiting attendance or participation at the meeting to stockholders of record of the Corporation, their duly authorized proxies and such other individuals as the chairman of the meeting may determine; (c) limiting the time allotted to questions or comments; (d) determining when and for how long the polls should be opened and when the polls should be closed and when announcement of the results should be made; (e) maintaining order and security at the meeting; (f) removing any stockholder or any other individual who refuses to comply with meeting procedures, rules or guidelines as set forth by the chairman of the meeting; (g) concluding a meeting or recessing or adjourning the meeting, whether or not a quorum is present, to a later date and time and at a place announced at the meeting; and (h) complying with any state and local laws and regulations concerning safety and security. Unless otherwise determined by the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with any rules of parliamentary procedure.

Section 6. QUORUM. At any meeting of stockholders, the presence in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast at such meeting on any matter shall constitute a quorum; but this section shall not affect any requirement under any statute or the charter of the Corporation (the "Charter") for the vote necessary for the approval of any matter. If such quorum is not established at any meeting of the stockholders, the chairman of the meeting may adjourn the meeting from time to time to a date not more than 120 days after the original record date without notice other than announcement at the meeting.

The stockholders present either in person or by proxy, at a meeting which has been duly called and at which a quorum has been established, may continue to transact business until adjournment, notwithstanding the withdrawal from the meeting of enough stockholders to leave fewer than would be required to establish a quorum.

Section 7. VOTING. A nominee for director shall be elected as a director only if such nominee receives the affirmative vote of a majority of the total votes cast for and against such nominee at a meeting of stockholders duly called and at which a quorum is present. However, directors shall be elected by a plurality of all the votes cast at a meeting of stockholders duly called and at which a quorum is present for which (i) the secretary of the Corporation receives notice that a stockholder has nominated an individual for election as a director in compliance with the requirements of advance notice of stockholder nominees for director set forth in Section 11 of this Article II of these Bylaws, and (ii) such nomination has not been withdrawn by such stockholder on or before the close of business on the tenth day before the date of filing of the definitive proxy statement of the Corporation with the Securities and Exchange Commission and, as a result of which, the number of nominees is greater than the number of directors to be elected at the meeting. Each share entitles the holder thereof to vote for as many individuals as there are directors to be elected and for whose election the holder is entitled to vote. A majority of the votes cast at a meeting of stockholders duly called and at which a quorum is present shall be sufficient to approve any other matter which may properly come before the meeting, unless more than a majority of the votes cast is required by statute or by the Charter or by these Bylaws. Unless otherwise provided by statute or by the Charter, each outstanding share of stock, regardless of class, entitles the holder thereof to cast one vote on each matter submitted to a vote at a meeting of stockholders. Voting

on any question or in any election may be *viva voce* unless the chairman of the meeting shall order that voting be by ballot or otherwise.

Section 8. PROXIES. A holder of record of shares of stock of the Corporation may cast votes in person or by proxy executed by the stockholder or by the stockholder's duly authorized agent in any manner permitted by applicable law. Such proxy or evidence of authorization of such proxy shall be filed with the secretary of the Corporation before or at the meeting. No proxy shall be valid more than eleven months after its date unless otherwise provided in the proxy.

Section 9. VOTING OF STOCK BY CERTAIN HOLDERS. Stock of the Corporation registered in the name of a corporation, limited liability company, partnership, joint venture, trust or other entity, if entitled to be voted, may be voted by the president or a vice president, managing member, manager, general partner or trustee thereof, as the case may be, or a proxy appointed by any of the foregoing individuals, unless some other person who has been appointed to vote such stock pursuant to a bylaw or a resolution of the governing body of such corporation or other entity or agreement of the partners of a partnership presents a certified copy of such bylaw, resolution or agreement, in which case such person may vote such stock. Any trustee or fiduciary, in such capacity, may vote stock registered in such trustee's or fiduciary's name, either in person or by proxy.

Shares of stock of the Corporation directly or indirectly owned by it shall not be voted at any meeting and shall not be counted in determining the total number of outstanding shares entitled to be voted at any given time, unless they are held by it in a fiduciary capacity, in which case they may be voted and shall be counted in determining the total number of outstanding shares at any given time.

The Board of Directors may adopt by resolution a procedure by which a stockholder may certify in writing to the Corporation that any shares of stock registered in the name of the stockholder are held for the account of a specified person other than the stockholder. The resolution shall set forth the class of stockholders who may make the certification, the purpose for which the certification may be made, the form of certification and the information to be contained in it; if the certification is with respect to a record date, the time after the record date within which the certification must be received by the Corporation; and any other provisions with respect to the procedure which the Board of Directors considers necessary or appropriate. On receipt by the secretary of the Corporation of such certification, the person specified in the certification shall be regarded as, for the purposes set forth in the certification, the holder of record of the specified stock in place of the stockholder who makes the certification.

Section 10. INSPECTORS. The Board of Directors or the chairman of the meeting may appoint, before or at the meeting, one or more inspectors for the meeting and any successor to the inspector. Except as otherwise provided by the chairman of the meeting, the inspectors, if any, shall (i) determine the number of shares of stock represented at the meeting, in person or by proxy, and the validity and effect of proxies, (ii) receive and tabulate all votes, ballots or consents, (iii) report such tabulation to the chairman of the meeting, (iv) hear and determine all challenges and questions arising in connection with the right to vote, and (v) do such acts as are proper to fairly conduct the election or vote. Each such report shall be in writing and signed by the inspector or by a majority of them if there is more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors. The report of the inspector or inspectors on the number of shares represented at the meeting and the results of the voting shall be *prima facie* evidence thereof.

Section 11. ADVANCE NOTICE OF STOCKHOLDER NOMINEES FOR DIRECTOR AND OTHER STOCKHOLDER PROPOSALS

(a) Annual Meetings of Stockholders.

(1)Nominations of individuals for election to the Board of Directors and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders (i) pursuant to the Corporation's notice of meeting, (ii) by or at the direction of the Board of Directors or (iii) by any stockholder of the Corporation 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 annual meeting, at the time of giving of notice by the stockholder as provided for in this Section 11(a) and at the time of the annual meeting (and any postponement or adjournment thereof), who is entitled to vote at the meeting in the election of each individual so nominated or on any such other business and who has complied with this Section 11(a).

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(2)For any nomination or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of paragraph (a)(1) of this Section 11, the stockholder must have given timely notice thereof in writing to the secretary of the Corporation and any such other business must otherwise be a proper matter for action by the stockholders. To be timely, a stockholder's notice shall set forth all information required under this Section 11 and shall be delivered to the secretary at the principal executive office of the Corporation 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 (as defined in Section 11(c)(3) of this Article II) for the preceding year's annual meeting; *provided, however*, that in connection with the Corporation's first annual meeting or 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, in order for notice by the stockholder to be timely, such notice must be so delivered not earlier than the 150th day prior to the date of such annual meeting and not later than 5:00 p.m., Eastern Time, on the later of the 120th day prior to the date of such annual meeting, as originally convened, or the tenth day following the day on which public announcement of the date of such meeting is first made. The public announcement of a postponement or adjournment of an annual meeting shall not commence a new time period for the giving of a stockholder's notice as described above.

(3) Such stockholder's notice shall set forth:

(i)as to each individual whom the stockholder proposes to nominate for election or reelection as a director (each, a "Proposed Nominee"), all information relating to the Proposed Nominee that would be required to be disclosed in connection with the solicitation of proxies for the election of the Proposed Nominee as a director in an election contest (even if an election contest is not involved), or would otherwise be required in connection with such solicitation, in each case pursuant to Regulation 14A (or any successor provision) under the Exchange Act;

(ii)as to any other business that the stockholder proposes to bring before the meeting, a description of such business, the stockholder's reasons for proposing such business at the meeting and any material interest in such business of such stockholder or any Stockholder Associated Person (as defined below), individually or in the aggregate, including any anticipated benefit to the stockholder or the Stockholder Associated Person therefrom;

(iii) as to the stockholder giving the notice, any Proposed Nominee and any Stockholder Associated Person,

(A)the class, series and number of all shares of stock or other securities of the Corporation or any affiliate thereof (collectively, the "Company Securities"), if any, which are owned (beneficially or of record) by such stockholder, Proposed Nominee or Stockholder Associated Person, the date on which each such Company Security was acquired and the investment intent of such acquisition, and any short interest (including any opportunity to profit or share in any benefit from any decrease in the price of such stock or other security) in any Company Securities of any such person,

(B)the nominee holder for, and number of, any Company Securities owned beneficially but not of record by such stockholder, Proposed Nominee or Stockholder Associated Person,

(C)whether and the extent to which such stockholder, Proposed Nominee or Stockholder Associated Person, directly or indirectly (through brokers, nominees or otherwise), is subject to or during the last six months has engaged in any hedging, derivative or other transaction or series of transactions or entered into any other agreement, arrangement or understanding (including any short interest, any borrowing or lending of securities or any proxy or voting agreement), the effect or intent of which is to (I) manage risk or benefit of changes in the price of Company Securities for such stockholder, Proposed Nominee or Stockholder Associated Person or (II) increase or decrease the voting power of such stockholder, Proposed Nominee or Stockholder Associated Person in the Corporation or any affiliate thereof disproportionately to such person's economic interest in the Company Securities and

(D)any substantial interest, direct or indirect (including, without limitation, any existing or prospective commercial, business or contractual relationship with the Corporation), by security holdings or otherwise, of such stockholder, Proposed Nominee or Stockholder Associated Person, in the Corporation or any affiliate thereof, other than an interest arising from the ownership of Company Securities where such stockholder, Proposed Nominee or Stockholder Associated Person receives no extra or special benefit not shared on a *pro rata* basis by all other holders of the same class or series;

(iv)as to the stockholder giving the notice, any Stockholder Associated Person with an interest or ownership referred to in clauses (ii) or (iii) of this paragraph (3) of this Section 11(a) and any Proposed Nominee,

(A)the name and address of such stockholder, as they appear on the Corporation's stock ledger, and the current name and business address, if different, of each such Stockholder Associated Person and any Proposed Nominee and

(B)the investment strategy or objective, if any, of such stockholder and each such Stockholder Associated Person who is not an individual and a copy of the prospectus, offering memorandum or similar document, if any, provided to investors or potential investors in such stockholder and each such Stockholder Associated Person;

(v)the name and address of any person who contacted or was contacted by the stockholder giving the notice or any Stockholder Associated Person about the Proposed Nominee or other business proposal; and

(vi)to the extent known by the stockholder giving the notice, the name and address of any other stockholder supporting the nominee for election or reelection as a director or the proposal of other business.

(4)Such stockholder's notice shall, with respect to any Proposed Nominee, be accompanied by a written undertaking executed by the Proposed Nominee (i) that such Proposed Nominee (a) is not, and will not become, a party to any agreement, arrangement or understanding with any person or entity other than the Corporation in connection with service or action as a director that has not been disclosed to the Corporation and (b) will serve as a director of the Corporation if elected; and (ii) attaching a completed Proposed Nominee questionnaire (which questionnaire shall be provided by the Corporation, upon request by the stockholder providing the notice, and shall include all information relating to the Proposed Nominee that would be required to be disclosed in connection with the solicitation of proxies for the election of the Proposed Nominee as a director in an election contest (even if an election contest is not involved), or would otherwise be required in connection with such solicitation, in each case pursuant to Regulation 14A (or any successor provision) under the Exchange Act, or would be required pursuant to the rules of any national securities exchange on which any securities of the Corporation are listed or over-the-counter market on which any securities of the Corporation are traded).

(5)Notwithstanding anything in this subsection (a) of this Section 11 to the contrary, in the event that the number of directors to be elected to the Board of Directors is increased, and there is no public announcement of such action at least 130 days prior to the first anniversary of the date of the proxy statement (as defined in Section 11(c)(3) of this Article II) for the preceding year's annual meeting, a stockholder's notice required by this Section 11(a) shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the secretary at the principal executive office of the Corporation not later than 5:00 p.m., Eastern Time, on the tenth day following the day on which such public announcement is first made by the Corporation.

(6)For purposes of this Section 11, "Stockholder Associated Person" of any stockholder shall mean (i) any person acting in concert with such stockholder, (ii) any beneficial owner of shares of stock of the Corporation owned of record or beneficially by such stockholder (other than a stockholder that is a depositary) and (iii) any person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such stockholder or such Stockholder Associated Person.

(b) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting and, except as contemplated by and in accordance with the next two sentences of this Section 11(b), no stockholder may nominate an individual for election to the Board of Directors or make a proposal of other business to be considered at a special meeting. Nominations of individuals for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected only (i) by or at the direction of the Board of Directors or (ii) provided that the special meeting has been called in accordance with Section 3(a) of this Article II for the purpose of electing directors, by any stockholder of the Corporation who is 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 special meeting, at the time of giving of notice provided for in this Section 11 and at the time of the special meeting (and any postponement or adjournment thereof), who is entitled to vote at the meeting in the election of each individual so nominated and who has complied with the notice procedures set forth in this Section 11. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more individuals to the Board of Directors, any stockholder may nominate an individual or individuals (as the case may be) for election as a director as specified in the Corporation's notice of meeting, if the stockholder's notice, containing the information required by paragraphs (a)(3) and (4) of this Section 11, is delivered to the secretary at the principal executive office of the Corporation not earlier than the 120th day prior to such special meeting and not later than 5:00 p.m., Eastern Time, on the later of the 90th day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. The public announcement of a postponement or adjournment of a special meeting shall not commence a new time period for the giving of a stockholder's notice as described above.

(c) General. (1) If information submitted pursuant to this Section 11 by any stockholder proposing a nominee for election as a director or any proposal for other business at a meeting of stockholders shall be inaccurate in any material respect, such information may be deemed not to have been provided in accordance with this Section 11. Any such stockholder shall notify the Corporation of any inaccuracy or change (within two Business Days of becoming aware of such inaccuracy or change) in any such information. Upon written request by the secretary or the Board of Directors, any such stockholder shall provide, within five Business Days of delivery of such request (or such other period as may be specified in such request), (A) written verification, satisfactory, in the discretion of the Board of Directors or any authorized officer of the Corporation, to demonstrate the accuracy of any information submitted by the stockholder pursuant to this Section 11, and (B) a written update of any information (including, if requested by the Corporation, written confirmation by such stockholder that it continues to intend to bring such nomination or other business proposal before the meeting) submitted by the stockholder pursuant to this Section 11 as of an earlier date. If a stockholder fails to provide such written verification or written update within such period, the information as to which written verification or a written update was requested may be deemed not to have been provided in accordance with this Section 11.

(2)Only such individuals who are nominated in accordance with this Section 11 shall be eligible for election by stockholders as directors, and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with this Section 11. The chairman of the meeting shall have the power to determine whether a nomination or any other business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with this Section 11.

(3)For purposes of this Section 11, "the date of the proxy statement" shall have the same meaning as "the date of the company's proxy statement released to shareholders" as used in Rule 14a-8(e) promulgated under the Exchange Act, as interpreted by the Securities and Exchange Commission from time to time. "Public announcement" shall mean disclosure (A) in a press release reported by the Dow Jones News Service, Associated Press, Business Wire, PR Newswire or other widely circulated news or wire service or (B) in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to the Exchange Act.

(4)Notwithstanding the foregoing provisions of this Section 11, a stockholder shall also comply with all applicable requirements of state law and of the Exchange Act with respect to the matters set forth in this Section 11. Nothing in this Section 11 shall be deemed to affect any right of a stockholder to request inclusion of a proposal in, or the right of the Corporation to omit a proposal from, any proxy statement filed by the Corporation with the Securities and Exchange Commission pursuant to Rule 14a-8 (or any successor provision) under the Exchange Act. Nothing in this Section 11 shall require disclosure of revocable proxies received by the stockholder or Stockholder Associated Person pursuant to a solicitation of proxies after the filing of an effective Schedule 14A by such stockholder or Stockholder Associated Person under Section 14(a) of the Exchange Act.

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(5) Notwithstanding anything in these Bylaws to the contrary, except as otherwise determined by the chairman of the meeting, if the stockholder giving notice as provided for in this Section 11 does not appear in person or by proxy at such annual or special meeting to present each nominee for election as a director or the proposed business, as applicable, such matter shall not be considered at the meeting.

Section 12. CONTROL SHARE ACQUISITION ACT. Notwithstanding any other provision of the Charter or these Bylaws, Title 3, Subtitle 7 of the Maryland General Corporation Law, or any successor statute (the "MGCL"), shall not apply to any acquisition by any person of shares of stock of the Corporation. This section may be repealed, in whole or in part, at any time, whether before or after an acquisition of control shares and, upon such repeal, may, to the extent provided by any successor bylaw, apply to any prior or subsequent control share acquisition.

ARTICLE III

DIRECTORS

Section 1. GENERAL POWERS. The business and affairs of the Corporation shall be managed under the direction of the Board of Directors.

Section 2. NUMBER, TENURE AND RESIGNATION. A majority of the entire Board of Directors may establish, increase or decrease the number of directors, provided that the number thereof shall never be less than the minimum number required by the MGCL, nor more than 15, and further provided that the tenure of office of a director shall not be affected by any decrease in the number of directors. Any director of the Corporation may resign at any time by delivering his or her resignation to the Board of Directors, the chairman of the board or the secretary. Any resignation shall take effect immediately upon its receipt or at such later time specified in the resignation. The acceptance of a resignation shall not be necessary to make it effective unless otherwise stated in the resignation.

Section 3. ANNUAL AND REGULAR MEETINGS. An annual meeting of the Board of Directors shall be held immediately after and at the same place as the annual meeting of stockholders, no notice other than this Bylaw being necessary. In the event such meeting is not so held, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors. The Board of Directors may provide, by resolution, the time and place of regular meetings of the Board of Directors without other notice than such resolution.

Section 4. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the chairman of the board, the chief executive officer, the president or a majority of the directors then in office. The person or persons authorized to call special meetings of the Board of Directors may fix the time and place of any special meeting of the Board of Directors called by them. The Board of Directors may provide, by resolution, the time and place of special meetings of the Board of Directors without other notice than such resolution.

Section 5. NOTICE. Notice of any special meeting of the Board of Directors shall be delivered personally or by telephone, electronic mail, facsimile transmission, courier or United States mail to each director at his or her business or residence address. Notice by personal delivery, telephone, electronic mail or facsimile transmission shall be given at least 24 hours prior to the meeting. Notice by United States mail shall be given at least three days prior to the meeting. Notice by courier shall be given at least two days prior to the meeting. Telephone notice shall be deemed to be given when the director or his or her agent is personally given such notice in a telephone call to which the director or his or her agent is a party. Electronic mail notice shall be deemed to be given upon transmission of the message to the electronic mail address given to the Corporation by the director. Facsimile transmission notice shall be deemed to be given upon completion of the transmission of the message to the number given to the Corporation by the director and receipt of a completed answer-back indicating receipt. Notice by United States mail shall be deemed to be given when deposited in the United States mail properly addressed, with postage thereon prepaid. Notice by courier shall be deemed to be given when deposited with or delivered to a courier properly addressed. Neither the business to be transacted at, nor the purpose of, any annual, regular or special meeting of the Board of Directors need be stated in the notice, unless specifically required by statute or these Bylaws.

Section 6. QUORUM. A majority of the directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided that, if less than a majority of such directors is present at such meeting, a majority of the directors present may adjourn the meeting from time to time without further notice, and provided further that if, pursuant to applicable law, the Charter or these Bylaws, the vote of a majority or other percentage of a specified group of directors is required for action, a quorum must also include a majority or such other percentage of such group.

The directors present at a meeting which has been duly called and at which a quorum has been established may continue to transact business until adjournment, notwithstanding the withdrawal from the meeting of enough directors to leave fewer than required to establish a quorum.

Section 7. VOTING. The action of a majority of the directors present at a meeting at which a quorum is present shall be the action of the Board of Directors, unless the concurrence of a greater proportion is required for such action by applicable law, the Charter or these Bylaws. If enough directors have withdrawn from a meeting to leave fewer than required to establish a quorum, but the meeting is not adjourned, the action of the majority of that number of directors necessary to constitute a quorum at such meeting shall be the action of the Board of Directors, unless the concurrence of a greater proportion is required for such action by applicable law, the Charter or these Bylaws.

Section 8. ORGANIZATION. At each meeting of the Board of Directors, the chairman of the board shall act as chairman of the meeting. In the absence of the chairman of the board, the chief executive officer or, in the absence of the chief executive officer, the president or, in the absence of the president, a director chosen by a majority of the directors present, shall act as chairman of the meeting. The secretary or, in his or her absence, an assistant secretary of the Corporation, or, in the absence of the secretary and all assistant secretaries, an individual appointed by the chairman of the meeting, shall act as secretary of the meeting.

Section 9. TELEPHONE MEETINGS. Directors may participate in a meeting by means of a conference telephone or other communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

Section 10. CONSENT BY DIRECTORS WITHOUT A MEETING. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, if a consent in writing or by electronic transmission to such action is given by each director and is filed with the minutes of proceedings of the Board of Directors.

Section 11. VACANCIES. If for any reason any or all of the directors cease to be directors, such event shall not terminate the Corporation or affect these Bylaws or the powers of the remaining directors hereunder. Except as may be provided by the Board of Directors in setting the terms of any class or series of preferred stock, any vacancy on the Board of Directors may be filled only by a majority of the remaining directors, even if the remaining directors do not constitute a quorum. Any director elected to fill a vacancy shall serve for the remainder of the full term of the class in which the vacancy occurred and until a successor is elected and qualifies.

Section 12. COMPENSATION. Directors shall not receive any stated salary for their services as directors but, by resolution of the Board of Directors, may receive compensation per year and/or per meeting and/or per visit to real property or other facilities owned or leased by the Corporation and for any service or activity they performed or engaged in as directors. Directors may be reimbursed for expenses of attendance, if any, at each annual, regular or special meeting of the Board of Directors or of any committee thereof and for their expenses, if any, in connection with each property visit and any other service or activity they perform or engage in as directors; but nothing herein contained shall be construed to preclude any directors from serving the Corporation in any other capacity and receiving compensation therefor.

Section 13. RELIANCE. Each director and officer of the Corporation shall, in the performance of his or her duties with respect to the Corporation, be entitled to rely on any information, opinion, report or statement, including any financial statement or other financial data, prepared or presented by an officer or employee of the Corporation whom the director or officer reasonably believes to be reliable and competent in the matters presented, by a lawyer, certified public accountant or other person, as to a matter which the director or officer reasonably believes to be within the person's professional or expert competence, or, with respect to a director, by a committee of the Board of Directors on which the director does not serve, as to a matter within its designated authority, if the director reasonably believes the committee to merit confidence.

Section 14. RATIFICATION. The Board of Directors or the stockholders may ratify any act, omission, failure to act or determination made not to act (an "Act") by the Corporation or its officers to the extent that the Board of Directors or the stockholders could have originally authorized the Act and, if so ratified, such Act shall have the same force and effect as if originally duly authorized, and such ratification shall be binding upon the Corporation and its stockholders. Any Act questioned in any proceeding on the ground of lack of authority, defective or irregular execution, adverse interest of a director, officer or stockholder, non-disclosure, miscomputation, the application of improper principles or practices of accounting or otherwise, may be ratified, before or after judgment, by the Board of Directors or by the stockholders, and such ratification shall constitute a bar to any claim or execution of any judgment in respect of such questioned Act.

Section 15. CERTAIN RIGHTS OF DIRECTORS. Any director, in his or her personal capacity or in a capacity as an affiliate, employee, or agent of any other person, or otherwise, may have business interests and engage in business activities similar to, in addition to or in competition with those of or relating to the Corporation.

Section 16. EMERGENCY PROVISIONS. Notwithstanding any other provision in the Charter or these Bylaws, this Section 16 shall apply during the existence of any catastrophe, or other similar emergency condition, as a result of which a quorum of the Board of Directors under Article III of these Bylaws cannot readily be obtained (an "Emergency"). During any Emergency, unless otherwise provided by the Board of Directors, (i) a meeting of the Board of Directors or a committee thereof may be called by any director or officer by any means feasible under the circumstances; (ii) notice of any meeting of the Board of Directors during such an Emergency may be given less than 24 hours prior to the meeting to as many directors and by such means as may be feasible at the time, including publication, television or radio; and (iii) the number of directors necessary to constitute a quorum shall be one-third of the entire Board of Directors.

ARTICLE IV

COMMITTEES

Section 1. NUMBER, TENURE AND QUALIFICATIONS. The Board of Directors may appoint from among its members an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee and one or more other committees, composed of one or more directors, to serve at the pleasure of the Board of Directors. In the absence of any member of any such committee, the members thereof present at any meeting, whether or not they constitute a quorum, may appoint another director to act in the place of such absent member.

Section 2. POWERS. The Board of Directors may delegate to any committee appointed under Section 1 of this Article any of the powers of the Board of Directors, except as prohibited by law. Except as may be otherwise provided by the Board of Directors, any committee may delegate some or all of its power and authority to one or more subcommittees, composed of one or more directors, as the committee deems appropriate in its sole discretion.

Section 3. MEETINGS. Notice of committee meetings shall be given in the same manner as notice for special meetings of the Board of Directors. A majority of the members of the committee shall constitute a quorum for the transaction of business at any meeting of the committee. The act of a majority of the committee members present at a meeting shall be the act of such committee. The Board of Directors may designate a chairman of any committee, and such chairman or, in the absence of a chairman, any two members of any committee (if there are at least two members of the committee) may fix the time and place of its meeting unless the Board shall otherwise provide.

Section 4. TELEPHONE MEETINGS. Members of a committee of the Board of Directors may participate in a meeting by means of a conference telephone or other communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

Section 5. CONSENT BY COMMITTEES WITHOUT A MEETING. Any action required or permitted to be taken at any meeting of a committee of the Board of Directors may be taken without a meeting, if a consent in writing or by electronic transmission to such action is given by each member of the committee and is filed with the minutes of proceedings of such committee.

Section 6. VACANCIES. Subject to the provisions hereof, the Board of Directors shall have the power at any time to change the membership of any committee, to

appoint the chair of any committee, to fill any vacancy, to designate an alternate member to replace any absent or disqualified member or to dissolve any such committee.

ARTICLE V

OFFICERS

Section 1. GENERAL PROVISIONS. The officers of the Corporation shall include a president, a secretary and a treasurer and may include a chairman of the board, a chief executive officer, one or more vice presidents, a chief investment officer, a chief financial officer, a chief operating officer, one or more assistant secretaries and one or more assistant treasurers. In addition, the Board of Directors may from time to time elect such other officers with such powers and duties as it shall deem necessary or appropriate. The officers of the Corporation, including any officers elected to fill a vacancy among the officers, shall be elected by the Board of Directors, except that the chief executive officer or the president may from time to time appoint one or more vice presidents, assistant secretaries and assistant treasurers or any other officers. Each officer shall for the term specified by the Board of Directors or appointing officer or, if no such term is specified, serve until his or her successor is elected and qualifies or until his or her death, or his or her resignation or removal in the manner hereinafter provided. Any two or more offices except president and vice president may be held by the same person. Election of an officer or agent shall not of itself create contract rights between the Corporation and such officer or agent.

Section 2. REMOVAL AND RESIGNATION . Any officer or agent of the Corporation may be removed, with or without cause, by the Board of Directors if in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any officer of the Corporation may resign at any time by delivering his or her resignation to the Board of Directors, the chairman of the board, the chief executive officer, the president or the secretary. Any resignation shall take effect immediately upon its receipt or at such later time specified in the resignation. The acceptance of a resignation shall not be necessary to make it effective unless otherwise stated in the resignation. Such resignation shall be without prejudice to the contract rights, if any, of the Corporation.

Section 3. VACANCIES. A vacancy in any office may be filled by the Board of Directors for the balance of the term.

Section 4. CHAIRMAN OF THE BOARD. The Board of Directors may designate from among its members a chairman of the board, who shall not, solely by reason of these Bylaws, be an officer of the Corporation. The Board of Directors may designate the chairman of the board as an executive or non-executive chairman. The chairman of the board shall preside over the meetings of the Board of Directors. The chairman of the board shall perform such other duties as may be assigned to him or her by these Bylaws or the Board of Directors.

Section 5. CHIEF EXECUTIVE OFFICER. The Board of Directors may designate a chief executive officer. In the absence of such designation, the chairman of the board shall be the chief executive officer of the Corporation. The chief executive officer shall have general responsibility for implementation of the policies of the Corporation, as determined by the Board of Directors, and for the management of the business and affairs of the Corporation. He or she may execute any deed, mortgage, bond, contract or other instrument, except in cases where the execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation or shall be required by law to be otherwise executed; and in general shall perform all duties incident to the office of chief executive officer and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. PRESIDENT. In the absence of a chief executive officer, the president shall in general supervise and control all of the business and affairs of the Corporation. He or she may execute any deed, mortgage, bond, contract or other instrument, except in cases where the execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation or shall be required by law to be otherwise executed; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.

Section 7. CHIEF FINANCIAL OFFICER. The Board of Directors may designate a chief financial officer. The chief financial officer shall have the responsibilities and duties as determined by the Board of Directors or the chief executive officer.

Section 8. CHIEF INVESTMENT OFFICER. The Board of Directors may designate a chief investment officer. The chief investment officer shall have the responsibilities and duties as determined by the Board of Directors or the chief executive officer.

Section 9. VICE PRESIDENTS. In the absence of the president or in the event of a vacancy in such office, the vice president (or in the event there be more than one vice president, the vice presidents in the order designated at the time of their election or, in the absence of any designation, then in the order of their election) shall perform the duties of the president and when so acting shall have all the powers of and be subject to all the restrictions upon the president; and shall perform such other duties as from time to time may be assigned to such vice president by the chief executive officer, the president or the Board of Directors. The Board of Directors may designate one or more vice presidents as executive vice president, senior vice president, or vice president for particular areas of responsibility.

Section 10. SECRETARY. The secretary shall (a) keep the minutes of the proceedings of the stockholders, the Board of Directors and committees of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the Corporation; (d) keep a register of the post office address of each stockholder which shall be furnished to the secretary by such stockholder; (e) have general charge of the stock transfer books of the Corporation; and (f) in general perform such other duties as from time to time may be assigned to him or her by the chief executive officer, the president or the Board of Directors.

Section 11. TREASURER. The treasurer shall have the custody of the funds and securities of the Corporation, shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation, shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors and in general perform such other duties as from time to time may be assigned to him or her by the chief executive officer, the president or the Board of Directors. In the absence of a designation of a chief financial officer by the Board of Directors, the treasurer shall be the chief financial officer of the Corporation.

The treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the president and Board of Directors, at the regular meetings of the Board of Directors or whenever it may so require, an account of all his or her transactions as treasurer and of the financial condition of the Corporation.

Section 12. CHIEF OPERATING OFFICER. The Board of Directors may designate a chief operating officer. The chief operating officer shall have the responsibilities and duties as determined by the Board of Directors or the chief executive officer.

Section 13. ASSISTANT SECRETARIES AND ASSISTANT TREASURERS. The assistant secretaries and assistant treasurers, in general, shall perform such duties as shall be assigned to them by the secretary or treasurer, respectively, or by the chief executive officer, the president or the Board of Directors.

Section 14. COMPENSATION. The compensation of the officers shall be fixed from time to time by or under the authority of the Board of Directors and no officer shall be prevented from receiving such compensation by reason of the fact that he or she is also a director.

ARTICLE VI

CONTRACTS, CHECKS AND DEPOSITS

Section 1. CONTRACTS. The Board of Directors may authorize any officer or agent to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances. Any agreement, deed, mortgage, lease or other document shall be valid and binding upon the Corporation when duly authorized or ratified by action of the Board of Directors and executed by an authorized person.

Section 2. CHECKS AND DRAFTS. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or agent of the Corporation in such manner as shall from time to time be determined by the Board of Directors.

Section 3. DEPOSITS. All funds of the Corporation not otherwise employed shall be deposited or invested from time to time to the credit of the Corporation as the Board of Directors, the chief executive officer, the president, the chief financial officer or any other officer designated by the Board of Directors may determine.

ARTICLE VII

STOCK

Section 1. CERTIFICATES. Except as may be otherwise provided by the Board of Directors or any officer of the Corporation, stockholders of the Corporation are not entitled to certificates representing the shares of stock held by them. In the event that the Corporation issues shares of stock represented by certificates, such certificates shall be in such form as prescribed by the Board of Directors or a duly authorized officer, shall contain the statements and information required by the MGCL and shall be signed by the officers of the Corporation in any manner permitted by the MGCL. In the event that the Corporation issues shares of stock without certificates, to the extent then required by the MGCL the Corporation shall provide to the record holders of such shares a written statement of the information required by the MGCL to be included on stock certificates. There shall be no difference in the rights and obligations of stockholders based on whether or not their shares are represented by certificates.

Section 2. TRANSFERS. All transfers of shares of stock shall be made on the books of the Corporation in such manner as the Board of Directors or any officer of the Corporation may prescribe and, if such shares are certificated, upon surrender of certificates duly endorsed. The issuance of a new certificate upon the transfer of certificated shares is subject to the determination of the Board of Directors or an officer of the Corporation that such shares shall no longer be represented by certificates. Upon the transfer of any uncertificated shares, the Corporation shall provide to the record holders of such shares, to the extent then required by the MGCL, a written statement of the information required by the MGCL to be included on stock certificates.

The Corporation shall be entitled to treat the holder of record of any share of stock as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise expressly provided by the laws of the State of Maryland.

Notwithstanding the foregoing, transfers of shares of any class or series of stock will be subject in all respects to the Charter and all of the terms and conditions contained therein.

Section 3. REPLACEMENT CERTIFICATE. Any officer of the Corporation may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost, destroyed, stolen or mutilated, upon the making of an affidavit of that fact by the person claiming the certificate to be lost, destroyed, stolen or mutilated; provided, however, if such shares have ceased to be certificated, no new certificate shall be issued unless requested in writing by such stockholder and the Board of Directors or an officer of the Corporation has determined that such certificates may be issued. Unless otherwise determined by an officer of the Corporation, the owner of such lost, destroyed, stolen or mutilated certificate or certificates, or his or her legal representative, shall be required, as a condition precedent to the issuance of a new certificate or certificates, to give the Corporation a bond in such sums as it may direct as indemnity against any claim that may be made against the Corporation.

Section 4. FIXING OF RECORD DATE. The Board of Directors may set, in advance, a record date for the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders or determining stockholders entitled to receive payment of any dividend or the allotment of any other rights, or in order to make a determination of stockholders for any other proper purpose. Such record date, in any case, shall not be prior to the close of business on the day the record date is fixed and shall be not more than 90 days and, in the case of a meeting of stockholders, not less than ten days, before the date on which the meeting or particular action requiring such determination of stockholders of record is to be held or taken.

When a record date for the determination of stockholders entitled to notice of or to vote at any meeting of stockholders has been set as provided in this section, such record date shall continue to apply to the meeting if postponed or adjourned, except if the meeting is postponed or adjourned to a date more than 120 days after the record date originally fixed for the meeting, in which case a new record date for such meeting shall be determined as set forth herein.

Section 5. STOCK LEDGER. The Corporation shall maintain at its principal office or at the office of its counsel, accountants or transfer agent, an original or duplicate stock ledger containing the name and address of each stockholder and the number of shares of each class held by such stockholder.

Section 6. FRACTIONAL STOCK; ISSUANCE OF UNITS. The Board of Directors may authorize the Corporation to issue fractional shares of stock or authorize the issuance of scrip, all on such terms and under such conditions as it may determine. Notwithstanding any other provision of the Charter or these Bylaws, the Board of Directors may authorize the issuance of units consisting of different securities of the Corporation.

ARTICLE VIII

ACCOUNTING YEAR

The Board of Directors shall have the power, from time to time, to fix the fiscal year of the Corporation by a duly adopted resolution.

ARTICLE IX

DISTRIBUTIONS

Section 1. AUTHORIZATION. Dividends and other distributions upon the stock of the Corporation may be authorized by the Board of Directors, subject to the provisions of law and the Charter. Dividends and other distributions may be paid in cash, property or stock of the Corporation, subject to the provisions of law and the Charter.

Section 2. CONTINGENCIES. Before payment of any dividend or other distribution, there may be set aside out of any assets of the Corporation available for dividends or other distributions such sum or sums as the Board of Directors may from time to time, in its sole discretion, think proper as a reserve fund for contingencies, for equalizing dividends, for repairing or maintaining any property of the Corporation or for such other purpose as the Board of Directors shall determine, and the Board of Directors may modify or abolish any such reserve.

ARTICLE X

SEAL

Section 1. SEAL. The Board of Directors may authorize the adoption of a seal by the Corporation. The seal shall contain the name of the Corporation and the year of its incorporation and the words "Incorporated Maryland." The Board of Directors may authorize one or more duplicate seals and provide for the custody thereof.

Section 2. AFFIXING SEAL. Whenever the Corporation is permitted or required to affix its seal to a document, it shall be sufficient to meet the requirements of any law, rule or regulation relating to a seal to place the word "(SEAL)" adjacent to the signature of the person authorized to execute the document on behalf of the Corporation.

ARTICLE XI

WAIVER OF NOTICE

Whenever any notice of a meeting is required to be given pursuant to the Charter or these Bylaws or pursuant to applicable law, a waiver thereof in writing or by electronic transmission, given by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at nor the purpose of any meeting need be set forth in the waiver of notice of such meeting, unless specifically required by statute. The attendance of any person at any meeting shall constitute a waiver of notice of such meeting, except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

ARTICLE XII

EXCLUSIVE FORUM FOR CERTAIN LITIGATION

Unless the Corporation consents in writing to the selection of an alternative forum, (a) the Circuit Court for Baltimore City, Maryland, or, if that Court does not have jurisdiction, the United States District Court for the District of Maryland, Northern Division, shall be the sole and exclusive forum for (i) any Internal Corporate Claim, as such term is defined in Section 1-101(p) of the MGCL, or any successor provision thereof, (ii) any derivative action or proceeding brought on behalf of the Corporation, other than actions arising under federal securities laws, (iii) any action asserting a claim of breach of any duty owed by any director or officer or other employee of the Corporation to the Corporation or to the stockholders of the Corporation, (iv) any action asserting a claim against the Corporation or any director or officer or other employee of the Corporation arising pursuant to any provision of the MGCL or the Charter or these Bylaws, or (v) any other action asserting a claim against the Corporation or any director or officer or other employee of the Corporation that is governed by the internal affairs doctrine; and (b) subject to the preceding provisions of this Article XII, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended. None of the foregoing actions, claims or proceedings the subject matter of which are within the scope of clause (a) of the immediately preceding sentence may be brought in any court sitting outside the State of Maryland unless the Corporation consents in writing to such court.

ARTICLE XIII

AMENDMENT OF BYLAWS

These Bylaws may be altered, amended or repealed, in whole or in part, and new Bylaws may be adopted by the Board of Directors. In addition, these Bylaws may be altered, amended or repealed, in whole or in part, and new Bylaws may be adopted by the stockholders of the Corporation, without the approval of the Board of Directors, by the affirmative vote of a majority of the votes entitled to be cast on the matter by stockholders entitled to vote generally in the election of directors.

ORION OFFICE REIT INC.

ARTICLES OF AMENDMENT AND RESTATEMENT

ORION OFFICE REIT INC., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland (the "SDAT") that:

FIRST: The Corporation desires to, and does hereby, amend and restate in its entirety the charter of the Corporation (the "Charter") as currently in effect pursuant to Section 2-609 of the Maryland General Corporation Law (the "MGCL").

SECOND: The following provisions are all the provisions of this Charter currently in effect and as hereinafter amended and restated:

ARTICLE I
NAME

The name of the corporation (the "Corporation") is: Orion Office REIT Inc.

ARTICLE II
PURPOSE

The purposes for which the Corporation is formed are to engage in any lawful act or activity (including, without limitation or obligation, engaging in business as a real estate investment trust (a "REIT") under the Internal Revenue Code of 1986, as amended, or any successor statute (the "Code")) for which corporations may be organized under the general laws of the State of Maryland as now or hereafter in force.

ARTICLE III
PRINCIPAL OFFICE IN STATE AND RESIDENT AGENT

The address of the principal office of the Corporation in the State of Maryland is c/o CSC-Lawyers Incorporating Service Company, 7 St. Paul Street, Suite 820, Baltimore, Maryland 21202. The name and address of the resident agent of the Corporation in Maryland are CSC-Lawyers Incorporating Service Company, 7 St. Paul Street, Suite 820, Baltimore, Maryland 21202. The resident agent is a Maryland corporation.

ARTICLE IV
PROVISIONS FOR DEFINING, LIMITING AND REGULATING CERTAIN POWERS OF THE CORPORATION AND OF THE STOCKHOLDERS AND DIRECTORS

Section 4.1 Number of Directors. The business and affairs of the Corporation shall be managed under the direction of the Board of Directors. The number of directors of the Corporation currently is 5, which number may be increased or decreased only by the Board of Directors pursuant to the Bylaws of the Corporation (the "Bylaws"), but shall never be less than the minimum number required by the Maryland General Corporation Law (the "MGCL"). The names of the directors who shall serve until the next annual meeting of stockholders and until their successors are duly elected and qualify are:

Kathleen R. Allen, Ph.D.

Reginald H. Gilyard

Richard Lieb

Paul H. McDowell

Gregory J. Whyte

Any vacancy on the Board of Directors may be filled in the manner provided in the Bylaws.

The Corporation elects, effective at such time as it becomes eligible under Section 3-802 of the MGCL to make the election provided for under Section 3-804(c) of the MGCL, that, except as may be provided by the Board of Directors in setting the terms of any class or series of stock, any and all vacancies on the Board of Directors may be filled only by the affirmative vote of a majority of the directors remaining in office, even if the remaining directors do not constitute a quorum, and any director elected to fill a vacancy shall serve for the remainder of the full term of the directorship in which such vacancy occurred and until a successor is elected and qualifies.

Section 4.2 Extraordinary Actions. Notwithstanding any provision of law requiring any action to be taken or approved by the affirmative vote of stockholders entitled to cast a greater proportion of votes, any such action shall be effective and valid if declared advisable by the Board of Directors and taken or approved by the affirmative vote of stockholders entitled to cast a majority of all the votes entitled to be cast on the matter.

Section 4.3 Authorization by Board of Stock Issuance. The Board of Directors may authorize the issuance from time to time of shares of stock of the Corporation of any class or series, whether now or hereafter authorized, or securities or rights convertible into shares of its stock of any class or series, whether now or hereafter authorized, for such consideration as the Board of Directors may deem advisable (or without consideration in the case of a stock split or stock dividend or for the purpose of qualifying as a REIT under the Code), subject to such restrictions or limitations, if any, as may be set forth in the charter of the Corporation (the "Charter") or the Bylaws.

Section 4.4 Preemptive and Appraisal Rights. Except as may be provided by the Board of Directors in setting the terms of classified or reclassified shares of stock pursuant to Section 5.4 or as may otherwise be provided by a contract approved by the Board of Directors, no holder of shares of stock of the Corporation shall, as such holder, have any preemptive right to purchase or subscribe for any additional shares of stock of the Corporation or any other security of the Corporation which it may issue or sell. Holders of shares of stock shall not be entitled to exercise any rights of an objecting stockholder provided for under Title 3, Subtitle 2 of the MGCL or any successor statute unless the Board of Directors upon such terms and conditions as may be specified by the Board of Directors, determines that such rights apply, with respect to all or any shares of all or any classes or series of stock, to one or more transactions occurring after the date of such determination in connection with which holders of such shares would otherwise be entitled to exercise such rights.

Section 4.5 Indemnification and Advance of Expenses. To the maximum extent permitted by Maryland law in effect from time to time, the Corporation shall

indemnify and, without requiring a preliminary determination of the ultimate entitlement to indemnification, shall pay or reimburse reasonable expenses in advance of final disposition of a proceeding to (a) any individual who is a present or former director or officer of the Corporation 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 and (b) any individual who, while a director or officer of the Corporation and at the request of the Corporation, serves or has served as a director, officer, partner, member, manager, trustee, employee or agent of another corporation, real estate investment trust, partnership, limited liability company, joint venture, trust, employee benefit plan or 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, in either case, from and against any claim or liability to which such person may become subject or which such person may incur by reason of his or her service in such capacity. The rights to indemnification and advance of expenses provided by the Charter shall vest immediately upon election of a director or officer. The Corporation may, with the approval of the Board of Directors, provide such indemnification and advance of expenses to an individual who served a predecessor of the Corporation in any of the capacities described in (a) or (b) above and to any employee or agent of the Corporation or a predecessor of the Corporation. The indemnification and payment or reimbursement of expenses provided in the Charter shall not be deemed exclusive of or limit in any way other rights to which any person seeking indemnification or payment or reimbursement of expenses may be or may become entitled under any bylaw, resolution, insurance, agreement or otherwise.

Neither the amendment nor repeal of this Section, nor the adoption or amendment of any other provision of the Charter or the Bylaws inconsistent with this Section, shall apply to or affect in any respect the applicability of the preceding paragraph with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

Section 4.6 Determinations by Board. The determination as to any of the following matters, made by or pursuant to the direction of the Board of Directors, shall be final and conclusive and shall be binding upon the Corporation and every holder of shares of its stock: the amount of the net income of the Corporation for any period and the amount of assets at any time legally available for the payment of dividends, acquisition of its stock or the payment of other distributions on its stock; the amount of paid-in surplus, net assets, other surplus, cash flow, funds from operations, adjusted funds from operations, net profit, net assets in excess of capital, undivided profits or excess of profits over losses on sales of assets; the amount, purpose, time of creation, increase or decrease, alteration or cancellation of any reserves or charges and the propriety thereof (whether or not any obligation or liability for which such reserves or charges shall have been created shall have been set aside, paid or discharged); any interpretation or resolution of any ambiguity with respect to any provision of the Charter (including any of the terms, preferences, conversion or other rights, voting powers or rights, restrictions, limitations as to dividends or other distributions, qualifications or terms or conditions of redemption of any shares of any class or series of stock of the Corporation) or of the Bylaws; the number of shares of stock of any class or series of the Corporation; the fair value, or any sale, bid or asked price to be applied in determining the fair value, of any asset owned or held by the Corporation or of any shares of stock of the Corporation; any matter relating to the acquisition, holding and disposition of any assets by the Corporation; any interpretation of the terms and conditions of one or more agreements with any person, corporation, association, company, trust, partnership (limited or general) or other entity; the compensation of directors, officers, employees or agents of the Corporation; or any other matter relating to the business and affairs of the Corporation or required or permitted by applicable law, the Charter or Bylaws or otherwise to be determined by the Board of Directors.

Section 4.7 REIT Qualification. If the Corporation elects to qualify for federal income tax treatment as a REIT, the Board of Directors shall use its reasonable best efforts to take such actions as it determines are necessary or appropriate to preserve the status of the Corporation as a REIT; however, if the Board of Directors determines that it is no longer in the best interests of the Corporation to attempt to, or continue to, qualify as a REIT, the Board of Directors may (or may cause the Corporation to) revoke or otherwise terminate the Corporation's REIT election pursuant to Section 856(g) of the Code. The Board of Directors, in its sole and absolute discretion, also may (a) determine that compliance with any restriction or limitation on stock ownership and transfers set forth in Article VI is no longer required for REIT qualification and (b) make any other determination or take any other action pursuant to Article VI.

Section 4.8 Removal of Directors. Subject to the rights of holders of shares of one or more classes or series of Preferred Stock (as defined below) to elect or remove one or more directors, any director, or the entire Board of Directors, may be removed from office at any time, but only for cause and then only by the affirmative vote of a majority of the votes entitled to be cast generally in the election of directors. For the purpose of this paragraph, "cause" shall mean, with respect to any particular director, (i) conviction of a felony, (ii) declaration of unsound mind by order of court, (iii) gross dereliction of duty, (iv) commission of any action involving moral turpitude or (v) commission of an action which constitutes intentional misconduct or a knowing violation of law if such action in either event results in either an improper substantial personal benefit or a material injury to the Corporation.

ARTICLE V
STOCK

Section 5.1 Authorized Shares. The Corporation has authority to issue 120,000,000 shares of stock, consisting of 100,000,000 shares of Common Stock, $0.01 par value per share ("Common Stock"), and 20,000,000 shares of Preferred Stock, $0.01 par value per share ("Preferred Stock"). The aggregate par value of all authorized shares of stock having par value is $1,200,000.00. If shares of one class of stock are classified or reclassified into shares of another class of stock pursuant to Section 5.2, 5.3 or 5.4 of this Article V, the number of authorized shares of the former class shall be automatically decreased and the number of shares of the latter class shall be automatically increased, in each case by the number of shares so classified or reclassified, so that the aggregate number of shares of stock of all classes that the Corporation has authority to issue shall not be more than the total number of shares of stock set forth in the first sentence of this paragraph. The Board of Directors, with the approval of a majority of the entire Board and without any action by the stockholders of the Corporation, may amend the Charter from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that the Corporation has authority to issue.

Section 5.2 Common Stock. Subject to the provisions of Article VI and except as may otherwise be specified in the Charter, each share of Common Stock shall entitle the holder thereof to one vote. The Board of Directors may reclassify any unissued shares of Common Stock from time to time into one or more classes or series of stock.

Section 5.3 Preferred Stock. The Board of Directors may classify any unissued shares of Preferred Stock and reclassify any previously classified but unissued shares of Preferred Stock of any class or series from time to time into one or more classes or series of stock.

Section 5.4 Classified or Reclassified Shares. Prior to the issuance of classified or reclassified shares of any class or series of stock, the Board of Directors by resolution shall: (a) designate that class or series to distinguish it from all other classes and series of stock of the Corporation; (b) specify the number of shares to be included in the class or series; (c) set or change, subject to the provisions of Article VI and subject to the express terms of any class or series of stock of the Corporation outstanding at the time, the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms and conditions of redemption for each class or series; and (d) cause the Corporation to file articles supplementary with the State Department of Assessments and Taxation of Maryland (the "SDAT"). Any of the terms of any class or series of stock set or changed pursuant to clause (c) of this Section 5.4 may be made dependent upon facts or events ascertainable outside the Charter (including determinations by the Board of Directors or other facts or events within the control of the Corporation) and may vary among holders thereof, provided that the manner in which such facts, events or variations shall operate upon the terms of such class or series of stock is clearly and expressly set forth in the articles supplementary or other Charter document.

Section 5.5 Action by Stockholders. Any action required or permitted to be taken at any meeting of stockholders may be taken without a meeting (a) if a unanimous consent setting forth the action is given in writing or by electronic transmission by each stockholder entitled to vote on the matter and filed with the minutes of the proceedings of the stockholders or (b) if the action is advised, and submitted to the stockholders for approval, by the Board of Directors and a consent in writing or by electronic transmission of stockholders entitled to cast not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting of stockholders is

delivered to the Corporation in accordance with the MGCL. The Corporation shall give notice of any action taken by less than unanimous consent to each stockholder not later than ten days after the effective time of such action.

Section 5.6 Charter and Bylaws. The rights of all stockholders and the terms of all stock of the Corporation are subject to all of the provisions of the Charter and the Bylaws.

Section 5.7 Distributions. Except as may otherwise be provided in the terms of any class or series of Preferred Stock, in determining whether a distribution is permitted under Maryland law, amounts that would be needed, if the Corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of stockholders whose preferential rights upon dissolution are superior to those receiving the distribution, shall not be added to the Corporation's total liabilities.

ARTICLE VI
RESTRICTION ON TRANSFER AND OWNERSHIP OF SHARES

Section 6.1 Definitions. For the purpose of this Article VI, the following terms shall have the following meanings:

Aggregate Stock Ownership Limit. The term "Aggregate Stock Ownership Limit" shall mean 9.8% in value of the aggregate of the outstanding shares of Capital Stock, or such other percentage determined by the Board of Directors in accordance with Section 6.2.8 of the Charter, excluding any such outstanding Capital Stock that is not treated as outstanding for U.S. federal income tax purposes.

Beneficial Ownership. The term "Beneficial Ownership" shall mean ownership of Capital Stock by a Person, whether the interest in the shares of Capital Stock is held directly or indirectly (including by a nominee), and shall include interests that are actually owned or would be treated as owned through the application of Section 544 of the Code, as modified by Sections 856(h)(1)(B) and 856(h)(3) of the Code. The terms "Beneficial Owner," "Beneficially Owns" and "Beneficially Owned" shall have the correlative meanings.

Business Day. The term "Business Day" shall mean any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in New York City are authorized or required by law, regulation or executive order to close.

Capital Stock. The term "Capital Stock" shall mean all classes or series of stock of the Corporation, including, without limitation, Common Stock and Preferred Stock.

Charitable Beneficiary. The term "Charitable Beneficiary" shall mean one or more beneficiaries of the Trust as determined pursuant to Section 6.3.6, provided that each such organization must be described in Section 501(c)(3) of the Code and contributions to each such organization must be eligible for deduction under each of Sections 170(b)(1)(A), 2055 and 2522 of the Code.

Common Stock Ownership Limit. The term "Common Stock Ownership Limit" shall mean 9.8% (in value or in number of shares, whichever is more restrictive) of the aggregate of the outstanding shares of Common Stock of the Corporation, or such other percentage determined by the Board of Directors in accordance with Section 6.2.8 of the Charter, excluding any such outstanding Common Stock that is not treated as outstanding for U.S. federal income tax purposes.

Constructive Ownership. The term "Constructive Ownership" shall mean ownership of Capital Stock by a Person, whether the interest in the shares of Capital Stock is held directly or indirectly (including by a nominee), and shall include interests that are actually owned or would be treated as owned through the application of Section 318(a) of the Code, as modified by Section 856(d)(5) of the Code. The terms "Constructive Owner," "Constructively Owns" and "Constructively Owned" shall have the correlative meanings.

Excepted Holder. The term "Excepted Holder" shall mean a stockholder of the Corporation for whom an Excepted Holder Limit is created by the Charter or by the Board of Directors pursuant to Section 6.2.7.

Excepted Holder Limit. The term "Excepted Holder Limit" shall mean, provided that the affected Excepted Holder agrees to comply with the requirements established by the Board of Directors pursuant to Section 6.2.7 and subject to adjustment pursuant to Section 6.2.7, the percentage limit established by the Board of Directors pursuant to Section 6.2.7.

Individual. The term "Individual" means an individual, a trust qualified under Section 401(a) or 501(c)(17) of the Code, a portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, or a private foundation within the meaning of Section 509(a) of the Code, provided that, except as set forth in Section 856(h)(3)(A)(ii) of the Code, a trust described in Section 401(a) of the Code and exempt from tax under Section 501(a) of the Code shall be excluded from this definition.

Initial Date. The term "Initial Date" shall mean the earlier of (i) the close of business on the date on which Realty Income Corporation, a Maryland corporation ("Realty Income"), distributes shares of Common Stock of the Corporation held by Realty Income to the holders of shares of common stock, $0.01 par value per share, of Realty Income and (ii) such other date as determined by the Board of Directors in its discretion and set forth in a Certificate of Notice filed with, and accepted for record by, the SDAT.

Market Price. The term "Market Price" on any date shall mean, with respect to any class or series of outstanding shares of Capital Stock, the Closing Price for such Capital Stock on such date. The "Closing Price" on any date shall mean the last sale price for such Capital Stock, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, for such Capital Stock, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the NYSE or, if such Capital Stock is not listed or admitted to trading on the NYSE, as reported on the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which such Capital Stock is listed or admitted to trading or, if such Capital Stock is not listed or admitted to trading on any national securities exchange, the last quoted price, or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the principal automated quotation system that may then be in use or, if such Capital Stock is not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in such Capital Stock selected by the Board of Directors or, in the event that no trading price is available for such Capital Stock, the fair market value of the Capital Stock, as determined by the Board of Directors.

NYSE. The term "NYSE" shall mean the New York Stock Exchange.

Person. The term "Person" shall mean an Individual, corporation, partnership, limited liability company, estate, trust, association, joint stock company or other entity and also includes a group as that term is used for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, and a group to which an Excepted Holder Limit applies.

Prohibited Owner. The term "Prohibited Owner" shall mean, with respect to any purported Transfer, any Person who, but for the provisions of this Article VI, would Beneficially Own or Constructively Own shares of Capital Stock in violation of Section 6.2.1, and if appropriate in the context, shall also mean any Person who would have been the record owner of the shares that the Prohibited Owner would have so owned.

Restriction Termination Date. The term "Restriction Termination Date" shall mean the first day after the Initial Date on which the Board of Directors determines pursuant to Section 5.7 of the Charter that it is no longer in the best interests of the Corporation to attempt to, or continue to, qualify as a REIT or that compliance with the restrictions and limitations on Beneficial Ownership, Constructive Ownership and Transfers of shares of Capital Stock set forth herein is no longer required in order for the Corporation to qualify as a REIT.

Transfer. The term "Transfer" shall mean any issuance, sale, transfer, gift, assignment, devise or other disposition, as well as any other event that causes any Person to acquire, or change its level of, Beneficial Ownership or Constructive Ownership, or any agreement to take any such action or cause any such event, of Capital Stock or the right to vote or receive dividends on Capital Stock, including (a) the granting or exercise of any option (or any disposition of any option), (b) any disposition of any securities or rights convertible into or exchangeable for Capital Stock or any interest in Capital Stock or any exercise of any such conversion or exchange right and (c) Transfers of interests in other entities that result in changes in Beneficial Ownership or Constructive Ownership of Capital Stock; in each case, whether voluntary or involuntary, whether owned of record, Beneficially Owned or Constructively Owned and whether by operation of law or otherwise. The terms "Transferring" and "Transferred" shall have the correlative meanings.

Trust. The term "Trust" shall mean any trust provided for in Section 6.3.1.

Trustee. The term "Trustee" shall mean the Person unaffiliated with the Corporation and a Prohibited Owner that is appointed by the Corporation to serve as trustee of the Trust.

Section 6.2 Capital Stock.

Section 6.2.1 Ownership Limitations. During the period commencing on the Initial Date and prior to the Restriction Termination Date, but subject to Section 6.4:

(a) Basic Restrictions.

(i) (1) No Person, other than an Excepted Holder, shall Beneficially Own or Constructively Own shares of Capital Stock in excess of the Aggregate Stock Ownership Limit, (2) no Person, other than an Excepted Holder, shall Beneficially Own or Constructively Own shares of Common Stock in excess of the Common Stock Ownership Limit and (3) no Excepted Holder shall Beneficially Own or Constructively Own shares of Capital Stock in excess of the Excepted Holder Limit for such Excepted Holder.

(ii) No Person shall Beneficially Own or Constructively Own shares of Capital Stock to the extent that such Beneficial Ownership or Constructive Ownership of Capital Stock would result in the Corporation being "closely held" within the meaning of 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 (including, without limitation, Beneficial Ownership or Constructive Ownership that would result in the Corporation constructively owning, determined in accordance with Sections 856(d)(2)(B) and 856(d)(5) of the Code, an interest in a tenant that is described in Section 856(d)(2)(B) of the Code if the income derived by the Corporation from such tenant would cause the Corporation to fail to satisfy any of the gross income requirements of Section 856(c) of the Code), taking into account any other income of the Corporation that would not constitute qualifying income under such requirements.

(iii) Any Transfer of shares of Capital Stock that, if effective, would result in the Capital Stock being beneficially owned by fewer than 100 Persons (determined under the principles of Section 856(a)(5) of the Code) shall be void ab initio, and the intended transferee shall acquire no rights in such shares of Capital Stock.

Without limitation of the application of any other provision of this Article VI, it is expressly intended that the restrictions on ownership and Transfer described in this Section 6.2.1 of Article VI shall apply to restrict the rights of any members or partners in limited liability companies or partnerships to exchange their interest in such entities for shares of Capital Stock.

(b) Transfer in Trust. If any Transfer of shares of Capital Stock occurs which, if effective, would result in any Person Beneficially Owning or Constructively Owning shares of Capital Stock in violation of Section 6.2.1(a)(i) or (ii),

(i) then that number of shares of the Capital Stock the Beneficial Ownership or Constructive Ownership of which otherwise would cause such Person to violate Section 6.2.1(a)(i) or (ii) (rounded up to the nearest whole share) shall be automatically transferred to a Trust for the benefit of a Charitable Beneficiary, as described in Section 6.3, effective as of the close of business on the Business Day prior to the date of such Transfer, and such Person shall acquire no rights in such shares; or

(ii) if the transfer to the Trust described in clause (i) of this sentence would not be effective for any reason to prevent the violation of Section 6.2.1(a)(i) or (ii), then the Transfer of that number of shares of Capital Stock that otherwise would cause any Person to violate Section 6.2.1(a)(i) or (ii) shall be void ab initio, and the intended transferee shall acquire no rights in such shares of Capital Stock.

(iii) In determining which shares of Capital Stock are to be transferred to a Trust in accordance with this Section 6.2.1(b) and Section 6.3 hereof, shares shall be so transferred to a Trust in such manner as minimizes the aggregate value of the shares that are transferred to the Trust (except as provided in Section 6.2.6) and, to the extent not inconsistent therewith, on a pro rata basis (unless otherwise determined by the Board of Directors in its sole and absolute discretion).

(iv) To the extent that, upon a transfer of shares of Capital Stock pursuant to this Section 6.2.1(b), a violation of any provision of this Article VI would nonetheless be continuing (for example, where the ownership of shares of Capital Stock by a single Trust would result in the shares of Capital Stock being Beneficially Owned (determined under the principles of Section 856(a)(5) of the Code) by fewer than 100 persons), then shares of Capital Stock shall be transferred to that number of Trusts, each having a distinct Trustee and a Charitable Beneficiary or Charitable Beneficiaries that are distinct from those of each other Trust, such that there is no violation of any provision of this Article VI.

Section 6.2.2 Remedies for Breach. If the Board of Directors or any duly authorized committee thereof shall at any time determine that a Transfer or other event has taken place that results in a violation of Section 6.2.1 or that a Person intends to acquire or has attempted to acquire Beneficial Ownership or Constructive Ownership of any shares of Capital Stock in violation of Section 6.2.1 (whether or not such violation is intended), the Board of Directors or a committee thereof shall take such action as it

deems advisable, in its sole and absolute discretion, to refuse to give effect to or to prevent such Transfer or other event, including, without limitation, causing the Corporation to redeem shares and in the event of such Transfer all shares resulting in such violation shall be redeemable by the Corporation, refusing to give effect to such Transfer on the books of the Corporation or instituting proceedings to enjoin such Transfer or other event; provided, however, that any Transfer or attempted Transfer or other event in violation of Section 6.2.1 shall automatically result in the transfer to the Trust described above, and, where applicable, such Transfer (or other event) shall be void ab initio as provided above irrespective of any action (or non-action) by the Board of Directors or a committee thereof.

Section 6.2.3 Notice of Restricted Transfer. Any Person who acquires or attempts or intends to acquire Beneficial Ownership or Constructive Ownership of shares of Capital Stock that will or may violate Section 6.2.1(a) or any Person who would have owned shares of Capital Stock that resulted in a transfer to the Trust pursuant to the provisions of Section 6.2.1(b) shall immediately give written notice to the Corporation of such event or, in the case of such a proposed or attempted transaction, give at least 15 days prior written notice, and shall provide to the Corporation such other information as the Corporation may request in order to determine the effect, if any, of such Transfer on the Corporation's status as a REIT.

Section 6.2.4 Owners Required To Provide Information. From the Initial Date and prior to the Restriction Termination Date:

(a) every owner of five percent or more (or such lower percentage as required by the Code or the Treasury Regulations promulgated thereunder) of the outstanding shares of such class or series of Capital Stock, within 30 days after the end of each taxable year, shall give written notice to the Corporation stating the name and address of such owner, the number of shares of Capital Stock Beneficially Owned and a description of the manner in which such shares are held. Each such owner shall provide promptly to the Corporation such additional information as the Corporation may request in order to determine the effect, if any, of such Beneficial Ownership on the Corporation's status as a REIT and to ensure compliance with the Aggregate Stock Ownership Limit and the Common Stock Ownership Limit; and

(b) each Person who is a Beneficial Owner or Constructive Owner of Capital Stock and each Person (including the stockholder of record) who is holding Capital Stock for a Beneficial Owner or Constructive Owner shall provide to the Corporation such information as the Corporation may request, in order to determine the Corporation's status as a REIT and to comply with the requirements of any taxing authority or governmental authority or to determine such compliance.

Section 6.2.5 Remedies Not Limited. Subject to Section 4.7 of the Charter, nothing contained in this Section 6.2 shall limit the authority of the Board of Directors to take such other action as it deems necessary or advisable to protect the Corporation or the interests of its stockholders in preserving the Corporation's status as a REIT.

Section 6.2.6 Ambiguity. In the case of an ambiguity in the application of any of the provisions of this Article VI, including Section 6.2, Section 6.3 or any definition contained in Section 6.1, or any defined term used in this Article VI but defined elsewhere in the Charter, the Board of Directors may determine the application of the provisions of this Section 6.2 or Section 6.3 or any such definition with respect to any situation based on the facts known to it. In the event Section 6.2 or Section 6.3 requires an action by the Board of Directors and the Charter fails to provide specific guidance with respect to such action, the Board of Directors may determine the action to be taken so long as such action is not contrary to the provisions of Sections 6.1, 6.2 or 6.3. Absent a decision to the contrary by the Board of Directors (which the Board of Directors may make in its sole and absolute discretion), if a Person would have (but for the remedies set forth in Section 6.2.2) acquired Beneficial Ownership or Constructive Ownership of Capital Stock in violation of Section 6.2.1, such remedies (as applicable) shall apply first to the shares of Capital Stock which, but for such remedies, would have been actually owned by such Person, and second to the shares of Capital Stock which, but for such remedies, would have been Beneficially Owned or Constructively Owned (but not actually owned) by such Person, pro rata among the Persons who actually own such shares of Capital Stock based upon the relative number of the shares of Capital Stock held by each such Person.

Section 6.2.7 Exceptions.

(a) Subject to Section 6.2.1(a)(ii), the Board of Directors, in its sole and absolute discretion, may exempt (prospectively or retroactively) a Person from the Aggregate Stock Ownership Limit and the Common Stock Ownership Limit, as the case may be, and may establish or increase an Excepted Holder Limit for such Person if:

(i) the Board of Directors determines, based on such representations and undertakings from such Person to the extent required by the Board of Directors and as the Board of Directors determines are reasonably necessary for the Board of Directors to ascertain, that such exemption will not cause five or fewer Individuals to Beneficially Own more than 49% in value of the outstanding Capital Stock (taking into account the then-current Common Stock Ownership Limit and Aggregate Stock Ownership Limit, any then-existing Excepted Holder Limits, and the Excepted Holder Limit of such Person);

(ii) the Board of Directors determines that such Person does not and such Person represents that it will not constructively own, determined in accordance with Sections 856(d)(2)(B) and 856(d)(5) of the Code, an interest in a tenant of the Corporation (or a tenant of any entity owned or controlled by the Corporation) that would cause the Corporation to own, actually or constructively, determined in accordance with Sections 856(d)(2)(B) and 856(d)(5) of the Code, more than a 9.9% interest (as set forth in Section 856(d)(2)(B) of the Code) in such tenant and the Board of Directors obtains such representations and undertakings from such Person as the Board of Directors determines are reasonably necessary to ascertain this fact (for this purpose, a tenant from whom the Corporation (or an entity directly or indirectly owned, in whole or in part, or controlled by the Corporation) derives (and is expected to continue to derive) a sufficiently small amount of revenue such that, in the judgment of the Board of Directors, rent from such tenant would not adversely affect the Corporation's ability to qualify as a REIT shall not be treated as a tenant of the Corporation); and

(iii) such Person agrees that any violation or attempted violation of such representations or undertakings (or other action which is contrary to the restrictions contained in Sections 6.2.1 through 6.2.6) will result in such shares of Capital Stock being automatically transferred to a Trust in accordance with Sections 6.2.1(b) and 6.3.

(b) Prior to granting any exception pursuant to Section 6.2.7(a), the Board of Directors may require a ruling from the Internal Revenue Service, or an opinion of counsel, in either case in form and substance satisfactory to the Board of Directors, in its sole and absolute discretion, as it may deem necessary or advisable in order to determine or ensure the Corporation's status as a REIT. Notwithstanding the receipt of any ruling or opinion, the Board of Directors may impose such conditions or restrictions as it deems appropriate in connection with granting such exception.

(c) Subject to Section 6.2.1(a)(ii), an underwriter which participates in a public offering, forward sale or a private placement of Capital Stock (or securities convertible into or exchangeable for Capital Stock) may Beneficially Own or Constructively Own shares of Capital Stock (or securities convertible into or exchangeable for Capital Stock) in excess of the Aggregate Stock Ownership Limit, the Common Stock Ownership Limit, or both such limits, but only to the extent necessary to facilitate such public offering, forward sale or private placement.

(d) The Board of Directors may only reduce the Excepted Holder Limit for an Excepted Holder: (1) with the written consent of such Excepted Holder at any time, or (2) pursuant to the terms and conditions of the agreements and undertakings entered into with such Excepted Holder in connection with the establishment of the Excepted Holder Limit for that Excepted Holder. No Excepted Holder Limit shall be reduced to a percentage that is less than the Common Stock Ownership Limit or the Aggregate Stock Ownership Limit, as applicable.

Section 6.2.8 Increase or Decrease in Common Stock Ownership or Aggregate Stock Ownership Limits. Subject to Section 6.2.1(a)(ii) and this Section 6.2.8, the Board of Directors may, in its sole and absolute discretion, from time to time increase or decrease the Common Stock Ownership Limit and the Aggregate Stock Ownership Limit for one or more Persons and increase or decrease the Common Stock Ownership Limit and the Aggregate Stock Ownership Limit for all other Persons. No decreased Common Stock Ownership Limit or Aggregate Stock Ownership Limit will be effective for any Person whose percentage of ownership of Capital Stock is in excess of such decreased Common Stock Ownership Limit or Aggregate Stock Ownership Limit, as applicable, until such time as such Person's percentage of ownership of Capital Stock equals or falls below the decreased Common Stock Ownership Limit or Aggregate Stock Ownership Limit, as applicable; provided, however, any further acquisition of Capital Stock or increased Beneficial Ownership or Constructive Ownership of shares of Capital Stock by any such Person (other than a Person for whom an exemption has been granted pursuant to Section 6.2.7(a) or an Excepted Holder) in excess of the Capital Stock Beneficially Owned or Constructively Owned by such person on the date the decreased Common Stock Ownership Limit or Aggregate Stock Ownership Limit, as applicable, became effective will be in violation of the Common Stock Ownership Limit or Aggregate Stock Ownership Limit. No increase to the Common Stock Ownership Limit or Aggregate Stock Ownership Limit may be approved if the new Common Stock Ownership Limit and/or Aggregate Stock Ownership Limit (taking into account any then-existing Excepted Holder Limits) would allow five or fewer Individuals to Beneficially Own, in the aggregate more than 49% in value of the outstanding Capital Stock.

Section 6.2.9 Legend. Each certificate for shares of Capital Stock, if certificated, shall bear substantially the following legend:

The shares represented by this certificate are subject to restrictions on Beneficial Ownership and Constructive Ownership and Transfer for the purpose, among others, of the Corporation's maintenance of its status as a Real Estate Investment Trust under the Internal Revenue Code of 1986, as amended (the "Code"). Subject to certain further restrictions and except as expressly provided in the Corporation's Charter, (i) no Person may Beneficially Own or Constructively Own shares of the Corporation's Common Stock in excess of the Common Stock Ownership Limit unless such Person is an Excepted Holder (in which case the Excepted Holder Limit shall be applicable); (ii) no Person may Beneficially Own or Constructively Own shares of Capital Stock of the Corporation in excess of the Aggregate Stock Ownership Limit, unless such Person is an Excepted Holder (in which case the Excepted Holder Limit shall be applicable); (iii) no Person may Beneficially Own or Constructively Own Capital Stock that would result in the Corporation being "closely held" under Section 856(h) of the Code or otherwise cause the Corporation to fail to qualify as a REIT; and (iv) no Person may Transfer shares of Capital Stock if such Transfer would result in the Capital Stock of the Corporation being owned by fewer than 100 Persons. Any Person who Beneficially Owns or Constructively Owns or attempts or intends to Beneficially Own or Constructively Own shares of Capital Stock which causes or will cause a Person to Beneficially Own or Constructively Own shares of Capital Stock in excess or in violation of the above limitations must immediately notify the Corporation or, in the case of such a proposed or attempted transaction, give at least 15 days prior written notice. If any of the restrictions on Transfer or ownership provided in (i), (ii) or (iii) above are violated, the shares of Capital Stock in excess or in violation of the above limitations will be automatically transferred to a Trustee of a Trust for the benefit of one or more Charitable Beneficiaries. In addition, the Corporation may redeem shares upon the terms and conditions specified by the Board of Directors in its sole and absolute discretion if the Board of Directors determines that ownership or a Transfer or other event may violate the restrictions described above. Furthermore, if the ownership restrictions provided in (iv) above would be violated or upon the occurrence of certain events, attempted Transfers in violation of the restrictions described above may be void ab initio. All capitalized terms in this legend have the meanings defined in the Charter of the Corporation, as the same may be amended from time to time, a copy of which, including the restrictions on transfer and ownership, will be furnished to each holder of shares of Capital Stock of the Corporation on request and without charge. Requests for such a copy may be directed to the Secretary of the Corporation at its Principal Office.

Instead of the foregoing legend, the certificate or any notice in lieu of a certificate may state that the Corporation will furnish a full statement about certain restrictions on ownership and transfer of the shares to a stockholder on request and without charge.

Section 6.3 Transfer of Capital Stock in Trust.

Section 6.3.1 Ownership in Trust. Upon any purported Transfer or other event described in Section 6.2.1(b) that would result in a transfer of shares of Capital Stock to a Trust, such shares of Capital Stock shall be deemed to have been transferred to the Trustee as trustee of a Trust for the exclusive benefit of one or more Charitable Beneficiaries. Such transfer to the Trustee shall be deemed to be effective as of the close of business on the Business Day prior to the purported Transfer or other event that results in the transfer to the Trust pursuant to Section 6.2.1(b). The Trustee shall be appointed by the Corporation and shall be a Person unaffiliated with the Corporation and any Prohibited Owner. Each Charitable Beneficiary shall be designated by the Corporation as provided in Section 6.3.6.

Section 6.3.2 Status of Shares Held by the Trustee. Shares of Capital Stock held by the Trustee shall be issued and outstanding shares of Capital Stock of the Corporation. The Prohibited Owner shall have no rights in the shares held by the Trustee. The Prohibited Owner shall not benefit economically from ownership of any shares held in trust by the Trustee, shall have no rights to dividends or other distributions and shall not possess any rights to vote or other rights attributable to the shares held in the Trust. The Prohibited Owner shall have no claim, cause of action, or any other recourse whatsoever against the purported transferor of such Capital Stock.

Section 6.3.3 Dividend and Voting Rights. The Trustee shall have all voting rights and rights to dividends or other distributions with respect to shares of Capital Stock held in the Trust, which rights shall be exercised for the exclusive benefit of the Charitable Beneficiary. Any dividend or other distribution paid prior to the discovery by the Corporation that the shares of Capital Stock have been transferred to the Trustee shall be paid by the recipient of such dividend or other distribution to the Trustee upon demand and any dividend or other distribution authorized but unpaid shall be paid when due to the Trustee. Any dividend or other distribution so paid to the Trustee shall be held in trust for the Charitable Beneficiary. The Prohibited Owner shall have no voting rights with respect to shares of Capital Stock held in the Trust and, subject to Maryland law, effective as of the date that the shares of Capital Stock have been transferred to the Trust, the Trustee shall have the authority (at the Trustee's sole and absolute discretion) (i) to rescind as void any vote cast by a Prohibited Owner prior to the discovery by the Corporation that the shares of Capital Stock have been transferred to the Trust and (ii) to recast such vote in accordance with the desires of the Trustee acting for the benefit of the Charitable Beneficiary; provided, however, that if the Corporation has already taken irreversible corporate action, then the Trustee shall not have the authority to rescind and recast such vote. Notwithstanding the provisions of this Article VI, until the Corporation has received notification that shares of Capital Stock have been transferred into a Trust, the Corporation shall be entitled to rely on its stock transfer and other stockholder records for purposes of preparing lists of stockholders entitled to vote at meetings, determining the validity and authority of proxies and otherwise conducting votes and determining the other rights of stockholders.

Section 6.3.4 Sale of Shares by Trustee. Within 20 days of receiving notice from the Corporation that shares of Capital Stock have been transferred to the Trust, the Trustee of the Trust shall sell the shares held in the Trust to a person, designated by the Trustee, whose ownership of the shares will not violate the ownership limitations set forth in Section 6.2.1(a). Upon such sale, the interest of the Charitable Beneficiary in the shares sold shall terminate and the Trustee shall distribute the net proceeds of the sale to the Prohibited Owner and to the Charitable Beneficiary as provided in this Section 6.3.4. The Prohibited Owner shall receive the lesser of (1) 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 (*e.g.*, 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 (2) the price per share received by the Trustee (net of any commissions and other expenses of sale) from the sale or other disposition of the shares held in the Trust. The Trustee may reduce the amount payable to the Prohibited Owner by the amount of dividends and other distributions which have been paid to the Prohibited Owner and are owed by the Prohibited Owner to the Trustee pursuant to Section 6.3.3 of this Article VI. Any net sales proceeds in excess of the amount payable to the Prohibited Owner shall be immediately paid to

the Charitable Beneficiary. If, prior to the discovery by the Corporation that shares of Capital Stock have been transferred to the Trustee, such shares are sold by a Prohibited Owner, then (i) such shares shall be deemed to have been sold on behalf of the Trust and (ii) to the extent that the Prohibited Owner received an amount for such shares that exceeds the amount that such Prohibited Owner was entitled to receive pursuant to this Section 6.3.4, such excess shall be paid to the Trustee upon demand.

Section 6.3.5 Purchase Right in Stock Transferred to the Trustee. Shares of Capital Stock transferred to the Trustee shall be deemed to have been offered for sale to the Corporation, or its designee, at a price per share equal to the lesser of (i) the price per share in the transaction that resulted in such transfer to the Trust (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 the Corporation, or its designee, accepts such offer. The Corporation shall reduce the amount payable to the Prohibited Owner by the amount of dividends and other distributions that has been paid to the Prohibited Owner and is owed by the Prohibited Owner to the Trustee pursuant to Section 6.3.3 of this Article VI. The Corporation shall pay the amount of such reduction to the Trustee for the benefit of the Charitable Beneficiary. The Corporation shall have the right to accept such offer until the Trustee has sold the shares held in the Trust pursuant to Section 6.3.4. Upon such a sale to the Corporation, the interest of the Charitable Beneficiary in the shares sold shall terminate and the Trustee shall distribute the net proceeds of the sale to the Prohibited Owner.

Section 6.3.6 Designation of Charitable Beneficiaries. By written notice to the Trustee, the Corporation shall designate one or more nonprofit organizations to be the Charitable Beneficiary or Charitable Beneficiaries of the interest in the Trust such that (i) the shares of Capital Stock held in the Trust would not violate the restrictions set forth in Section 6.2.1(a) in the hands of such Charitable Beneficiary or Charitable Beneficiaries and (ii) each such organization must be described in Section 501(c)(3) of the Code and contributions to each such organization must be eligible for deduction under each of Sections 170(b)(1)(A), 2055 and 2522 of the Code. Neither the failure of the Corporation to make such designation nor the failure of the Corporation to appoint the Trustee before the automatic transfer provided in Section 6.2.1(b) shall make such transfer ineffective, provided that the Corporation thereafter makes such designation and appointment.

Section 6.4 NYSE Transactions. Nothing in this Article VI shall preclude the settlement of any transaction entered into through the facilities of the NYSE or any other national securities exchange or automated inter-dealer quotation system. The fact that the settlement of any transaction occurs shall not negate the effect of any other provision of this Article VI and any transferee in such a transaction shall be subject to all of the provisions and limitations set forth in this Article VI.

Section 6.5 Enforcement. The Corporation is authorized specifically to seek equitable relief, including injunctive relief, to enforce the provisions of this Article VI.

Section 6.6 Non-Waiver. No delay or failure on the part of the Corporation or the Board of Directors in exercising any right hereunder shall operate as a waiver of any right of the Corporation or the Board of Directors, as the case may be, except to the extent specifically waived in writing.

Section 6.7 Severability. If any provision of this Article VI or any application of any such provision is determined to be invalid by any federal or state court having jurisdiction over the issues, the validity of the remaining provision shall not be affected and other applications of such provisions shall be affected only to the extent necessary to comply with the determination of such court.

ARTICLE VII
AMENDMENTS

The Corporation reserves the right from time to time to make any amendment to the Charter, now or hereafter authorized by law, including any amendment altering the terms or contract rights, as expressly set forth in the Charter, of any shares of outstanding stock. All rights and powers conferred by the Charter on stockholders, directors and officers are granted subject to this reservation. Except for those amendments permitted to be made without stockholder approval under Maryland law or by specific provision in the Charter, any amendment to the Charter shall be valid only if declared advisable by the Board of Directors and approved by the affirmative vote of stockholders entitled to cast a majority of all the votes entitled to be cast on the matter.

ARTICLE VIII
LIMITATION OF LIABILITY

To the maximum extent that Maryland law in effect from time to time permits limitation of the liability of directors and officers of a corporation, no present or former director or officer of the Corporation shall be liable to the Corporation or its stockholders for money damages. Neither the amendment nor repeal of this Article VIII, nor the adoption or amendment of any other provision of the Charter or Bylaws inconsistent with this Article VIII, shall apply to or affect in any respect the applicability of the preceding sentence with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

THIRD: The amendment to and restatement of this Charter as hereinabove set forth has been duly advised by the Board of Directors and approved by the stockholders of the Corporation as required by law.

FOURTH: The current address of the principal office of the Corporation in Maryland is as set forth in ARTICLE III of the foregoing amendment and restatement of this Charter.

FIFTH: The name and address of the current resident agent of the Corporation in Maryland is as set forth in ARTICLE III of the foregoing amendment and restatement of this Charter.

SIXTH: The number of directors of the Corporation and the names of those currently in office are as set forth in ARTICLE IV of the foregoing amendment and restatement of this Charter.

SEVENTH: The total number of shares of stock which the Corporation has authority to issue immediately prior to the foregoing amendment and restatement of the Charter was One Hundred Thousand (100,000) shares of Common Stock, par value $0.01 per share; and the aggregate par value of all such shares of stock having par value was One Thousand Dollars ($1,000).

EIGHTH: The total number of shares of stock which the Corporation has authority to issue pursuant to the foregoing amendment and restatement of the Charter is one hundred twenty million (120,000,000) shares, consisting of one hundred million (100,000,000) shares of Common Stock, par value $0.01 per share, and twenty million (20,000,000) shares of Preferred Stock, par value $0.01 per share; and the aggregate par value of all shares of stock having par value is one million two hundred thousand dollars ($1,200,000.00).

NINTH: The undersigned Chief Executive Officer acknowledges these Articles of Amendment and Restatement to be the corporate act of the Corporation and as to all matters or facts required to be verified under oath, the undersigned Chief Executive Officer acknowledges that, to the best of his knowledge, information, and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment and Restatement to be signed in its name and on its behalf by its Chief Executive Officer and attested to by of the [•] day of [•], 2021.

ATTEST:

ORION OFFICE REIT INC.

[•]
Secretary

By:

[•]
Chief Executive Officer

Exhibit 3.4

ORION OFFICE REIT INC.

AMENDED AND RESTATED BYLAWS

ARTICLE I

OFFICES

Section 1. PRINCIPAL OFFICE. The principal office of the Corporation in the State of Maryland shall be located at such place as the Board of Directors may designate.

Section 2. ADDITIONAL OFFICES. The Corporation may have additional offices, including a principal executive office, at such places as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. PLACE. All meetings of stockholders shall be held at the principal executive office of the Corporation or at such other place as shall be set in accordance with these Bylaws and stated in the notice of the meeting.

Section 2. ANNUAL MEETING. An annual meeting of stockholders for the election of directors and the transaction of any business within the powers of the Corporation shall be held on the date and at the time and place set by the Board of Directors.

Section 3. SPECIAL MEETINGS.

(a) General. The Board of Directors may call a special meeting of stockholders. Except as provided in subsection (b)(4) of this Section 3, a special meeting of stockholders shall be held on the date and at the time and place set by the Board of Directors. Subject to subsection (b) of this Section 3, a special meeting of stockholders shall also be called by the secretary of the Corporation to act on any matter that may properly be considered at a meeting of stockholders upon the written request of stockholders entitled to cast not less than a majority of all the votes entitled to be cast on such matter at such meeting.

(b) Stockholder-Requested Special Meetings. (1) Any stockholder of record seeking to have stockholders request a special meeting shall, by sending written notice to the secretary (the "Record Date Request Notice") by registered mail, return receipt requested, request the Board of Directors to fix a record date to determine the stockholders entitled to request a special meeting (the "Request Record Date"). The Record Date Request Notice shall set forth the purpose of the meeting and the matters proposed to be acted on at it, shall be signed by one or more stockholders of record as of the date of signature (or their agents duly authorized in a writing accompanying the Record Date Request Notice), shall bear the date of signature of each such stockholder (or such agent) and shall set forth all information relating to each such stockholder and each matter proposed to be acted on at the meeting that would be required to be disclosed in connection with the solicitation of proxies for the election of directors in an election contest (even if an election contest is not involved), or would otherwise be required in connection with such a solicitation, in each case pursuant to Regulation 14A (or any successor provision) under the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the "Exchange Act"). Upon receiving the Record Date Request Notice, the Board of Directors may fix a Request Record Date. The Request Record Date shall not precede and shall not be more than ten days after the close of business on the date on which the resolution fixing the Request Record Date is adopted by the Board of Directors. If the Board of Directors, within ten days after the date on which a valid Record Date Request Notice is received, fails to adopt a resolution fixing the Request Record Date, the Request Record Date shall be the close of business on the tenth day after the first date on which a Record Date Request Notice is received by the secretary.

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(2)In order for any stockholder to request a special meeting to act on any matter that may properly be considered at a meeting of stockholders, one or more written requests for a special meeting (collectively, the "Special Meeting Request") signed by stockholders of record (or their agents duly authorized in a writing accompanying the request) as of the Request Record Date entitled to cast not less than a majority of all of the votes entitled to be cast on such matter at such meeting (the "Special Meeting Percentage") shall be delivered to the secretary. In addition, the Special Meeting Request shall (a) set forth the purpose of the meeting and the matters proposed to be acted on at it (which shall be limited to those lawful matters set forth in the Record Date Request Notice received by the secretary), (b) bear the date of signature of each such stockholder (or such agent) signing the Special Meeting Request, (c) set forth (i) the name and address, as they appear in the Corporation's books, of each stockholder signing such request (or on whose behalf the Special Meeting Request is signed), (ii) the class, series and number of all shares of stock of the Corporation which are owned (beneficially or of record) by each such stockholder and (iii) the nominee holder for, and number of, shares of stock of the Corporation owned beneficially but not of record by such stockholder, (d) be sent to the secretary by registered mail, return receipt requested, and (e) be received by the secretary within 60 days after the Request Record Date. Any requesting stockholder (or agent duly authorized in a writing accompanying the revocation of the Special Meeting Request) may revoke his, her or its request for a special meeting at any time by written revocation delivered to the secretary.

(3)The secretary shall inform the requesting stockholders of the reasonably estimated cost of preparing and mailing or delivering the notice of the meeting (including the Corporation's proxy materials). The secretary shall not be required to call a special meeting upon stockholder request and such meeting shall not be held unless, in addition to the documents required by paragraph (2) of this Section 3(b), the secretary receives payment of such reasonably estimated cost prior to the preparation and mailing or delivery of such notice of the meeting.

(4)In the case of any special meeting called by the secretary upon the request of stockholders (a "Stockholder-Requested Meeting"), such meeting shall be held at such place, date and time as may be designated by the Board of Directors; *provided*, however, that the date of any Stockholder-Requested Meeting shall be not more than 90 days after the record date for such meeting (the "Meeting Record Date"); and *provided further* that if the Board of Directors fails to designate, within ten days after the date that a valid Special Meeting Request is actually received by the secretary (the "Delivery Date"), a date and time for a Stockholder-Requested Meeting, then such meeting shall be held at 2:00 p.m., Eastern Time, on the 90th day after the Meeting Record Date or, if such 90th day is not a Business Day (as defined below), on the first preceding Business Day; and *provided further* that in the event that the Board of Directors fails to designate a place for a Stockholder-Requested Meeting within ten days after the Delivery Date, then such meeting shall be held at the principal executive office of the Corporation. In fixing a date for a Stockholder-Requested Meeting, the Board of Directors may consider such factors as it deems relevant, including, without limitation, the nature of the matters to be considered, the facts and circumstances surrounding any request for the meeting and any plan of the Board of Directors to call an annual meeting or a special meeting. In the case of any Stockholder-Requested Meeting, if the Board of Directors fails to fix a Meeting Record Date that is a date within 30 days after the Delivery Date, then the close of business on the 30th day after the Delivery Date shall be the Meeting Record Date. The Board of Directors may revoke the notice for any Stockholder-Requested Meeting in the event that the requesting stockholders fail to comply with the provisions of paragraph (3) of this Section 3(b).

(5)If written revocations of the Special Meeting Request have been delivered to the secretary and the result is that stockholders of record (or their agents duly authorized in writing), as of the Request Record Date, entitled to cast less than the Special Meeting Percentage have delivered, and not revoked, requests for a special meeting

on the matter to the secretary: (i) if the notice of meeting has not already been delivered, the secretary shall refrain from delivering the notice of the meeting and send to all requesting stockholders who have not revoked such requests written notice of any revocation of a request for a special meeting on the matter, or (ii) if the notice of meeting has been delivered and if the secretary first sends to all requesting stockholders who have not revoked requests for a special meeting on the matter written notice of any revocation of a request for the special meeting and written notice of the Corporation's intention to revoke the notice of the meeting or for the chairman of the meeting to adjourn the meeting without action on the matter, (A) the secretary may revoke the notice of the meeting at any time before ten days before the commencement of the meeting or (B) the chairman of the meeting may call the meeting to order and adjourn the meeting from time to time without acting on the matter. Any request for a special meeting received after a revocation by the secretary of a notice of a meeting shall be considered a request for a new special meeting.

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(6)The chairman of the board, chief executive officer, president or Board of Directors may appoint regionally or nationally recognized independent inspectors of elections to act as the agent of the Corporation for the purpose of promptly performing a ministerial review of the validity of any purported Special Meeting Request received by the secretary. For the purpose of permitting the inspectors to perform such review, no such purported Special Meeting Request shall be deemed to have been received by the secretary until the earlier of (i) five Business Days after actual receipt by the secretary of such purported request and (ii) such date as the independent inspectors certify to the Corporation that the valid requests received by the secretary represent, as of the Request Record Date, stockholders of record entitled to cast not less than the Special Meeting Percentage. Nothing contained in this paragraph (6) shall in any way be construed to suggest or imply that the Corporation or any stockholder shall not be entitled to contest the validity of any request, whether during or after such five Business Day period, or to take any other action (including, without limitation, the commencement, prosecution or defense of any litigation with respect thereto, and the seeking of injunctive relief in such litigation).

(7)For purposes of these Bylaws, "Business Day" shall mean any day other than a Saturday, a Sunday or a day on which banking institutions in New York City are authorized or obligated by law or executive order to close.

Section 4. NOTICE. Not less than ten nor more than 90 days before each meeting of stockholders, the secretary shall give to each stockholder entitled to vote at such meeting and to each stockholder not entitled to vote who is entitled to notice of the meeting notice in writing or by electronic transmission stating the time and place of the meeting and, in the case of a special meeting or as otherwise may be required by any statute, the purpose for which the meeting is called, by mail, by presenting it to such stockholder personally, by leaving it at the stockholder's residence or usual place of business, by electronic transmission or by any other means permitted by Maryland law. If mailed, such notice shall be deemed to be given when deposited in the United States mail addressed to the stockholder at the stockholder's address as it appears on the records of the Corporation, with postage thereon prepaid. If transmitted electronically, such notice shall be deemed to be given when transmitted to the stockholder by an electronic transmission to any address or number of the stockholder at which the stockholder receives electronic transmissions. The Corporation may give a single notice to all stockholders who share an address, which single notice shall be effective as to any stockholder at such address, unless a stockholder at such address objects to receiving such single notice or revokes a prior consent to receiving such single notice. Failure to give notice of any meeting to one or more stockholders, or any irregularity in such notice, shall not affect the validity of any meeting fixed in accordance with this Article II or the validity of any proceedings at any such meeting.

Subject to Section 11(a) of this Article II, any business of the Corporation may be transacted at an annual meeting of stockholders without being specifically designated in the notice, except such business as is required by any statute to be stated in such notice. No business shall be transacted at a special meeting of stockholders except as specifically designated in the notice. The Corporation may postpone or cancel a meeting of stockholders by making a public announcement (as defined in Section 11(c)(3) of this Article II) of such postponement or cancellation prior to the meeting. Notice of the date, time and place to which the meeting is postponed shall be given not less than ten days prior to such date and otherwise in the manner set forth in this section.

Section 5. ORGANIZATION AND CONDUCT. Every meeting of stockholders shall be conducted by an individual appointed by the Board of Directors to be chairman of the meeting or, in the absence of such appointment or appointed individual, by the chairman of the board or, in the case of a vacancy in the office or absence of the chairman of the board, by one of the following officers present at the meeting in the following order: the chief executive officer, the president, the vice presidents in their order of rank and, within each rank, in their order of seniority, the secretary, or, in the absence of such officers, a chairman chosen by the stockholders by the vote of a majority of the votes cast by stockholders present in person or by proxy. The secretary or, in the case of a vacancy in the office or absence of the secretary, an assistant secretary or an individual appointed by the Board of Directors or the chairman of the meeting shall act as secretary. In the event that the secretary presides at a meeting of stockholders, an assistant secretary, or, in the absence of all assistant secretaries, an individual appointed by the Board of Directors or the chairman of the meeting, shall record the minutes of the meeting. Even if present at the meeting, the person holding the office named herein may delegate to another person the power to act as chairman or secretary of the meeting. The order of business and all other matters of procedure at any meeting of stockholders shall be determined by the chairman of the meeting. The chairman of the meeting may prescribe such rules, regulations and procedures and take such action as, in the discretion of the chairman and without any action by the stockholders, are appropriate for the proper conduct of the meeting, including, without limitation, (a) restricting admission to the time set for the commencement of the meeting; (b) limiting attendance or participation at the meeting to stockholders of record of the Corporation, their duly authorized proxies and such other individuals as the chairman of the meeting may determine; (c) limiting the time allotted to questions or comments; (d) determining when and for how long the polls should be opened and when the polls should be closed and when announcement of the results should be made; (e) maintaining order and security at the meeting; (f) removing any stockholder or any other individual who refuses to comply with meeting procedures, rules or guidelines as set forth by the chairman of the meeting; (g) concluding a meeting or recessing or adjourning the meeting, whether or not a quorum is present, to a later date and time and at a place announced at the meeting; and (h) complying with any state and local laws and regulations concerning safety and security. Unless otherwise determined by the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with any rules of parliamentary procedure.

Section 6. QUORUM. At any meeting of stockholders, the presence in person or by proxy of stockholders entitled to cast a majority of all the votes entitled to be cast at such meeting on any matter shall constitute a quorum; but this section shall not affect any requirement under any statute or the charter of the Corporation (the "Charter") for the vote necessary for the approval of any matter. If such quorum is not established at any meeting of the stockholders, the chairman of the meeting may adjourn the meeting from time to time to a date not more than 120 days after the original record date without notice other than announcement at the meeting.

The stockholders present either in person or by proxy, at a meeting which has been duly called and at which a quorum has been established, may continue to transact business until adjournment, notwithstanding the withdrawal from the meeting of enough stockholders to leave fewer than would be required to establish a quorum.

Section 7. VOTING. A nominee for director shall be elected as a director only if such nominee receives the affirmative vote of a majority of the total votes cast for and against such nominee at a meeting of stockholders duly called and at which a quorum is present. However, directors shall be elected by a plurality of all the votes cast at a meeting of stockholders duly called and at which a quorum is present for which (i) the secretary of the Corporation receives notice that a stockholder has nominated an individual for election as a director in compliance with the requirements of advance notice of stockholder nominees for director set forth in Section 11 of this Article II of these Bylaws, and (ii) such nomination has not been withdrawn by such stockholder on or before the close of business on the tenth day before the date of filing of the definitive proxy statement of the Corporation with the Securities and Exchange Commission and, as a result of which, the number of nominees is greater than the number of directors to be elected at the meeting. Each share entitles the holder thereof to vote for as many individuals as there are directors to be elected and for whose election the holder is entitled to vote. A majority of the votes cast at a meeting of stockholders duly called and at which a quorum is present shall be sufficient to approve any other matter which may properly come before the meeting, unless more than a majority of the votes cast is required by statute or by the Charter or by these Bylaws. Unless otherwise provided by statute or by the

Charter, each outstanding share of stock, regardless of class, entitles the holder thereof to cast one vote on each matter submitted to a vote at a meeting of stockholders. Voting on any question or in any election may be *viva voce* unless the chairman of the meeting shall order that voting be by ballot or otherwise.

Section 8. PROXIES. A holder of record of shares of stock of the Corporation may cast votes in person or by proxy executed by the stockholder or by the stockholder's duly authorized agent in any manner permitted by applicable law. Such proxy or evidence of authorization of such proxy shall be filed with the secretary of the Corporation before or at the meeting. No proxy shall be valid more than eleven months after its date unless otherwise provided in the proxy.

Section 9. VOTING OF STOCK BY CERTAIN HOLDERS. Stock of the Corporation registered in the name of a corporation, limited liability company, partnership, joint venture, trust or other entity, if entitled to be voted, may be voted by the president or a vice president, managing member, manager, general partner or trustee thereof, as the case may be, or a proxy appointed by any of the foregoing individuals, unless some other person who has been appointed to vote such stock pursuant to a bylaw or a resolution of the governing body of such corporation or other entity or agreement of the partners of a partnership presents a certified copy of such bylaw, resolution or agreement, in which case such person may vote such stock. Any trustee or fiduciary, in such capacity, may vote stock registered in such trustee's or fiduciary's name, either in person or by proxy.

Shares of stock of the Corporation directly or indirectly owned by it shall not be voted at any meeting and shall not be counted in determining the total number of outstanding shares entitled to be voted at any given time, unless they are held by it in a fiduciary capacity, in which case they may be voted and shall be counted in determining the total number of outstanding shares at any given time.

The Board of Directors may adopt by resolution a procedure by which a stockholder may certify in writing to the Corporation that any shares of stock registered in the name of the stockholder are held for the account of a specified person other than the stockholder. The resolution shall set forth the class of stockholders who may make the certification, the purpose for which the certification may be made, the form of certification and the information to be contained in it; if the certification is with respect to a record date, the time after the record date within which the certification must be received by the Corporation; and any other provisions with respect to the procedure which the Board of Directors considers necessary or appropriate. On receipt by the secretary of the Corporation of such certification, the person specified in the certification shall be regarded as, for the purposes set forth in the certification, the holder of record of the specified stock in place of the stockholder who makes the certification.

Section 10. INSPECTORS. The Board of Directors or the chairman of the meeting may appoint, before or at the meeting, one or more inspectors for the meeting and any successor to the inspector. Except as otherwise provided by the chairman of the meeting, the inspectors, if any, shall (i) determine the number of shares of stock represented at the meeting, in person or by proxy, and the validity and effect of proxies, (ii) receive and tabulate all votes, ballots or consents, (iii) report such tabulation to the chairman of the meeting, (iv) hear and determine all challenges and questions arising in connection with the right to vote, and (v) do such acts as are proper to fairly conduct the election or vote. Each such report shall be in writing and signed by the inspector or by a majority of them if there is more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors. The report of the inspector or inspectors on the number of shares represented at the meeting and the results of the voting shall be *prima facie* evidence thereof.

Section 11. ADVANCE NOTICE OF STOCKHOLDER NOMINEES FOR DIRECTOR AND OTHER STOCKHOLDER PROPOSALS

(a) Annual Meetings of Stockholders.

(1) Nominations of individuals for election to the Board of Directors and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders (i) pursuant to the Corporation's notice of meeting, (ii) by or at the direction of the Board of Directors or (iii) by any stockholder of the Corporation 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 annual meeting, at the time of giving of notice by the stockholder as provided for in this Section 11(a) and at the time of the annual meeting (and any postponement or adjournment thereof), who is entitled to vote at the meeting in the election of each individual so nominated or on any such other business and who has complied with this Section 11(a).

(2)For any nomination or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of paragraph (a)(1) of this Section 11, the stockholder must have given timely notice thereof in writing to the secretary of the Corporation and any such other business must otherwise be a proper matter for action by the stockholders. To be timely, a stockholder's notice shall set forth all information required under this Section 11 and shall be delivered to the secretary at the principal executive office of the Corporation 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 (as defined in Section 11(c)(3) of this Article II) for the preceding year's annual meeting; *provided, however*, that in connection with the Corporation's first annual meeting or 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, in order for notice by the stockholder to be timely, such notice must be so delivered not earlier than the 150th day prior to the date of such annual meeting and not later than 5:00 p.m., Eastern Time, on the later of the 120th day prior to the date of such annual meeting, as originally convened, or the tenth day following the day on which public announcement of the date of such meeting is first made. The public announcement of a postponement or adjournment of an annual meeting shall not commence a new time period for the giving of a stockholder's notice as described above.

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(3) Such stockholder's notice shall set forth:

(i)as to each individual whom the stockholder proposes to nominate for election or reelection as a director (each, a "Proposed Nominee"), all information relating to the Proposed Nominee that would be required to be disclosed in connection with the solicitation of proxies for the election of the Proposed Nominee as a director in an election contest (even if an election contest is not involved), or would otherwise be required in connection with such solicitation, in each case pursuant to Regulation 14A (or any successor provision) under the Exchange Act;

(ii)as to any other business that the stockholder proposes to bring before the meeting, a description of such business, the stockholder's reasons for proposing such business at the meeting and any material interest in such business of such stockholder or any Stockholder Associated Person (as defined below), individually or in the aggregate, including any anticipated benefit to the stockholder or the Stockholder Associated Person therefrom;

(iii) as to the stockholder giving the notice, any Proposed Nominee and any Stockholder Associated Person,

(A)the class, series and number of all shares of stock or other securities of the Corporation or any affiliate thereof (collectively, the "Company Securities"), if any, which are owned (beneficially or of record) by such stockholder, Proposed Nominee or Stockholder Associated Person, the date on which each such Company Security was acquired and the investment intent of such acquisition, and any short interest (including any opportunity to profit or share in any benefit from any decrease in the price of such stock or other security) in any Company Securities of any such person,

(B)the nominee holder for, and number of, any Company Securities owned beneficially but not of record by such stockholder,

Proposed Nominee or Stockholder Associated Person,

(C)whether and the extent to which such stockholder, Proposed Nominee or Stockholder Associated Person, directly or indirectly (through brokers, nominees or otherwise), is subject to or during the last six months has engaged in any hedging, derivative or other transaction or series of transactions or entered into any other agreement, arrangement or understanding (including any short interest, any borrowing or lending of securities or any proxy or voting agreement), the effect or intent of which is to (I) manage risk or benefit of changes in the price of Company Securities for such stockholder, Proposed Nominee or Stockholder Associated Person or (II) increase or decrease the voting power of such stockholder, Proposed Nominee or Stockholder Associated Person in the Corporation or any affiliate thereof disproportionately to such person's economic interest in the Company Securities and

(D)any substantial interest, direct or indirect (including, without limitation, any existing or prospective commercial, business or contractual relationship with the Corporation), by security holdings or otherwise, of such stockholder, Proposed Nominee or Stockholder Associated Person, in the Corporation or any affiliate thereof, other than an interest arising from the ownership of Company Securities where such stockholder, Proposed Nominee or Stockholder Associated Person receives no extra or special benefit not shared on a *pro rata* basis by all other holders of the same class or series;

(iv)as to the stockholder giving the notice, any Stockholder Associated Person with an interest or ownership referred to in clauses (ii) or (iii) of this paragraph (3) of this Section 11(a) and any Proposed Nominee,

(A)the name and address of such stockholder, as they appear on the Corporation's stock ledger, and the current name and business address, if different, of each such Stockholder Associated Person and any Proposed Nominee and

(B)the investment strategy or objective, if any, of such stockholder and each such Stockholder Associated Person who is not an individual and a copy of the prospectus, offering memorandum or similar document, if any, provided to investors or potential investors in such stockholder and each such Stockholder Associated Person;

(v)the name and address of any person who contacted or was contacted by the stockholder giving the notice or any Stockholder Associated Person about the Proposed Nominee or other business proposal; and

(vi)to the extent known by the stockholder giving the notice, the name and address of any other stockholder supporting the nominee for election or reelection as a director or the proposal of other business.

(4) Such stockholder's notice shall, with respect to any Proposed Nominee, be accompanied by a written undertaking executed by the Proposed Nominee (i) that such Proposed Nominee (a) is not, and will not become, a party to any agreement, arrangement or understanding with any person or entity other than the Corporation in connection with service or action as a director that has not been disclosed to the Corporation and (b) will serve as a director of the Corporation if elected; and (ii) attaching a completed Proposed Nominee questionnaire (which questionnaire shall be provided by the Corporation, upon request by the stockholder providing the notice, and shall include all information relating to the Proposed Nominee that would be required to be disclosed in connection with the solicitation of proxies for the election of the Proposed Nominee as a director in an election contest (even if an election contest is not involved), or would otherwise be required in connection with such solicitation, in each case pursuant to Regulation 14A (or any successor provision) under the Exchange Act, or would be required pursuant to the rules of any national securities exchange on which any securities of the Corporation are listed or over-the-counter market on which any securities of the Corporation are traded).

(5)Notwithstanding anything in this subsection (a) of this Section 11 to the contrary, in the event that the number of directors to be elected to the Board of Directors is increased, and there is no public announcement of such action at least 130 days prior to the first anniversary of the date of the proxy statement (as defined in Section 11(c)(3) of this Article II) for the preceding year's annual meeting, a stockholder's notice required by this Section 11(a) shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the secretary at the principal executive office of the Corporation not later than 5:00 p.m., Eastern Time, on the tenth day following the day on which such public announcement is first made by the Corporation.

(6)For purposes of this Section 11, "Stockholder Associated Person" of any stockholder shall mean (i) any person acting in concert with such stockholder, (ii) any beneficial owner of shares of stock of the Corporation owned of record or beneficially by such stockholder (other than a stockholder that is a depositary) and (iii) any person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such stockholder or such Stockholder Associated Person.

(b) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting and, except as contemplated by and in accordance with the next two sentences of this Section 11(b), no stockholder may nominate an individual for election to the Board of Directors or make a proposal of other business to be considered at a special meeting. Nominations of individuals for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected only (i) by or at the direction of the Board of Directors or (ii) provided that the special meeting has been called in accordance with Section 3(a) of this Article II for the purpose of electing directors, by any stockholder of the Corporation who is 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 special meeting, at the time of giving of notice provided for in this Section 11 and at the time of the special meeting (and any postponement or adjournment thereof), who is entitled to vote at the meeting in the election of each individual so nominated and who has complied with the notice procedures set forth in this Section 11. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more individuals to the Board of Directors, any stockholder may nominate an individual or individuals (as the case may be) for election as a director as specified in the Corporation's notice of meeting, if the stockholder's notice, containing the information required by paragraphs (a)(3) and (4) of this Section 11, is delivered to the secretary at the principal executive office of the Corporation not earlier than the 120th day prior to such special meeting and not later than 5:00 p.m., Eastern Time, on the later of the 90th day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. The public announcement of a postponement or adjournment of a special meeting shall not commence a new time period for the giving of a stockholder's notice as described above.

(c) General. (1) If information submitted pursuant to this Section 11 by any stockholder proposing a nominee for election as a director or any proposal for other business at a meeting of stockholders shall be inaccurate in any material respect, such information may be deemed not to have been provided in accordance with this Section 11. Any such stockholder shall notify the Corporation of any inaccuracy or change (within two Business Days of becoming aware of such inaccuracy or change) in any such information. Upon written request by the secretary or the Board of Directors, any such stockholder shall provide, within five Business Days of delivery of such request (or such other period as may be specified in such request), (A) written verification, satisfactory, in the discretion of the Board of Directors or any authorized officer of the Corporation, to demonstrate the accuracy of any information submitted by the stockholder pursuant to this Section 11, and (B) a written update of any information (including, if requested by the Corporation, written confirmation by such stockholder that it continues to intend to bring such nomination or other business proposal before the meeting) submitted by the stockholder pursuant to this Section 11 as of an earlier date. If a stockholder fails to provide such written verification or written update within such period, the

information as to which written verification or a written update was requested may be deemed not to have been provided in accordance with this Section 11.

(2)Only such individuals who are nominated in accordance with this Section 11 shall be eligible for election by stockholders as directors, and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with this Section 11. The chairman of the meeting shall have the power to determine whether a nomination or any other business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with this Section 11.

(3)For purposes of this Section 11, "the date of the proxy statement" shall have the same meaning as "the date of the company's proxy statement released to shareholders" as used in Rule 14a-8(e) promulgated under the Exchange Act, as interpreted by the Securities and Exchange Commission from time to time. "Public announcement" shall mean disclosure (A) in a press release reported by the Dow Jones News Service, Associated Press, Business Wire, PR Newswire or other widely circulated news or wire service or (B) in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to the Exchange Act.

(4)Notwithstanding the foregoing provisions of this Section 11, a stockholder shall also comply with all applicable requirements of state law and of the Exchange Act with respect to the matters set forth in this Section 11. Nothing in this Section 11 shall be deemed to affect any right of a stockholder to request inclusion of a proposal in, or the right of the Corporation to omit a proposal from, any proxy statement filed by the Corporation with the Securities and Exchange Commission pursuant to Rule 14a-8 (or any successor provision) under the Exchange Act. Nothing in this Section 11 shall require disclosure of revocable proxies received by the stockholder or Stockholder Associated Person pursuant to a solicitation of proxies after the filing of an effective Schedule 14A by such stockholder or Stockholder Associated Person under Section 14(a) of the Exchange Act.

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(5)Notwithstanding anything in these Bylaws to the contrary, except as otherwise determined by the chairman of the meeting, if the stockholder giving notice as provided for in this Section 11 does not appear in person or by proxy at such annual or special meeting to present each nominee for election as a director or the proposed business, as applicable, such matter shall not be considered at the meeting.

Section 12. CONTROL SHARE ACQUISITION ACT. Notwithstanding any other provision of the Charter or these Bylaws, Title 3, Subtitle 7 of the Maryland General Corporation Law, or any successor statute (the "MGCL"), shall not apply to any acquisition by any person of shares of stock of the Corporation. This section may be repealed, in whole or in part, at any time, whether before or after an acquisition of control shares and, upon such repeal, may, to the extent provided by any successor bylaw, apply to any prior or subsequent control share acquisition.

ARTICLE III

DIRECTORS

Section 1. GENERAL POWERS. The business and affairs of the Corporation shall be managed under the direction of the Board of Directors.

Section 2. NUMBER, TENURE AND RESIGNATION. A majority of the entire Board of Directors may establish, increase or decrease the number of directors, provided that the number thereof shall never be less than the minimum number required by the MGCL, nor more than 15, and further provided that the tenure of office of a director shall not be affected by any decrease in the number of directors. Any director of the Corporation may resign at any time by delivering his or her resignation to the Board of Directors, the chairman of the board or the secretary. Any resignation shall take effect immediately upon its receipt or at such later time specified in the resignation. The acceptance of a resignation shall not be necessary to make it effective unless otherwise stated in the resignation.

Section 3. ANNUAL AND REGULAR MEETINGS. An annual meeting of the Board of Directors shall be held immediately after and at the same place as the annual meeting of stockholders, no notice other than this Bylaw being necessary. In the event such meeting is not so held, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors. The Board of Directors may provide, by resolution, the time and place of regular meetings of the Board of Directors without other notice than such resolution.

Section 4. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the chairman of the board, the chief executive officer, the president or a majority of the directors then in office. The person or persons authorized to call special meetings of the Board of Directors may fix the time and place of any special meeting of the Board of Directors called by them. The Board of Directors may provide, by resolution, the time and place of special meetings of the Board of Directors without other notice than such resolution.

Section 5. NOTICE. Notice of any special meeting of the Board of Directors shall be delivered personally or by telephone, electronic mail, facsimile transmission, courier or United States mail to each director at his or her business or residence address. Notice by personal delivery, telephone, electronic mail or facsimile transmission shall be given at least 24 hours prior to the meeting. Notice by United States mail shall be given at least three days prior to the meeting. Notice by courier shall be given at least two days prior to the meeting. Telephone notice shall be deemed to be given when the director or his or her agent is personally given such notice in a telephone call to which the director or his or her agent is a party. Electronic mail notice shall be deemed to be given upon transmission of the message to the electronic mail address given to the Corporation by the director. Facsimile transmission notice shall be deemed to be given upon completion of the transmission of the message to the number given to the Corporation by the director and receipt of a completed answer-back indicating receipt. Notice by United States mail shall be deemed to be given when deposited in the United States mail properly addressed, with postage thereon prepaid. Notice by courier shall be deemed to be given when deposited with or delivered to a courier properly addressed. Neither the business to be transacted at, nor the purpose of, any annual, regular or special meeting of the Board of Directors need be stated in the notice, unless specifically required by statute or these Bylaws.

Section 6. QUORUM. A majority of the directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided that, if less than a majority of such directors is present at such meeting, a majority of the directors present may adjourn the meeting from time to time without further notice, and provided further that if, pursuant to applicable law, the Charter or these Bylaws, the vote of a majority or other percentage of a specified group of directors is required for action, a quorum must also include a majority or such other percentage of such group.

The directors present at a meeting which has been duly called and at which a quorum has been established may continue to transact business until adjournment, notwithstanding the withdrawal from the meeting of enough directors to leave fewer than required to establish a quorum.

Section 7. VOTING. The action of a majority of the directors present at a meeting at which a quorum is present shall be the action of the Board of Directors, unless the concurrence of a greater proportion is required for such action by applicable law, the Charter or these Bylaws. If enough directors have withdrawn from a meeting to leave fewer than required to establish a quorum, but the meeting is not adjourned, the action of the majority of that number of directors necessary to constitute a quorum at such meeting shall be the action of the Board of Directors, unless the concurrence of a greater proportion is required for such action by applicable law, the Charter or these Bylaws.

Section 8. ORGANIZATION. At each meeting of the Board of Directors, the chairman of the board shall act as chairman of the meeting. In the absence of the chairman of the board, the chief executive officer or, in the absence of the chief executive officer, the president or, in the absence of the president, a director chosen by a majority of the directors present, shall act as chairman of the meeting. The secretary or, in his or her absence, an assistant secretary of the Corporation, or, in the absence of the secretary and all assistant secretaries, an individual appointed by the chairman of the meeting, shall act as secretary of the meeting.

Section 9. TELEPHONE MEETINGS. Directors may participate in a meeting by means of a conference telephone or other communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

Section 10. CONSENT BY DIRECTORS WITHOUT A MEETING. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting, if a consent in writing or by electronic transmission to such action is given by each director and is filed with the minutes of proceedings of the Board of Directors.

Section 11. VACANCIES. If for any reason any or all of the directors cease to be directors, such event shall not terminate the Corporation or affect these Bylaws or the powers of the remaining directors hereunder. Except as may be provided by the Board of Directors in setting the terms of any class or series of preferred stock, any vacancy on the Board of Directors may be filled only by a majority of the remaining directors, even if the remaining directors do not constitute a quorum. Any director elected to fill a vacancy shall serve for the remainder of the full term of the class in which the vacancy occurred and until a successor is elected and qualifies.

Section 12. COMPENSATION. Directors shall not receive any stated salary for their services as directors but, by resolution of the Board of Directors, may receive compensation per year and/or per meeting and/or per visit to real property or other facilities owned or leased by the Corporation and for any service or activity they performed or engaged in as directors. Directors may be reimbursed for expenses of attendance, if any, at each annual, regular or special meeting of the Board of Directors or of any committee thereof and for their expenses, if any, in connection with each property visit and any other service or activity they perform or engage in as directors; but nothing herein contained shall be construed to preclude any directors from serving the Corporation in any other capacity and receiving compensation therefor.

Section 13. RELIANCE. Each director and officer of the Corporation shall, in the performance of his or her duties with respect to the Corporation, be entitled to rely on any information, opinion, report or statement, including any financial statement or other financial data, prepared or presented by an officer or employee of the Corporation whom the director or officer reasonably believes to be reliable and competent in the matters presented, by a lawyer, certified public accountant or other person, as to a matter which the director or officer reasonably believes to be within the person's professional or expert competence, or, with respect to a director, by a committee of the Board of Directors on which the director does not serve, as to a matter within its designated authority, if the director reasonably believes the committee to merit confidence.

Section 14. RATIFICATION. The Board of Directors or the stockholders may ratify any act, omission, failure to act or determination made not to act (an "Act") by the Corporation or its officers to the extent that the Board of Directors or the stockholders could have originally authorized the Act and, if so ratified, such Act shall have the same force and effect as if originally duly authorized, and such ratification shall be binding upon the Corporation and its stockholders. Any Act questioned in any proceeding on the ground of lack of authority, defective or irregular execution, adverse interest of a director, officer or stockholder, non-disclosure, miscomputation, the application of improper principles or practices of accounting or otherwise, may be ratified, before or after judgment, by the Board of Directors or by the stockholders, and such ratification shall constitute a bar to any claim or execution of any judgment in respect of such questioned Act.

Section 15. CERTAIN RIGHTS OF DIRECTORS. Any director, in his or her personal capacity or in a capacity as an affiliate, employee, or agent of any other person, or otherwise, may have business interests and engage in business activities similar to, in addition to or in competition with those of or relating to the Corporation.

Section 16. EMERGENCY PROVISIONS. Notwithstanding any other provision in the Charter or these Bylaws, this Section 16 shall apply during the existence of any catastrophe, or other similar emergency condition, as a result of which a quorum of the Board of Directors under Article III of these Bylaws cannot readily be obtained (an "Emergency"). During any Emergency, unless otherwise provided by the Board of Directors, (i) a meeting of the Board of Directors or a committee thereof may be called by any director or officer by any means feasible under the circumstances; (ii) notice of any meeting of the Board of Directors during such an Emergency may be given less than 24 hours prior to the meeting to as many directors and by such means as may be feasible at the time, including publication, television or radio; and (iii) the number of directors necessary to constitute a quorum shall be one-third of the entire Board of Directors.

ARTICLE IV

COMMITTEES

Section 1. NUMBER, TENURE AND QUALIFICATIONS. The Board of Directors may appoint from among its members an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee and one or more other committees, composed of one or more directors, to serve at the pleasure of the Board of Directors. In the absence of any member of any such committee, the members thereof present at any meeting, whether or not they constitute a quorum, may appoint another director to act in the place of such absent member.

Section 2. POWERS. The Board of Directors may delegate to any committee appointed under Section 1 of this Article any of the powers of the Board of Directors, except as prohibited by law. Except as may be otherwise provided by the Board of Directors, any committee may delegate some or all of its power and authority to one or more subcommittees, composed of one or more directors, as the committee deems appropriate in its sole discretion.

Section 3. MEETINGS. Notice of committee meetings shall be given in the same manner as notice for special meetings of the Board of Directors. A majority of the members of the committee shall constitute a quorum for the transaction of business at any meeting of the committee. The act of a majority of the committee members present at a meeting shall be the act of such committee. The Board of Directors may designate a chairman of any committee, and such chairman or, in the absence of a chairman, any two members of any committee (if there are at least two members of the committee) may fix the time and place of its meeting unless the Board shall otherwise provide.

Section 4. TELEPHONE MEETINGS. Members of a committee of the Board of Directors may participate in a meeting by means of a conference telephone or other communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

Section 5. CONSENT BY COMMITTEES WITHOUT A MEETING. Any action required or permitted to be taken at any meeting of a committee of the Board of Directors may be taken without a meeting, if a consent in writing or by electronic transmission to such action is given by each member of the committee and is filed with the minutes of proceedings of such committee.

Section 6. VACANCIES. Subject to the provisions hereof, the Board of Directors shall have the power at any time to change the membership of any committee, to appoint the chair of any committee, to fill any vacancy, to designate an alternate member to replace any absent or disqualified member or to dissolve any such committee.

ARTICLE V

OFFICERS

Section 1. GENERAL PROVISIONS. The officers of the Corporation shall include a president, a secretary and a treasurer and may include a chairman of the board, a chief executive officer, one or more vice presidents, a chief investment officer, a chief financial officer, a chief operating officer, one or more assistant secretaries and one or more assistant treasurers. In addition, the Board of Directors may from time to time elect such other officers with such powers and duties as it shall deem necessary or appropriate. The officers of the Corporation, including any officers elected to fill a vacancy among the officers, shall be elected by the Board of Directors, except that the chief executive officer or the president may from time to time appoint one or more vice presidents, assistant secretaries and assistant treasurers or any other officers. Each officer shall for the term specified by the Board of Directors or appointing officer or, if no such term is specified, serve until his or her successor is elected and qualifies or until his or her death, or his or her resignation or removal in the manner hereinafter provided. Any two or more offices except president and vice president may be held by the same person. Election of an officer or agent shall not of itself create contract rights between the Corporation and such officer or agent.

Section 2. REMOVAL AND RESIGNATION . Any officer or agent of the Corporation may be removed, with or without cause, by the Board of Directors if in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any officer of the Corporation may resign at any time by delivering his or her resignation to the Board of Directors, the chairman of the board, the chief executive officer, the president or the secretary. Any resignation shall take effect immediately upon its receipt or at such later time specified in the resignation. The acceptance of a resignation shall not be necessary to make it effective unless otherwise stated in the resignation. Such resignation shall be without prejudice to the contract rights, if any, of the Corporation.

Section 3. VACANCIES. A vacancy in any office may be filled by the Board of Directors for the balance of the term.

Section 4. CHAIRMAN OF THE BOARD. The Board of Directors may designate from among its members a chairman of the board, who shall not, solely by reason of these Bylaws, be an officer of the Corporation. The Board of Directors may designate the chairman of the board as an executive or non-executive chairman. The chairman of the board shall preside over the meetings of the Board of Directors. The chairman of the board shall perform such other duties as may be assigned to him or her by these Bylaws or the Board of Directors.

Section 5. CHIEF EXECUTIVE OFFICER. The Board of Directors may designate a chief executive officer. In the absence of such designation, the chairman of the board shall be the chief executive officer of the Corporation. The chief executive officer shall have general responsibility for implementation of the policies of the Corporation, as determined by the Board of Directors, and for the management of the business and affairs of the Corporation. He or she may execute any deed, mortgage, bond, contract or other instrument, except in cases where the execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation or shall be required by law to be otherwise executed; and in general shall perform all duties incident to the office of chief executive officer and such other duties as may be prescribed by the Board of Directors from time to time.

Section 6. PRESIDENT. In the absence of a chief executive officer, the president shall in general supervise and control all of the business and affairs of the Corporation. He or she may execute any deed, mortgage, bond, contract or other instrument, except in cases where the execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation or shall be required by law to be otherwise executed; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.

Section 7. CHIEF FINANCIAL OFFICER. The Board of Directors may designate a chief financial officer. The chief financial officer shall have the responsibilities and duties as determined by the Board of Directors or the chief executive officer.

Section 8. CHIEF INVESTMENT OFFICER. The Board of Directors may designate a chief investment officer. The chief investment officer shall have the responsibilities and duties as determined by the Board of Directors or the chief executive officer.

Section 9. VICE PRESIDENTS. In the absence of the president or in the event of a vacancy in such office, the vice president (or in the event there be more than one vice president, the vice presidents in the order designated at the time of their election or, in the absence of any designation, then in the order of their election) shall perform the duties of the president and when so acting shall have all the powers of and be subject to all the restrictions upon the president; and shall perform such other duties as from time to time may be assigned to such vice president by the chief executive officer, the president or the Board of Directors. The Board of Directors may designate one or more vice presidents as executive vice president, senior vice president, or vice president for particular areas of responsibility.

Section 10. SECRETARY. The secretary shall (a) keep the minutes of the proceedings of the stockholders, the Board of Directors and committees of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the Corporation; (d) keep a register of the post office address of each stockholder which shall be furnished to the secretary by such stockholder; (e) have general charge of the stock transfer books of the Corporation; and (f) in general perform such other duties as from time to time may be assigned to him or her by the chief executive officer, the president or the Board of Directors.

Section 11. TREASURER. The treasurer shall have the custody of the funds and securities of the Corporation, shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation, shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors and in general perform such other duties as from time to time may be assigned to him or her by the chief executive officer, the president or the Board of Directors. In the absence of a designation of a chief financial officer by the Board of Directors, the treasurer shall be the chief financial officer of the Corporation.

The treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the president and Board of Directors, at the regular meetings of the Board of Directors or whenever it may so require, an account of all his or her transactions as treasurer and of the financial condition of the Corporation.

Section 12. CHIEF OPERATING OFFICER. The Board of Directors may designate a chief operating officer. The chief operating officer shall have the responsibilities and duties as determined by the Board of Directors or the chief executive officer.

Section 13. ASSISTANT SECRETARIES AND ASSISTANT TREASURERS . The assistant secretaries and assistant treasurers, in general, shall perform such

duties as shall be assigned to them by the secretary or treasurer, respectively, or by the chief executive officer, the president or the Board of Directors.

Section 14. COMPENSATION. The compensation of the officers shall be fixed from time to time by or under the authority of the Board of Directors and no officer shall be prevented from receiving such compensation by reason of the fact that he or she is also a director.

ARTICLE VI

CONTRACTS, CHECKS AND DEPOSITS

Section 1. CONTRACTS. The Board of Directors may authorize any officer or agent to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Corporation and such authority may be general or confined to specific instances. Any agreement, deed, mortgage, lease or other document shall be valid and binding upon the Corporation when duly authorized or ratified by action of the Board of Directors and executed by an authorized person.

Section 2. CHECKS AND DRAFTS. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or agent of the Corporation in such manner as shall from time to time be determined by the Board of Directors.

Section 3. DEPOSITS. All funds of the Corporation not otherwise employed shall be deposited or invested from time to time to the credit of the Corporation as the Board of Directors, the chief executive officer, the president, the chief financial officer or any other officer designated by the Board of Directors may determine.

ARTICLE VII

STOCK

Section 1. CERTIFICATES. Except as may be otherwise provided by the Board of Directors or any officer of the Corporation, stockholders of the Corporation are not entitled to certificates representing the shares of stock held by them. In the event that the Corporation issues shares of stock represented by certificates, such certificates shall be in such form as prescribed by the Board of Directors or a duly authorized officer, shall contain the statements and information required by the MGCL and shall be signed by the officers of the Corporation in any manner permitted by the MGCL. In the event that the Corporation issues shares of stock without certificates, to the extent then required by the MGCL the Corporation shall provide to the record holders of such shares a written statement of the information required by the MGCL to be included on stock certificates. There shall be no difference in the rights and obligations of stockholders based on whether or not their shares are represented by certificates.

Section 2. TRANSFERS. All transfers of shares of stock shall be made on the books of the Corporation in such manner as the Board of Directors or any officer of the Corporation may prescribe and, if such shares are certificated, upon surrender of certificates duly endorsed. The issuance of a new certificate upon the transfer of certificated shares is subject to the determination of the Board of Directors or an officer of the Corporation that such shares shall no longer be represented by certificates. Upon the transfer of any uncertificated shares, the Corporation shall provide to the record holders of such shares, to the extent then required by the MGCL, a written statement of the information required by the MGCL to be included on stock certificates.

The Corporation shall be entitled to treat the holder of record of any share of stock as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise expressly provided by the laws of the State of Maryland.

Notwithstanding the foregoing, transfers of shares of any class or series of stock will be subject in all respects to the Charter and all of the terms and conditions contained therein.

Section 3. REPLACEMENT CERTIFICATE. Any officer of the Corporation may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost, destroyed, stolen or mutilated, upon the making of an affidavit of that fact by the person claiming the certificate to be lost, destroyed, stolen or mutilated; provided, however, if such shares have ceased to be certificated, no new certificate shall be issued unless requested in writing by such stockholder and the Board of Directors or an officer of the Corporation has determined that such certificates may be issued. Unless otherwise determined by an officer of the Corporation, the owner of such lost, destroyed, stolen or mutilated certificate or certificates, or his or her legal representative, shall be required, as a condition precedent to the issuance of a new certificate or certificates, to give the Corporation a bond in such sums as it may direct as indemnity against any claim that may be made against the Corporation.

Section 4. FIXING OF RECORD DATE. The Board of Directors may set, in advance, a record date for the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders or determining stockholders entitled to receive payment of any dividend or the allotment of any other rights, or in order to make a determination of stockholders for any other proper purpose. Such record date, in any case, shall not be prior to the close of business on the day the record date is fixed and shall be not more than 90 days and, in the case of a meeting of stockholders, not less than ten days, before the date on which the meeting or particular action requiring such determination of stockholders of record is to be held or taken.

When a record date for the determination of stockholders entitled to notice of or to vote at any meeting of stockholders has been set as provided in this section, such record date shall continue to apply to the meeting if postponed or adjourned, except if the meeting is postponed or adjourned to a date more than 120 days after the record date originally fixed for the meeting, in which case a new record date for such meeting shall be determined as set forth herein.

Section 5. STOCK LEDGER. The Corporation shall maintain at its principal office or at the office of its counsel, accountants or transfer agent, an original or duplicate stock ledger containing the name and address of each stockholder and the number of shares of each class held by such stockholder.

Section 6. FRACTIONAL STOCK; ISSUANCE OF UNITS. The Board of Directors may authorize the Corporation to issue fractional shares of stock or authorize the issuance of scrip, all on such terms and under such conditions as it may determine. Notwithstanding any other provision of the Charter or these Bylaws, the Board of Directors may authorize the issuance of units consisting of different securities of the Corporation.

ARTICLE VIII

ACCOUNTING YEAR

The Board of Directors shall have the power, from time to time, to fix the fiscal year of the Corporation by a duly adopted resolution.

ARTICLE IX

DISTRIBUTIONS

Section 1. AUTHORIZATION. Dividends and other distributions upon the stock of the Corporation may be authorized by the Board of Directors, subject to the

provisions of law and the Charter. Dividends and other distributions may be paid in cash, property or stock of the Corporation, subject to the provisions of law and the Charter.

Section 2. CONTINGENCIES. Before payment of any dividend or other distribution, there may be set aside out of any assets of the Corporation available for dividends or other distributions such sum or sums as the Board of Directors may from time to time, in its sole discretion, think proper as a reserve fund for contingencies, for equalizing dividends, for repairing or maintaining any property of the Corporation or for such other purpose as the Board of Directors shall determine, and the Board of Directors may modify or abolish any such reserve.

ARTICLE X

SEAL

Section 1. SEAL. The Board of Directors may authorize the adoption of a seal by the Corporation. The seal shall contain the name of the Corporation and the year of its incorporation and the words "Incorporated Maryland." The Board of Directors may authorize one or more duplicate seals and provide for the custody thereof.

Section 2. AFFIXING SEAL. Whenever the Corporation is permitted or required to affix its seal to a document, it shall be sufficient to meet the requirements of any law, rule or regulation relating to a seal to place the word "(SEAL)" adjacent to the signature of the person authorized to execute the document on behalf of the Corporation.

ARTICLE XI

WAIVER OF NOTICE

Whenever any notice of a meeting is required to be given pursuant to the Charter or these Bylaws or pursuant to applicable law, a waiver thereof in writing or by electronic transmission, given by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at nor the purpose of any meeting need be set forth in the waiver of notice of such meeting, unless specifically required by statute. The attendance of any person at any meeting shall constitute a waiver of notice of such meeting, except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

ARTICLE XII

EXCLUSIVE FORUM FOR CERTAIN LITIGATION

Unless the Corporation consents in writing to the selection of an alternative forum, (a) the Circuit Court for Baltimore City, Maryland, or, if that Court does not have jurisdiction, the United States District Court for the District of Maryland, Northern Division, shall be the sole and exclusive forum for (i) any Internal Corporate Claim, as such term is defined in Section 1-101(p) of the MGCL, or any successor provision thereof, (ii) any derivative action or proceeding brought on behalf of the Corporation, other than actions arising under federal securities laws, (iii) any action asserting a claim of breach of any duty owed by any director or officer or other employee of the Corporation to the Corporation or to the stockholders of the Corporation, (iv) any action asserting a claim against the Corporation or any director or officer or other employee of the Corporation arising pursuant to any provision of the MGCL or the Charter or these Bylaws, or (v) any other action asserting a claim against the Corporation or any director or officer or other employee of the Corporation that is governed by the internal affairs doctrine; and (b) subject to the preceding provisions of this Article XII, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended. None of the foregoing actions, claims or proceedings the subject matter of which are within the scope of clause (a) of the immediately preceding sentence may be brought in any court sitting outside the State of Maryland unless the Corporation consents in writing to such court.

ARTICLE XIII

AMENDMENT OF BYLAWS

These Bylaws may be altered, amended or repealed, in whole or in part, and new Bylaws may be adopted by the Board of Directors. In addition, these Bylaws may be altered, amended or repealed, in whole or in part, and new Bylaws may be adopted by the stockholders of the Corporation, without the approval of the Board of Directors, by the affirmative vote of a majority of the votes entitled to be cast on the matter by stockholders entitled to vote generally in the election of directors.

[Orion Letterhead]

[DATE]

[NAME]
[ADDRESS]
[ADDRESS]

RE: Terms of Employment

Dear [_____]:

Orion Office REIT, Inc., a Maryland corporation (the "***REIT***"), and Orion Services LLC, a [Maryland] limited liability company (the "***Employer***", and together with the REIT, the "***Company***") are pleased to offer you employment with the Company on the terms and conditions set forth in this letter (the "***Agreement***"), effective as of [_____], 2021 (the "***Effective Date***").

1. Term of Employment

Your employment hereunder shall commence on the Effective Date and continue indefinitely until terminated in accordance with the terms of this Agreement. Notwithstanding anything to the contrary in the foregoing, your employment hereunder is terminable at will by the Company or by you at any time (for any reason or for no reason), subject to the provisions of Section 11 below.

2. Position & Title

Your title will be [_____] of the Company, reporting to the [Company's board of directors (the "***Board***")] [Chief Executive Officer of the Company] or such other senior executive officer of the Company as the Chief Executive Officer of the Company may designate. In this capacity, you will have the duties, authorities and responsibilities as are usual and customary for such position. You shall devote substantially all of your business time and attention and your best efforts to the performance of your duties and responsibilities hereunder. Notwithstanding the foregoing, you may (i) participate in charitable, academic or community activities (including service on charitable boards), and (ii) participate in trade or professional organizations; provided that such activities do not, either individually or in the aggregate, otherwise interfere or conflict with the performance of your duties and responsibilities to the Company, provided further, that with respect to the activities in subclause (ii) above, you have received prior written consent from the [Board] [Company's board of directors (the "***Board***")]. At all times during your employment with the Company, you agree to adhere to all of the Company's written policies, rules and regulations governing the conduct of its employees that are provided to you, including without limitation, any compliance manual, code of ethics and employee handbook and other policies adopted by the Company from time to time.

3. Location

You will work primarily out the Company's offices in [Phoenix, Arizona / New York, New York], provided that you may also be required to travel on Company business from time to time.

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4. Base Salary

Effective as of the Effective Date and during your employment with the Company, you will be paid a base salary at the rate of $[_____] per annum, payable in periodic installments according to the Company's normal payroll practices (as adjusted from time to time in accordance herewith, the "***Base Salary***"). The Base Salary is subject to periodic review by the Compensation Committee of the Board of Directors of the Company (the "***Compensation Committee***"), but shall not be decreased below this level without your consent.

5. Annual Bonus

You will be eligible to receive an annual bonus ("***Annual Bonus***") for each completed calendar year that you are employed by the Company, beginning in calendar year 2022, with a target annual bonus opportunity equal to [_____]% of your Base Salary ("***Target Bonus***"), based upon the achievement of individual performance goals established by the Compensation Committee [in consultation with the Chief Executive Officer]. Any Annual Bonus for a completed calendar year will be paid by the Company at the same time that bonuses are generally paid to other senior executives of the Company, but in no event later than March 15th of the calendar year following the calendar year in which such Annual Bonus was earned, provided, however, that you must be employed by the Company on the date of payment to be eligible to receive such Annual Bonus (except as otherwise provided herein).

6. Employee Benefits

During your employment with the Company, you will be entitled to the standard employee benefits provided by the Company to its employees generally (currently including participation in the 401(k) plan, health care coverage, group life insurance and group disability coverage), which benefits are subject to change from time to time at the Company's sole discretion. You will be entitled to four (4) weeks of paid vacation for each full calendar year of service, to be taken and accrued under the Company's vacation policy.

7. Equity Awards

You will be eligible to receive an annual long term incentive equity award with respect to shares of the Company's common stock for each calendar year during your employment with the Company beginning with calendar year 2022 as determined by the Compensation Committee. Any such long term incentive equity award shall be subject to such terms and conditions, including, but not limited to, amount, type(s) of award, number of shares, and vesting, as may be determined by the Compensation Committee in its discretion [and in consultation with the Chief Executive Officer].

8. Indemnification

The Company will provide you with indemnification rights and directors and officers insurance coverage pursuant to the Company's standard form of Indemnification Agreement, a copy of which has been provided to you.

9. Expenses

You shall be entitled to reimbursement of reasonable business expenses, in accordance with the Company's policy, as in effect from time to time, including, without limitation, reasonable travel and entertainment expenses incurred by you in connection with the business of the Company, after the presentation by you of appropriate documentation.

10. Termination of Employment

(a) Death or Disability. Your employment with the Company hereunder, shall terminate automatically upon your death. Either you or the Company may terminate your employment hereunder in the event of your Disability.

(b) Termination by the Company. The Company may terminate your employment with or without Cause (as defined below) at any time upon written notice to you.

(c) Termination by the Executive. You may terminate your employment for any reason upon not less than thirty (30) days written notice to the Company (which the Company may, in its sole discretion, make effective earlier than any notice date).

(d) Termination of Offices and Directorships. Upon termination of your employment for any reason, unless otherwise specified in a written agreement between you and the Company, you shall be deemed to have resigned from all offices, directorships, and other employment positions if any, then held with the Company, and shall take all actions reasonably requested by the Company to effectuate the foregoing.

11. Obligations of the Company upon Termination

(a) Accrued Benefits. Upon a termination of your employment for any reason, the Company will pay or provide you with (i) any unpaid Base Salary through the date of termination in accordance with the Company's normal payroll practices, (ii) reimbursement for any unreimbursed business expenses incurred through the date of termination in accordance with the Company's expense reimbursement policy and (iii) all other payments or benefits to which you are entitled under the terms of any applicable compensation arrangement or benefit plan or program which will be paid or provided in accordance with the terms of such arrangement, plan or program (collectively, the "***Accrued Benefits***").

(b) Termination due to Death or Disability. In the event of a termination of your employment due to your death or Disability (as defined below), in addition to the Accrued Benefits, you or your designated beneficiary (as discussed in more detail in Section 15 below), as applicable, will be entitled to (i) any earned and accrued but unpaid Annual Bonus for the year prior to the year of termination (a "***Prior Year Bonus***"), payable when the applicable Annual Bonus for such year would have otherwise been paid (had you remained employed by the Company through the payment date thereof) but in no event later than but in no event later than March 15th of the calendar year following the calendar year in which such Prior Year Bonus was earned, and (ii) accelerated vesting of a number of shares underlying the then-outstanding and unvested portion of your time-vesting equity-based award(s) covering shares of Company and/or Realty Income Corporation common stock determined by multiplying the number of shares subject to such equity-based award(s) by a fraction, the numerator of which is the number of whole months elapsed from the date of grant of the time-vesting equity-based award until the date of your termination of employment and the denominator of which is the total number of whole months in the applicable vesting period for such time-vesting equity-based award(s). Each then-outstanding and unvested performance-vesting equity-based award granted to you by the Company shall be treated in accordance with the terms of the applicable plan and award agreement governing such performance-vesting equity-based award.

(c) Qualifying Termination. In the event of a termination of your employment (i) by the Company without Cause or (ii) by you for Good Reason (each a "***Qualifying Termination***"), subject to Section 11(d) and your continued compliance with the restrictive covenants contained in Employee Confidentiality and Non-Competition Agreement, attached hereto as Exhibit B, in addition to the Accrued Benefits:

(i) *Cash Severance.* The Company will pay you (i) any Prior Year Bonus payable when the applicable Annual Bonus for such year would have otherwise been paid (had you remained employed by the Company through the payment date thereof) but in no event later than March 15th of the calendar year following the calendar year in which such Prior Year Bonus was earned, and (ii) an amount equal to the sum of your annual Base Salary and Target Bonus for the year of termination (such amount, the "***Cash Severance***"), payable in substantially equal installments based on the Company's payroll periods over the twelve (12) month period following the date of your Qualifying Termination (the "***Severance Period***"). The first Cash Severance Payment will be made on the sixtieth (60th) day following the date of your termination of employment, and will include payment of any amounts that were otherwise due prior thereto. Notwithstanding the foregoing, in the event of a Qualifying Termination during a Change in Control Period (as defined below), in lieu of the Cash Severance, you will be entitled to severance payments equal to the product of (x) two (2) multiplied by (y) the sum of (A) your annual Base Salary plus (B) an amount equal to the Target Bonus as in effect on the date of your termination, payable in a cash lump sum on the sixtieth (60th) day after the date of your termination with the Company.

(ii) *Health Insurance Reimbursement.* For a period beginning on the date of termination and ending on the earliest of (i) the completion of the Severance Period or (ii) the date that you obtain new employment that offers group medical coverage, the Company will reimburse you for the monthly cost of medical insurance premiums actually paid by you, up to the monthly amount that the Company would have paid for you and your then covered dependents had you been an active employee, based on your elections under the applicable group medical plan of the Company, if any, in which you and your eligible dependents participated as of the date of the Qualifying Termination (the "***Medical Coverage Reimbursement***").

(iii) *Equity Acceleration.* In addition, all of your then-outstanding and unvested time-vesting equity based-award(s) covering shares of Company and/or Realty Income Corporation common stock, shall become vested in full. Each then-outstanding and unvested performance-vesting equity-based award granted to you by the Company shall be treated in accordance with the terms of the applicable plan and award agreement governing such performance-vesting equity-based award.

(d) Release. In order to receive the payments and benefits described in Section 11(c) (other than Accrued Benefits), you must execute, and not revoke, a fully effective release of claims, substantially in the form attached hereto as Exhibit A (the "***Release***"), within twenty-one days (or to the extent required by law forty-five (45) days) following the date of your termination of employment.

12. Definitions

For purposes of this Agreement, the following terms have the meanings set forth below:

(e) "***Cause***" means that you have: (i) committed, with respect to the Company or any of its affiliates, an act of fraud, embezzlement, misappropriation, intentional misrepresentation or conversion of assets, (ii) been convicted 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 failed to substantially perform (other than by reason of illness or temporary disability) your reasonably assigned material duties, (iv) engaged in willful misconduct in the performance of your duties, (v) engaged in conduct that violated the Company's then existing written internal policies or procedures that have been provided to you in writing prior to such conduct and which is materially detrimental to the business and reputation of the Company, or (vi) materially breached any non-competition, nondisclosure or other agreement in effect between you and the Company; provided, however, that with respect to clauses (iii) and (iv), no event shall constitute Cause unless (A) the Company has given you written notice of termination setting forth the conduct that is alleged to constitute Cause within thirty (30) days of the first date on which the Company has knowledge of such conduct, and (B) you fail to cure such conduct within thirty (30) days following the date on which such notice is provided.

(f) "***Change in Control***" shall mean (i) any one person or more than one person acting as a group (as defined under Treas. Reg. § l.409A-3(i)(5)(v)(B)) (each a "***Person***"), acquires shares of the Company having more than 50% of the total voting power or total fair market value of the stock of the Company, not including any merger, consolidation or reorganization of the Company where the shareholders of the Company are substantially the same as before such transaction, (ii) any Person acquires assets of the Company having a total gross fair market value equal to 40% or more of all of the assets of the Company immediately before such acquisition or acquisitions, or (iii) a majority of the members of the Board is replaced in any 12-month period by directors whose appointment is not endorsed by a majority of the members of the Board before the date of the appointment or election: provided , however, that no Change in Control shall be deemed to have occurred unless such event constitutes a "Change in Control" within the meaning of Section 409A of the Code and the Treasury Regulations promulgated thereunder.

(g) "***Change in Control Period***" shall mean the period beginning on the date of a Change in Control and ending twenty-four (24) months following, a Change in Control.

(h) "***Disability***" means that you are unable to perform your duties hereunder 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 you and the Company, provided that if you and the Company do not agree on a physician, you 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 your offices or duties during a period of your inability to perform such duties and pending a determination of Disability shall not be considered a breach of this Agreement by the Company.

(i) "***Good Reason***" means (i) a material reduction in your Base Salary or Target Bonus percentage, (ii) a material reduction in your title or a material diminution in your duties, responsibilities or authorities, or (iii) the relocation of your 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) you have 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 you have 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 your actual termination for Good Reason occurs no later than 60 days after the expiration of such Company cure period.

13. Code Section 280G

Notwithstanding the other provisions of this Agreement, in the event that the amount of any payments or benefit payable to you under this Agreement or otherwise would constitute an "excess parachute payment" (within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended), then such payments and/or benefits will be reduced by the minimum possible amounts until no amount payable to you constitutes an "excess parachute payment;" provided, however, that no such reduction will be made if the net after-tax payment (after taking into account Federal, state, local, and other income and excise taxes) to which you would otherwise be entitled without such reduction would be greater than the net after-tax payment (after taking into account Federal, state, local and other income and excise taxes) to you resulting from the receipt of such payments with such reduction. The payment reduction (if any) contemplated herein will be implemented by (a) first reducing any cash severance payments, (b) then reducing other cash payments, and (c) then reducing all other benefits, in each case, with amounts having later payment dates being reduced first. A determination as to whether any payment reduction is required, and if so, as to which payments are to be reduced and the amount of the reduction, will be made by a nationally recognized public accounting firm selected by the Company. The fees and expenses of the accounting firm will be paid entirely by the Company and the determinations made by accounting firm will be binding upon you and the Company.

14. Code Section 409A

(a) The intent of the parties is that payments and benefits under this Agreement comply with, or be exempt from, Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder ("***Code Section 409A***") and, accordingly, to the maximum extent permitted, this Agreement will be interpreted to be in compliance therewith.

(b) A termination of employment will not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment that are considered "non-qualified deferred compensation" under Code Section 409A unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms will mean "separation from service." If you are deemed on the date of termination to be a "specified employee" within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment that is considered non-qualified deferred compensation under Code Section 409A payable on account of a "separation from service," such payment or benefit will be made or provided at the date which is the earlier of (A) the day after the expiration of the six-month period measured from the date of your "separation from service," and (B) the date of your death (the "Delay Period"). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this Section (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) will be paid or reimbursed to you in a lump sum and any remaining payments and benefits due under this Agreement will be paid or provided in accordance with the normal payment dates specified for them herein.

(c) For purposes of Code Section 409A, your right to receive any installment payments pursuant to this Agreement will be treated as a right to receive a series of separate and distinct payments. To the extent permitted under Code Section 409A, any separate payment or benefit under this Agreement or otherwise shall not be deemed "nonqualified deferred compensation" subject to Code Section 409A to the extent provided in the exceptions in Treasury Regulation Section 1.409A-1(b)(4), Section 1.409A-1(b)(9) or any other applicable exception or provision of Code Section 409A. Any payments subject to Code Section 409A that are subject to execution of a waiver and release which may be executed and/or revoked in a calendar year following the calendar year in which the payment event (such as termination of employment) occurs shall commence payment only in the calendar year in which the consideration period or, if applicable, release revocation period ends, as necessary to comply with Code Section 409A.

(d) To the extent that any payments or reimbursements provided to you under this Agreement (including, without limitation, the Medical Coverage Reimbursement) are deemed to constitute compensation to you to which Treasury Regulation Section 1.409A-3(i)(1)(iv) would apply, such amounts shall be paid or reimbursed reasonably promptly, but not later than December 31 of the year following the year in which the expense was incurred. The amount of any such payments eligible for reimbursement in one year shall not affect the payments or expenses that are eligible for payment or reimbursement in any other taxable year, and your right to such payments or reimbursement of any such expenses shall not be subject to liquidation or exchange for any other benefit.

15. General

(a) The Company may withhold from any and all amounts payable to you such federal, state and local taxes as may be required to be withheld pursuant to applicable laws or regulations.

(b) All amounts payable hereunder shall be subject to any claw-back policy adopted by the Company, including any claw-back policy adopted to comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act (and any rules or regulations promulgated thereunder) or any other applicable law, as set forth in such claw-back policy.

(c) Any amounts payable hereunder after your death shall be paid to your designated beneficiary or beneficiaries, whether received as a designated beneficiary or by will or the laws of descent and distribution. You may designate a beneficiary or beneficiaries for all purposes of this Agreement, and may change at any time such designation, by notice to the Company making specific reference to this Agreement.

(d) In no event shall you be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to you under any of the provisions of this Agreement and except as set forth herein with respect to Medical Coverage Reimbursement, such amounts shall not be reduced or otherwise subject to offset in any manner, regardless of whether you obtain other employment.

(e) You hereby certify that you are not a party to any agreement or understanding, written or oral, and you are not subject to any restriction, which could prevent you from performing all of your duties and obligations hereunder. If you possess any proprietary or confidential information regarding any previous employer, you hereby agree that you will neither disclose nor use such information in a manner which would cause you to violate any preexisting agreements with that employer. Section 8 ("***Representations***") of the Employee Confidentiality and Non-Competition Agreement, attached hereto as Exhibit B, is hereby incorporated by reference.

(f) This Agreement shall be governed under the laws of the State of [Arizona / New York], without regard to the principles of conflicts of laws.

(g) These are the terms of your employment with the Company subject to our receipt of (i) your signed acceptance of this Agreement and (ii) your signed acceptance of the Employee Confidentiality and Non-Competition Agreement attached hereto as Exhibit B and incorporated herein.

(h) This Agreement may be executed in any number of counterparts each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

Sincerely,

Orion Office REIT, Inc.,
a Maryland corporation

Name:
Its:

Orion Services LLC,
a [Maryland] limited liability company

Name:
Its:

Accepted By:

Name:

[ORION OFFICE REIT, INC.]
2021 EQUITY INCENTIVE PLAN

SECTION 1. GENERAL PURPOSE OF THE PLAN; DEFINITIONS

The name of the plan is the [Orion Office REIT, Inc.] 2021 Equity Incentive Plan (the "*Plan*"). The purpose of the Plan is to encourage and enable the officers, employees, Non-Employee Directors and Consultants of [Orion Office REIT, Inc.] (the "*Company*") and its Subsidiaries upon whose judgment, initiative and efforts the Company largely depends for the successful conduct of its business to acquire a proprietary interest in the Company. It is anticipated that providing such persons with a direct stake in the Company's welfare will assure a closer identification of their interests with those of the Company and its stockholders, thereby stimulating their efforts on the Company's behalf and strengthening their desire to remain with the Company.

The following terms shall be defined as set forth below:

"*Administrator*" means either the Board or the compensation committee of the Board or a similar committee performing the functions of the compensation committee that is designated by the Board as the administrator of the Plan.

"*Award*" or "*Awards*," means an award under the Plan and, except where referring to a particular category of grant under the Plan, shall include Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock Awards, Restricted Stock Unit Awards, Unrestricted Stock Awards, Dividend Equivalent Rights and other equity-based awards as contemplated herein.

"*Award Agreement*" means a written or electronic document setting forth the terms and provisions applicable to an Award granted under the Plan. Each Award Agreement is subject to the terms and conditions of the Plan.

"*Board*" means the Board of Directors of the Company.

"*Change in Control*" means and includes any of the following events:

(i) any Person is or becomes Beneficial Owner (as defined under Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing thirty percent (30%) or more of the combined voting power of the then outstanding securities of the Company, excluding (A) any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (x) of subsection (ii) below and (B) any Person who becomes such a Beneficial Owner through the issuance of such securities with respect to purchases made directly from the Company; or

(ii) the consummation of a merger or consolidation of the Company with any other Person or the issuance of voting securities of the Company in connection with a merger or consolidation of the Company (or any direct or indirect subsidiary of the Company) pursuant to applicable stock exchange requirements, other than (x) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) fifty percent (50%) or more of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (y) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing thirty percent (30%) or more of the combined voting power of the then outstanding securities of the Company; or

(iii) the consummation of a sale or disposition by the Company of all or substantially all of the assets of the Company; or

(iv) persons who, as of the Effective Date, constitute the Board (the "*Incumbent Directors*") cease for any reason, including, without limitation, as a result of a tender offer, proxy contest, merger or similar transaction, to constitute at least a majority of the Board, provided that any person becoming a director of the Company subsequent to such date shall be considered an Incumbent Director if such person's election was approved by or such person was nominated for election by a vote of at least a majority of the Incumbent Directors; or

(v) the stockholders of the Company approve any plan or proposal for the liquidation or dissolution of the Company.

Notwithstanding the foregoing, (a) neither the spin-off of the Company by Realty Income Corporation nor the distribution of the Company's Stock or any other action in connection therewith shall constitute a Change in Control, and (b) no event or condition shall constitute a Change in Control to the extent that, if it were, a 20% tax would be imposed under Section 409A of the Code; provided that, in such a case, the event or condition shall continue to constitute a Change in Control to the maximum extent possible (*e.g.*, if applicable, in respect of vesting without an acceleration of distribution) without causing the imposition of such 20% tax.

"*Code*" means the Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

"*Consultant*" means any natural person that provides bona fide services to the Company, and such services are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities.

"*Dividend Equivalent Right*" means an Award entitling the grantee to receive credits based on cash dividends that would have been paid on the shares of Stock specified in the Dividend Equivalent Right (or other Award to which it relates) if such shares had been issued to and held by the grantee.

"*Effective Date*" means the date on which the Plan becomes effective as set forth in Section 19.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

"*Fair Market Value*" of the Stock on any given date means the fair market value of the Stock determined in good faith by the Administrator; provided, however, that if the Stock is listed on the New York Stock Exchange or another national securities exchange, the determination shall be made by reference to reported market sales prices. If there are no reported market sales prices for such date, the determination shall be made by reference to the last date preceding such date for which there are reported market sales prices.

"*Family Member*" of a grantee means a grantee's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the grantee's household (other than a tenant of the grantee), a trust in which these persons (or the grantee) have more than 50% of the beneficial interest, a foundation in which these persons (or the grantee) control the management of assets, and any other entity in which these persons (or the grantee) own more than 50% of the voting interests.

"*Incentive Stock Option*" means any Stock Option designated and qualified as an "incentive stock option" as defined in Section 422 of the Code.

"*Minimum Vesting Period*" means the one-year period following the date of grant of an Award.

"*Non-Employee Director*" means a member of the Board who is not also an employee of the Company or any Subsidiary.

"*Non-Qualified Stock Option*" means any Stock Option that is not an Incentive Stock Option.

"*Operating Partnership*" means Orion Office REIT, L.P.

"*Person*" means any natural person, corporation, partnership, association, limited liability company, estate, trust, joint venture, any federal, state or municipal government or any bureau, department or agency thereof, any other legal entity, or a "group" as that term is used for purposes of Rule 13d-5(b) or Section 13(d) of the Exchange Act and any fiduciary acting in such capacity on behalf of the foregoing.

"*REIT*" means a real estate investment trust within the meaning of Section 856 through 860 of the Code.

"*Restricted Stock*" means the shares of Stock underlying a Restricted Stock Award that remain subject to a risk of forfeiture or the Company's right of repurchase.

"*Restricted Stock Award*" means an Award of Restricted Stock subject to such restrictions and conditions as the Administrator may determine at the time of grant.

"*Restricted Stock Units*" means the units underlying a Restricted Stock Unit Award, each of which represents the right to receive one share of Stock or a cash payment equal to the Fair Market Value of one share of Stock at the time and upon the conditions applicable to the Restricted Stock Unit Award.

"*Restricted Stock Unit Award*" means an Award of Restricted Stock Units subject to such restrictions and conditions as the Administrator may determine at the time of grant.

"*Sale Event*" shall mean (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (ii) a merger, reorganization, consolidation or other transaction (other than a sale of securities by the Company) pursuant to which the outstanding voting power and outstanding stock of the Company immediately prior to such transaction does not either (A) continue to represent a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction or (B) convert into, or become immediately exchangeable for, a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, or (iii) the sale of all of the Stock of the Company to an unrelated person, entity or group thereof acting in concert. Notwithstanding the foregoing, neither the spin-off of the Company by Realty Income Corporation nor the distribution of the Company's Stock or any other action in connection therewith shall constitute a Sale Event.

"*Section 409A*" means Section 409A of the Code and the regulations and other guidance promulgated thereunder.

"*Service Relationship*" means any relationship as an employee, director or Consultant of the Company or any Subsidiary (*e.g.*, a Service Relationship shall be deemed to continue without interruption in the event an individual's status changes from full-time employee to part-time employee or Consultant).

"*Stock*" means the common stock, par value $0.01 per share, of the Company, subject to adjustments pursuant to Section 3.

"*Stock Appreciation Right*" means an Award entitling the recipient to receive shares of Stock (or cash, to the extent explicitly provided for in the applicable Award Agreement) having a value equal to the excess of the Fair Market Value of the Stock on the date of exercise over the exercise price of the Stock Appreciation Right multiplied by the number of shares of Stock with respect to which the Stock Appreciation Right shall have been exercised.

"*Stock Option*" means any option to purchase shares of Stock granted pursuant to Section 5.

"*Subsidiary*" means any corporation or other entity (other than the Company) in which the Company has at least a 50 percent interest, either directly or indirectly.

"*Ten Percent Owner*" means an employee who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10 percent of the combined voting power of all classes of stock of the Company or any parent or subsidiary corporation.

"*Unit*" means units of partnership interest, including one or more classes of profits interests in the Operating Partnership.

"*Unrestricted Stock Award*" means an Award of shares of Stock free of any restrictions.

SECTION 2. ADMINISTRATION OF PLAN; ADMINISTRATOR AUTHORITY TO SELECT GRANTEES AND DETERMINE AWARDS

(a) Administration of Plan. The Plan shall be administered by the Administrator.

(b) Powers of Administrator. The Administrator shall have the power and authority to grant Awards consistent with the terms of the Plan and otherwise administer the Plan and the Awards granted hereunder, including, without limitation, the power and authority:

(i) to select the individuals to whom Awards may from time to time be granted;

(ii) to determine the time or times of grant, and the extent, if any, of Incentive Stock Options, Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Stock Awards, Restricted Stock Unit Awards, Unrestricted Stock Awards, and Dividend Equivalent Rights and other equity-based awards, or any combination of the

foregoing, granted to any one or more grantees;

(iii) to determine the number of shares of Stock to be covered by any Award;

(iv) subject to the limitations set forth in Section 2(g) below, to determine and modify from time to time the terms and conditions, including restrictions, not inconsistent with the terms of the Plan, of any Award, which terms and conditions may differ among individual Awards and grantees, and to approve the forms of Award Agreements;

(v) to accelerate at any time the exercisability or vesting of all or any portion of any Award in circumstances involving the grantee's death, disability, retirement or termination of employment or service relationship or a change in control (including a Change in Control);

(vi) subject to the provisions of Section 5(c), to extend at any time the period in which Stock Options may be exercised; and

(vii) at any time to adopt, alter and repeal such rules, guidelines and practices for administration of the Plan and for its own acts and proceedings as it shall deem advisable; to interpret the terms and provisions of the Plan and any Award (including related written instruments); to make all determinations it deems advisable for the administration of the Plan; to decide all disputes arising in connection with the Plan; and to otherwise supervise the administration of the Plan.

All decisions and interpretations of the Administrator shall be binding on all persons, including the Company and Plan grantees.

(c) Delegation of Authority to Grant Awards . Subject to applicable law, the Administrator, in its discretion, may delegate to the Chief Executive Officer of the Company or his or her delegate (the "*Delegate*") all or part of the Administrator's authority and duties with respect to the granting of Awards to individuals who are not subject to the reporting and other provisions of Section 16 of the Exchange Act and not the Delegate. Any such delegation by the Administrator shall include a limitation as to the amount of Stock underlying Awards that may be granted during the period of the delegation and shall contain guidelines as to the determination of the exercise price and the vesting criteria. The Administrator may revoke or amend the terms of a delegation at any time but such action shall not invalidate any prior actions of the Administrator's delegate or delegates that were consistent with the terms of the Plan.

(d) Award Agreement. Awards under the Plan shall be evidenced by Award Agreements that set forth the terms, conditions and limitations for each Award which may include, without limitation, the term of an Award and the provisions applicable in the event employment or service terminates.

(e) Indemnification. Neither the Board nor the Administrator, nor any member of either or any delegate thereof, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with the Plan, and the members of the Board and the Administrator (and any delegate thereof) shall be entitled in all cases to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including, without limitation, reasonable attorneys' fees) arising or resulting therefrom to the fullest extent permitted by law and/or under the Company's articles or bylaws or any directors' and officers' liability insurance coverage which may be in effect from time to time and/or any indemnification agreement between such individual and the Company.

(f) Foreign Award Recipients. Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in other countries in which the Company and its Subsidiaries operate or have employees or other individuals eligible for Awards, the Administrator, in its sole discretion, shall have the power and authority to: (i) determine which Subsidiaries shall be covered by the Plan; (ii) determine which individuals outside the United States are eligible to participate in the Plan; (iii) modify the terms and conditions of any Award granted to individuals outside the United States to comply with applicable foreign laws; (iv) establish subplans and modify exercise procedures and other terms and procedures, to the extent the Administrator determines such actions to be necessary or advisable (and such subplans and/or modifications shall be attached to this Plan as appendices); provided, however, that no such subplans and/or modifications shall increase the share limitations contained in Section 3(a) hereof; and (v) take any action, before or after an Award is made, that the Administrator determines to be necessary or advisable to obtain approval or comply with any local governmental regulatory exemptions or approvals. Notwithstanding the foregoing, the Administrator may not take any actions hereunder, and no Awards shall be granted, that would violate the Exchange Act or any other applicable United States securities law, the Code, or any other applicable United States governing statute or law.

(g) Minimum Vesting Period. The vesting period for each Award granted under the Plan, other than an Excepted Award (as defined below), must be at least equal to the Minimum Vesting Period; provided, however, nothing in this Section 2(g) shall limit the Administrator's authority to accelerate the vesting of Awards as set forth in Section 2(b)(v) above; and, provided further, notwithstanding the foregoing, (i) up to 5% of the shares of Stock authorized for issuance under the Plan may be utilized for Unrestricted Stock Awards or other Awards with a vesting period that is less than the Minimum Vesting Period, (ii) Awards may be granted as substitute Awards in replacement of other Awards (or awards previously granted by an entity being acquired (or assets of which are being acquired)) that were scheduled to vest within the Minimum Vesting Period or (iii) Awards may be granted in connection with an elective deferral of cash compensation that, absent a deferral election, otherwise would have been paid to the grantee within the Minimum Vesting Period (each such Award, an "*Excepted Award*").

SECTION 3. STOCK ISSUABLE UNDER THE PLAN; MERGERS; SUBSTITUTION

(a) Stock Issuable. The maximum number of shares of Stock reserved and available for issuance under the Plan shall be shares, subject to adjustment as provided in this Section 3. For purposes of this limitation, the shares of Stock underlying any awards under the Plan that are forfeited, canceled or otherwise terminated (other than by exercise) shall be added back to the shares of Stock available for issuance under the Plan and, to the extent permitted under Section 422 of the Code and the regulations promulgated thereunder, the shares of Stock that may be issued as Incentive Stock Options. Notwithstanding the foregoing, the following shares shall not be added to the shares authorized for grant under the Plan: (i) shares tendered or held back upon exercise of a Stock Option or settlement of an Award to cover the exercise price or tax withholding, and (ii) shares subject to a Stock Appreciation Right that are not issued in connection with the stock settlement of the Stock Appreciation Right upon exercise thereof. In the event the Company repurchases shares of Stock on the open market, such shares shall not be added to the shares of Stock available for issuance under the Plan. Subject to such overall limitations, shares of Stock may be issued up to such maximum number pursuant to any type or types of Award; provided, however, that no more than shares of the Stock may be issued in the form of Incentive Stock Options. The shares available for issuance under the Plan may be authorized but unissued shares of Stock or shares of Stock reacquired by the Company.

(b) Changes in Stock. Subject to Section 3(c) hereof, if, as a result of any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Company's capital stock, the outstanding shares of Stock are increased or decreased or are exchanged for a different number or kind of shares or other securities of the Company, or additional shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such shares of Stock or other securities, or, if, as a result of any merger or consolidation or sale of all or substantially all of the assets of the Company, the outstanding shares of Stock are converted into or exchanged for securities of the Company or any successor entity (or a parent or subsidiary thereof) or other consideration, the Administrator shall make appropriate equitable adjustments to the Plan and any outstanding Awards, which may include, without limitation, appropriate or proportionate adjustments in (i) the maximum number and kind of shares reserved for issuance under the Plan, including the maximum number and kind of shares that may be issued in the form of Incentive Stock

Options, (ii) the number and kind of shares, securities or other consideration subject to any then outstanding Awards under the Plan, (iii) the repurchase price, if any, per share of Restricted Stock subject to each outstanding Restricted Stock Award, (iv) the exercise price for each share subject to any then outstanding Stock Options and Stock Appreciation Rights under the Plan, without changing the aggregate exercise price (*i.e.*, the exercise price multiplied by the number of shares subject to Stock Options and Stock Appreciation Rights) as to which such Stock Options and Stock Appreciation Rights remain exercisable and (v) other applicable terms of the Plan and any outstanding Awards. The Administrator shall also make equitable or proportionate adjustments in the number of shares subject to outstanding Awards and the exercise price and the terms of outstanding Awards to take into consideration cash dividends paid other than in the ordinary course or any other extraordinary corporate event. The adjustment by the Administrator shall be final, binding and conclusive. No fractional shares of Stock shall be issued under the Plan resulting from any such adjustment, but the Administrator in its discretion may round such fractional shares or make a cash payment in lieu of fractional shares.

(c) Assumption/Substitution of Awards and Termination of Awards in Connection with Sale Event. In the case of and subject to the consummation of a Sale Event, the parties thereto may cause the assumption or continuation of Awards theretofore granted by the Company (with any adjustments made pursuant to Section 3(b)), or the substitution of such Awards with new awards, as applicable, of the successor entity or parent thereof, with appropriate adjustment as to the number and kind of shares and the per share exercise prices as such parties shall agree. In connection with any Sale Event in which the shares of Stock are exchanged for or converted into the right to receive cash, the parties to any such transaction may also provide that some or all outstanding Awards that would otherwise not be fully vested and exercisable in full after giving effect to the transaction will be converted into the right to receive the amount of cash paid per share of Stock in the Sale Event multiplied by the number of shares subject to such Awards (net of the applicable exercise price), subject to any remaining vesting provisions relating to such Awards and the other terms and conditions of such transaction to the extent provided by the parties to such transaction. To the extent the parties to such Sale Event do not cause the assumption, continuation or substitution of Awards upon the effective time of the Sale Event, all such outstanding Awards shall terminate, unless otherwise provided in the Award Agreement for a particular Award. In the event of such a termination, each Award that is terminated shall become vested and, if applicable, fully exercisable as of the effective time of such transaction and the Company will take one of the following actions with respect to each such Award (with the choice among the following options to be made by the Administrator in its sole discretion): (i) make or provide for a payment, in cash or in kind, to the grantee holding such Award, in exchange for the cancellation thereof, in an amount equal to the excess, if any, of (A) the value of the consideration received or to be received with respect to each share of Stock in such transaction multiplied by the number of shares of Stock subject to such Award (to the extent then vested (after taking into account any acceleration hereunder) at prices not in excess of the per share amount of such consideration) above (B) the aggregate exercise price, if any, for such shares of Stock pursuant to such Award; or (ii) in the event that such Award is a Stock Option or Stock Appreciation Right, permit the grantee holding such Stock Option or Stock Appreciation Right, within a specified period of time prior to such termination, as determined by the Administrator, to exercise such Stock Option or Stock Appreciation Right as of, and subject to, the consummation of the transaction pursuant to which such Stock Option or Stock Appreciation Right is to be terminated (to the extent such Stock Option or Stock Appreciation Right would be exercisable as of the consummation of the Sale Event (after taking into account any acceleration hereunder)).

(d) Assumption or Substitution of Awards by the Company. The Company, from time to time, may assume or substitute outstanding awards granted by another company, in connection with an acquisition of such other company (the "*Substitute Awards*"), by either: (i) granting an Award under the Plan in substitution of such other company's award; or (ii) assuming such award as if it had been granted under the Plan if the terms of such assumed award could be applied to an Award granted under this Plan. Such substitution or assumption will be permissible if the holder of the substituted or assumed award is eligible to be granted an Award under the Plan. In the event the Company assumes an award granted by another company, the terms and conditions of such award will remain unchanged (except that the purchase price or the exercise price, as the case may be, the number and nature of shares of Stock issuable upon exercise or settlement of any such award and the other terms of such award will be adjusted appropriately consistent with Sections 409A and 424(a) of the Code). In the event the Company elects to grant a new Stock Option or Stock Appreciation Right in substitution rather than assuming an existing option or stock appreciation right, as applicable, such new Stock Option or Stock Appreciation Right may be granted with a similarly adjusted exercise price. Substitute Awards will not reduce the number of shares of Stock authorized for grant under the Plan.

(e) Non-Employee Director Compensation. Notwithstanding any provision to the contrary in the Plan, the Administrator may establish compensation for Non-Employee Directors from time to time, subject to the limitations in the Plan. The Administrator will from time to time determine the terms, conditions and amounts of all such Non-Employee Director compensation in its discretion and pursuant to the exercise of its business judgment, taking into account such factors, circumstances and considerations as it shall deem relevant from time to time, provided that the sum of any cash compensation, or other compensation, and the value (determined as of the grant date in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, or any successor thereto) of Awards granted to a Non-Employee Director as compensation for services as a Non-Employee Director during any fiscal year of the Company may not exceed $1,000,000. The Administrator may make exceptions to these limits for individual Non-Employee Directors in extraordinary circumstances, as the Administrator may determine in its discretion, provided that the Non-Employee Director receiving such additional compensation may not participate in the decision to award such compensation or in other contemporaneous compensation decisions involving Non-Employee Directors.

SECTION 4. ELIGIBILITY

Grantees under the Plan will be such full- or part-time officers and other employees, Non-Employee Directors and Consultants of the Company and its Subsidiaries as are selected from time to time by the Administrator in its sole discretion and such other Persons (to the extent the issuance of shares of Stock to such Person under the Plan may be registered by the Company on Form S-8 and would be permitted in an "employee benefit plan" as defined in Rule 405 under the Securities Act of 1933, as amended) as are selected from time to time by the Administrator in its sole discretion. For avoidance of doubt, no Award may be granted under the Plan to a Person unless the issuance of shares of Stock to such Person under the Plan may be registered by the Company on Form S-8 and such Person is permitted to participate in an "employee benefit plan" as defined in Rule 405 under the Securities Act of 1933, as amended.

SECTION 5. STOCK OPTIONS

(a) Award of Stock Options. The Administrator may grant Stock Options under the Plan. Any Stock Option granted under the Plan shall be in such form as the Administrator may from time to time approve.

Stock Options granted under the Plan may be either Incentive Stock Options or Non-Qualified Stock Options. Incentive Stock Options may be granted only to employees of the Company or any Subsidiary that is a "subsidiary corporation" within the meaning of Section 424(f) of the Code. To the extent that any Stock Option does not qualify as an Incentive Stock Option, it shall be deemed a Non-Qualified Stock Option.

Stock Options granted pursuant to this Section 5 shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not

inconsistent with the terms of the Plan, as the Administrator shall deem desirable. If the Administrator so determines, Stock Options may be granted in lieu of cash compensation at the optionee's election, subject to such terms and conditions as the Administrator may establish.

(b) Exercise Price. The exercise price per share for the Stock covered by a Stock Option granted pursuant to this Section 5 shall be determined by the Administrator at the time of grant but shall not be less than 100 percent of the Fair Market Value on the date of grant. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the exercise price of such Incentive Stock Option shall be not less than 110 percent of the Fair Market Value on the grant date. Notwithstanding the foregoing, Stock Options may be granted with an exercise price per share that is less than 100 percent of the Fair Market Value on the date of grant (i) pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code, (ii) to individuals who are not subject to U.S. income tax on the date of grant or (iii) the Stock Option is otherwise compliant with Section 409A.

(c) Stock Option Term. The term of each Stock Option shall be fixed by the Administrator, but no Stock Option shall be exercisable more than ten years after the date the Stock Option is granted. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the term of such Stock Option shall be no more than five years from the date of grant.

(d) Exercisability; Rights of a Stockholder. Stock Options shall become exercisable at such time or times, whether or not in installments, as shall be determined by the Administrator at or after the grant date. An optionee shall have the rights of a stockholder only as to shares acquired upon the exercise of a Stock Option and not as to unexercised Stock Options.

(e) Method of Exercise. Stock Options may be exercised in whole or in part, by giving written or electronic notice of exercise to the Company, specifying the number of shares to be purchased. Payment of the purchase price may be made by one or more of the following methods except to the extent otherwise provided in the applicable Award Agreement:

(i) In cash, by certified or bank check or other instrument acceptable to the Administrator;

(ii) Through the delivery (or attestation to the ownership following such procedures as the Company may prescribe) of shares of Stock that are not then subject to restrictions under any Company plan. Such surrendered shares shall be valued at Fair Market Value on the exercise date;

(iii) By the optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company for the purchase price; provided that in the event the optionee chooses to pay the purchase price as so provided, the optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Company shall prescribe as a condition of such payment procedure; or

(iv) With respect to Stock Options that are not Incentive Stock Options, by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price and the remainder of the aggregate exercise price to be paid by the optionee in cash or other method of payment permitted hereunder.

Payment instruments will be received subject to collection. The transfer to the optionee on the records of the Company or of the transfer agent of the shares of Stock to be purchased pursuant to the exercise of a Stock Option will be contingent upon receipt from the optionee (or a purchaser acting in his stead in accordance with the provisions of the Stock Option) by the Company of the full purchase price for such shares and the fulfillment of any other requirements contained in the applicable Award Agreement or applicable provisions of laws (including the satisfaction of any withholding taxes that the Company is obligated to withhold with respect to the optionee). In the event an optionee chooses to pay the purchase price by previously-owned shares of Stock through the attestation method, the number of shares of Stock transferred to the optionee upon the exercise of the Stock Option shall be net of the number of attested shares. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the exercise of Stock Options, such as a system using an internet website or interactive voice response, then the paperless exercise of Stock Options may be permitted through the use of such an automated system.

(f) Annual Limit on Incentive Stock Options. To the extent required for "incentive stock option" treatment under Section 422 of the Code, the aggregate Fair Market Value (determined as of the time of grant) of the shares of Stock with respect to which Incentive Stock Options granted under this Plan and any other plan of the Company or its parent and subsidiary corporations become exercisable for the first time by an optionee during any calendar year shall not exceed $100,000. To the extent that any Stock Option exceeds this limit, it shall constitute a Non-Qualified Stock Option.

SECTION 6. STOCK APPRECIATION RIGHTS

(a) Award of Stock Appreciation Rights. The Administrator may grant Stock Appreciation Rights under the Plan. A Stock Appreciation Right is an Award entitling the recipient to receive shares of Stock (or cash, to the extent explicitly provided for in the applicable Award Agreement) having a value equal to the excess of the Fair Market Value of a share of Stock on the date of exercise over the exercise price of the Stock Appreciation Right multiplied by the number of shares of Stock with respect to which the Stock Appreciation Right shall have been exercised.

(b) Exercise Price of Stock Appreciation Rights. The exercise price of a Stock Appreciation Right shall not be less than 100 percent of the Fair Market Value of the Stock on the date of grant. Notwithstanding the foregoing, Stock Appreciation Rights may be granted with an exercise price per share that is less than 100 percent of the Fair Market Value on the date of grant (i) pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code, (ii) to individuals who are not subject to U.S. income tax on the date of grant or (iii) the Stock Appreciation Right is otherwise compliant with, or is not subject to, Section 409A.

(c) Grant and Exercise of Stock Appreciation Rights. Stock Appreciation Rights may be granted by the Administrator independently of any Stock Option granted pursuant to Section 5 of the Plan.

(d) Terms and Conditions of Stock Appreciation Rights. Stock Appreciation Rights shall be subject to such terms and conditions as shall be determined on the date of grant by the Administrator. The term of a Stock Appreciation Right may not exceed ten years. The terms and conditions of each such Award shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees.

SECTION 7. RESTRICTED STOCK AWARDS

(a) Nature of Restricted Stock Awards. The Administrator may grant Restricted Stock Awards under the Plan. A Restricted Stock Award is any Award of Restricted Stock subject to such restrictions and conditions as the Administrator may determine at the time of grant. Conditions may be based on continuing employment (or

other Service Relationship) and/or achievement of pre-established performance goals and objectives.

(b) Rights as a Stockholder. Upon the grant of a Restricted Stock Award and payment of any applicable purchase price, a grantee shall have the rights of a stockholder with respect to the Restricted Stock granted thereunder, including voting of the Restricted Stock and receipt of dividends; provided that if the lapse of restrictions with respect to the Restricted Stock Award is tied to the attainment of vesting conditions, any cash dividends paid by the Company during the vesting period shall be retained by, or repaid by the grantee to, the Company until and to the extent the vesting conditions are met with respect to the Restricted Stock Award; provided further that, to the extent provided for in the applicable Restricted Stock Award or by the Administrator, an amount equal to such cash dividends retained by, or repaid by the grantee to, the Company may be paid to the grantee upon the lapsing of such restrictions. Unless the Administrator shall otherwise determine, (i) uncertificated Restricted Stock shall be accompanied by a notation on the records of the Company or the transfer agent to the effect that they are subject to forfeiture until such Restricted Stock is vested as provided in Section 7(d) below, and (ii) certificated Restricted Stock shall remain in the possession of the Company until such Restricted Stock is vested as provided in Section 7(d) below, and the grantee shall be required, as a condition of the grant, to deliver to the Company such instruments of transfer as the Administrator may prescribe.

(c) Restrictions. Restricted Stock may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided herein or in the Restricted Stock Award Agreement. Except as may otherwise be provided by the Administrator either in the Award Agreement or, subject to Section 16 below, in writing after the Award is issued, if a grantee's employment (or other Service Relationship) with the Company and its Subsidiaries terminates for any reason, any Restricted Stock that has not vested at the time of termination shall automatically and without any requirement of notice to such grantee from or other action by or on behalf of, the Company be deemed to have been reacquired by the Company at its original purchase price (if any) from such grantee or such grantee's legal representative simultaneously with such termination of employment (or other Service Relationship), and thereafter shall cease to represent any ownership of the Company by the grantee or rights of the grantee as a stockholder. Following such deemed reacquisition of Restricted Stock that is represented by physical certificates, a grantee shall surrender such certificates to the Company upon request without consideration.

(d) Vesting of Restricted Stock. The Administrator at the time of grant shall specify the date or dates and/or the attainment of pre-established performance goals, objectives and other conditions on which the non-transferability of the Restricted Stock and the Company's right of repurchase or forfeiture shall lapse. Subsequent to such date or dates and/or the attainment of such pre-established performance goals, objectives and other conditions, the shares on which all restrictions have lapsed shall no longer be Restricted Stock and shall be deemed "vested."

SECTION 8. RESTRICTED STOCK UNIT AWARDS

(a) Nature of Restricted Stock Unit Awards. The Administrator may grant Restricted Stock Unit Awards under the Plan. A Restricted Stock Unit Award is an Award of Restricted Stock Units that, subject to the terms and conditions of the applicable Award Agreement, may be settled in shares of Stock (or cash, to the extent explicitly provided for in the Award Agreement) upon the satisfaction of applicable restrictions and conditions at the time of grant. Conditions may be based on continuing employment (or other Service Relationship) and/or achievement of pre-established performance goals and objectives. The terms and conditions of each such Award shall be determined by the Administrator, and such terms and conditions may differ among individual Awards and grantees. To the extent permitted by the Administrator, the settlement of Restricted Stock Units may be deferred to one or more dates specified in the applicable Award Agreement or elected by the grantee. Each Restricted Stock Unit Award that is subject to Section 409A shall contain such additional terms and conditions as the Administrator shall determine in its sole discretion in order to comply with the requirements of Section 409A.

(b) Rights as a Stockholder. A grantee shall have the rights as a stockholder only as to shares of Stock acquired by the grantee upon settlement of Restricted Stock Units; provided, however, that the grantee may be credited with Dividend Equivalent Rights with respect to the stock units underlying his Restricted Stock Units, subject to the provisions of Section 10 and such terms and conditions as the Administrator may determine.

(c) Termination. Except as may otherwise be provided by the Administrator either in the Award Agreement or, subject to Section 16 below, in writing after the Award is issued, a grantee's right in all Restricted Stock Units that have not vested shall automatically terminate upon the grantee's termination of employment (or cessation of Service Relationship) with the Company and its Subsidiaries for any reason.

SECTION 9. UNRESTRICTED STOCK AWARDS

(a) Grant or Sale of Unrestricted Stock. The Administrator may grant (or sell at par value or such higher purchase price determined by the Administrator) an Unrestricted Stock Award under the Plan. An Unrestricted Stock Award is an Award of Stock free of any restrictions under the Plan. Unrestricted Stock Awards may be granted in respect of past services or other valid consideration, or in lieu of cash compensation due to such grantee.

SECTION 10. DIVIDEND EQUIVALENT RIGHTS

(a) Dividend Equivalent Rights. The Administrator may grant Dividend Equivalent Rights under the Plan. A Dividend Equivalent Right is an Award entitling the grantee to receive credits based on cash dividends that would have been paid on the shares of Stock specified in the Dividend Equivalent Right (or other Award to which it relates) if such shares had been issued to the grantee. A Dividend Equivalent Right may be granted hereunder to any grantee as a component of an Award, including a Restricted Stock Unit Award, or as a freestanding award. The terms and conditions of Dividend Equivalent Rights shall be specified in the applicable Award Agreement. Unless provided by the Administrator, dividend equivalents credited to the holder of a Dividend Equivalent Right may be paid currently or may be deemed to be reinvested in additional shares of Stock, which may thereafter accrue additional equivalents. Unless otherwise provided in the Award Agreement or by the Administrator, any such reinvestment shall be at Fair Market Value on the date of reinvestment or such other price as may then apply under a dividend reinvestment plan sponsored by the Company, if any. Dividend Equivalent Rights may be settled in cash or shares of Stock or a combination thereof, in a single installment or installments. Notwithstanding anything to the contrary, a Dividend Equivalent Right granted as a component of an Award under this Plan shall provide that such Dividend Equivalent Right shall be settled only upon settlement or payment of, or lapse of restrictions on, such other Award, and that such Dividend Equivalent Right shall expire or be forfeited or annulled under the same conditions as such other Award.

(b) Termination. Except as may otherwise be provided by the Administrator either in the Award Agreement or, subject to Section 16 below, in writing after the Award is issued, a grantee's rights in all Dividend Equivalent Rights shall automatically terminate upon the grantee's termination of employment (or cessation of Service Relationship) with the Company and its Subsidiaries for any reason.

SECTION 11. OTHER EQUITY-BASED AWARDS

(a) The Administrator shall have the right (i) to grant other Awards based upon the Stock having such terms and conditions as the Administrator may determine, including, without limitation, the grant of shares based upon certain conditions, the grant of convertible preferred shares, convertible debentures and other exchangeable or

redeemable securities or equity interests, (ii) to grant limited-partnership or any other membership or ownership interests (which may be expressed as units or otherwise) in a Subsidiary or operating or other partnership (or other affiliate of the Company), including, without limitation, Units, with any Stock being issued in connection with the conversion of (or other distribution on account of) an interest granted under the authority of this clause (ii) to be subject, for the avoidance of doubt, to Section 3 and the other provisions of the Plan, and (iii) to grant Awards valued by reference to book value, fair value or performance parameters relative to the Company or any Subsidiary or group of Subsidiaries.

SECTION 12. TRANSFERABILITY OF AWARDS

(a) Transferability. Unless otherwise provided in the Award Agreement or by the Administrator, during a grantee's lifetime, his or her Stock Options and Stock Appreciation Rights shall be exercisable only by the grantee, or by the grantee's legal representative or guardian in the event of the grantee's incapacity. Except as provided in Section 12(b) below and unless otherwise provided in the Award Agreement or by the Administrator, no Awards shall be sold, assigned, transferred or otherwise encumbered or disposed of by a grantee other than by will or by the laws of descent and distribution or pursuant to a domestic relations order; provided that, for the avoidance of doubt, the foregoing shall not apply to shares of Stock issued pursuant to an Award following the date on which such shares are vested. No Awards shall be subject, in whole or in part, to attachment, execution, or levy of any kind, and any purported transfer in violation hereof shall be null and void.

(b) Administrator Action. Notwithstanding Section 12(a), the Administrator, in its discretion, may provide either in the Award Agreement regarding a given Award or by subsequent written approval that the grantee (who is an employee or director) may transfer his or her Awards (other than Incentive Stock Options) to his or her Family Members for no value or consideration; provided that the transferee agrees in writing to be bound by all of the terms and conditions of this Plan and the applicable Award.

(c) Designation of Beneficiary. To the extent permitted by the Company, each grantee to whom an Award has been made under the Plan may designate a beneficiary or beneficiaries to exercise any Award or receive any payment under any Award payable on or after the grantee's death. Any such designation shall be on a form provided for that purpose by the Company and shall not be effective until received by the Company. If no beneficiary has been designated by a deceased grantee, or if the designated beneficiaries have predeceased the grantee, the beneficiary shall be the grantee's estate.

SECTION 13. TAX WITHHOLDING

(a) Payment by Grantee. Each grantee shall, no later than the date as of which the value of an Award or of any Stock or other amounts received thereunder first becomes includable in the gross income of the grantee for Federal income tax purposes, pay to the Company, or make arrangements satisfactory to the Administrator regarding payment of, any Federal, state, or local taxes of any kind required by law to be withheld by the Company with respect to such income. The Company and its Subsidiaries shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the grantee. The Company's obligation to deliver evidence of book entry (or stock certificates) to any grantee is subject to and conditioned on tax withholding obligations being satisfied by the grantee.

(b) Payment in Stock. Subject to approval by the Administrator, a grantee may elect to have the Company's required tax withholding obligation satisfied, in whole or in part, by authorizing the Company to withhold from shares of Stock to be issued pursuant to any Award a number of shares with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due; provided, however, that the amount withheld does not exceed the maximum statutory tax rate or such lesser amount as is necessary to avoid adverse accounting treatment or as determined by the Administrator. The Administrator may also require Awards to be subject to mandatory share withholding up to the required withholding amount. For purposes of share withholding, the Fair Market Value of withheld shares shall be determined in the same manner as the value of Stock includible in income of the grantees. The Administrator may also require the Company's tax withholding obligation to be satisfied, in whole or in part, by an arrangement whereby a certain number of shares of Stock issued pursuant to any Award are immediately sold and proceeds from such sale are remitted to the Company in an amount that would satisfy the withholding amount due.

SECTION 14. SECTION 409A AWARDS

Awards are intended to be exempt from Section 409A to the greatest extent possible and to otherwise comply with Section 409A. The Plan and all Awards shall be interpreted in accordance with such intent. To the extent that any Award is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A (a "*409A Award*"), the Award shall be subject to such additional rules and requirements as specified by the Administrator from time to time in order to comply with Section 409A. In this regard, if any amount under a 409A Award is payable upon a "separation from service" (within the meaning of Section 409A) to a grantee who is then considered a "specified employee" (within the meaning of Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the grantee's separation from service, or (ii) the grantee's death, but only to the extent such delay is necessary to prevent such payment from being subject to interest, penalties and/or additional tax imposed pursuant to Section 409A. Further, the settlement of any 409A Award may not be accelerated except to the extent permitted by Section 409A.

SECTION 15. TERMINATION OF SERVICE RELATIONSHIP, TRANSFER, LEAVE OF ABSENCE, ETC.

(a) Termination of Service Relationship. If the grantee's Service Relationship is with a Subsidiary and such Subsidiary ceases to be a Subsidiary, the grantee shall be deemed to have terminated his or her Service Relationship for purposes of the Plan.

(b) For purposes of the Plan, the following events shall not be deemed a termination of a Service Relationship:

(i) a transfer to the employment of the Company from a Subsidiary or from the Company to a Subsidiary, or from one Subsidiary to another; or

(ii) an approved leave of absence for military service or sickness, or for any other purpose approved by the Company, if the employee's right to re-employment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Administrator otherwise so provides in writing.

SECTION 16. AMENDMENTS AND TERMINATION

The Board may, at any time, amend or discontinue the Plan and the Administrator may, at any time, amend or cancel any outstanding Award for the purpose of satisfying changes in law or for any other lawful purpose, but no such action shall materially and adversely affect rights under any outstanding Award without the holder's consent. Except as provided in Section 3, without prior stockholder approval, in no event may the Administrator exercise its discretion to reduce the exercise price of outstanding Stock Options or Stock Appreciation Rights or effect repricing through cancellation and re-grants or cancellation of Stock Options or Stock Appreciation Rights in exchange for cash or other Awards. The Board, in its discretion, may determine to make any Plan amendments subject to the approval of the Company's stockholders for

purposes of complying with the rules of any securities exchange or market system on which the Stock is listed or ensuring that Incentive Stock Options granted under the Plan are qualified under Section 422 of the Code. Nothing in this Section 16 shall limit the Administrator's authority to take any action permitted pursuant to Section 3.

SECTION 17. STATUS OF PLAN

With respect to the portion of any Award that has not been exercised and any payments in cash, Stock or other consideration not received by a grantee, a grantee shall have no rights greater than those of a general creditor of the Company unless the Administrator shall otherwise expressly determine in connection with any Award or Awards. In its sole discretion, the Administrator may authorize the creation of trusts or other arrangements to meet the Company's obligations to deliver Stock or make payments with respect to Awards hereunder, provided that the existence of such trusts or other arrangements is consistent with the foregoing sentence.

SECTION 18. GENERAL PROVISIONS

(a) No Distribution. The Administrator may require each person acquiring Stock pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the shares without a view to distribution thereof.

(b) Delivery of Stock. Notwithstanding anything herein to the contrary, the Company shall not be required to issue, or deliver any certificates evidencing, shares of Stock pursuant to the exercise of any Award, unless and until the Administrator has determined, with advice of counsel (to the extent the Administrator deems such advice necessary or advisable), that the issuance and/or delivery of such certificates is in compliance with all applicable laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the shares of Stock are listed, quoted or traded. All Stock delivered pursuant to the Plan shall be subject to any stop-transfer orders and other restrictions as the Administrator deems necessary or advisable to comply with federal, state or foreign jurisdiction, securities or other laws, rules and quotation system on which the Stock is listed, quoted or traded. The Administrator may place legends on any Stock certificate or in the records of the Company or the transfer agent to reference restrictions applicable to the Stock. In addition to the terms and conditions provided herein, the Administrator may require that an individual make such reasonable covenants, agreements, and representations as the Administrator, in its discretion, deems necessary or advisable in order to comply with any such laws, regulations, or requirements. The Administrator shall have the right to require any individual to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Administrator.

(c) REIT Status. The Plan shall be interpreted and construed in a manner consistent with the Company's status as a REIT. No Award shall be granted or awarded, and with respect to any Award granted under the Plan, such Award shall not vest, be exercisable or be settled:

(i) to the extent that the grant, vesting, exercise or settlement of such Award could cause the grantee or any other person to be in violation of Section 6.2.1 of the Company's charter; or

(ii) if, in the discretion of the Administrator, the grant, vesting, exercise or settlement of such Award could impair the Company's status as a REIT.

(d) Section 83(b) Election. No grantee may make an election under Section 83(b) of the Code with respect to any Award under the Plan without the consent of the Administrator, which the Administrator may grant or withhold in its sole discretion. If, with the consent of the Administrator, a grantee makes an election under Section 83(b) of the Code, the grantee shall be required to deliver a copy of such election to the Company promptly after filing such election with the Internal Revenue Service.

(e) Other Compensation Arrangements; No Employment Rights. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, including trusts, and such arrangements may be either generally applicable or applicable only in specific cases. The adoption of this Plan and the grant of Awards do not confer upon any employee any right to continued employment with the Company or any Subsidiary.

(f) Trading Policy Restrictions. Stock Option exercises and other actions taken with respect to Awards under the Plan shall be subject to the Company's insider trading policies and procedures, as in effect from time to time.

(g) Clawback Policy. Awards under the Plan shall be subject to the Company's clawback policy, as in effect from time to time.

SECTION 19. EFFECTIVE DATE OF PLAN

This Plan shall become effective upon its adoption by the Board, subject to stockholder approval in accordance with applicable state law and the Company's bylaws and articles of incorporation. No grants of Awards may be made hereunder after the tenth anniversary of the date on which the Plan is adopted by the Board.

SECTION 20. GOVERNING LAW

This Plan and all Awards and actions taken thereunder shall be governed by, and construed in accordance with, the laws of the State of Maryland, applied without regard to conflict of law principles.

DATE ADOPTED BY BOARD OF DIRECTORS: , 2021

DATE APPROVED BY STOCKHOLDERS: , 2021

Exhibit 10.3

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (this "***Agreement***") is made and entered into as of the [•] day of [•], 20__ (the "***Effective Date***"), by and between Orion Office REIT Inc., a Maryland corporation (the "***Company***"), and [•] ("***Indemnitee***") (together referred to as the "Parties").

WHEREAS, Indemnitee commenced service as a [director] [and] [officer] of the Company as of [•] (the "***Start Date***");

WHEREAS, by reason of Indemnitee's status as a [director] [and] [officer] of the Company, Indemnitee may be subjected to claims, suits or proceedings arising as a result of Indemnitee's service; and

WHEREAS, as an inducement to Indemnitee to serve or continue to serve as a [director] [and] [officer] of the Company, the Company has agreed to indemnify and to advance expenses and costs incurred by Indemnitee in connection with any such claims, suits or proceedings, to the maximum extent permitted by law and subject to the terms set forth herein; and

WHEREAS, the parties to this Agreement desire to set forth their agreement regarding indemnification and advancement of expenses.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Definitions. For purposes of this Agreement:

(a) "***Bylaws***" means the Bylaws of the Company, as amended, supplemented or otherwise modified from time to time.

(b) "***Charter***" means the charter of the Company, as amended, supplemented or otherwise modified from time to time.

(c) "***Change in Control***" means a change in control of the Company occurring after the Effective Date of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item on any similar schedule or form) promulgated under the Securities Exchange Act of 1934, as amended (the "***Exchange Act***"), whether or not the Company is then subject to such reporting requirement; provided, however, that, without limitation, such a Change in Control shall be deemed to have occurred if, after the Effective Date (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 15% or more of the combined voting power of all of the Company's then-outstanding securities entitled to vote generally in the election of directors without the prior approval of at least two-thirds of the members of the Board of Directors of the Company (the "***Board of Directors***") in office immediately prior to such person's attaining such percentage interest; (ii) there occurs a proxy contest, or the Company is a party to a merger, consolidation, sale of assets, plan of liquidation or other reorganization not approved by at least two-thirds of the members of the Board of Directors then in office, as a consequence of which members of the Board of Directors in office immediately prior to such transaction or event constitute less than a majority of the Board of Directors thereafter; or (iii) at any time, a majority of the members of the Board of Directors are not individuals (A) who were directors as of the Effective Date or (B) whose election by the Board of Directors or nomination for election by the Company's stockholders was approved by the affirmative vote of at least two-thirds of the members of the Board of Directors then in office who were directors as of the Effective Date or whose election or nomination for election was previously so approved.

(d) "***Corporate Status***" means the status of a person as a present or former director, officer, employee or agent of the Company or as a director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent, or as the "partnership representative" for all federal income tax purposes set forth in the Internal Revenue Code of 1986, as amended (the "***Code***"), of any other foreign or domestic corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise that such person is or was serving in such capacity at the request of the Company. Indemnitee's Corporate Status shall be deemed to have commenced on the Start Date. As a clarification and without limiting the circumstances in which Indemnitee may be serving at the request of the Company, service by Indemnitee shall be deemed to be at the request of the Company (1) if Indemnitee serves or served as a director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent, or as the "partnership representative" for all federal income tax purposes set forth in the Code, of any corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise (i) of which a majority of the voting power or equity interest is or was at the time of service owned directly or indirectly by the Company or (ii) the management of which is or was at the time of service controlled directly or indirectly by the Company; or (2) if, as a result of or in connection with Indemnitee's service to the Company or any of its affiliated entities, Indemnitee is or was subject to duties by, or required to perform services for, an employee benefit plan or its participants or beneficiaries, including as a deemed fiduciary thereof.

(e) "***Disinterested Director***" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification and/or advancement of Expenses is sought by Indemnitee.

(f) "***Effective Date***" means the date set forth in the first paragraph of this Agreement.

(g) "***Expenses***" means any and all reasonable and out-of-pocket attorneys' fees, expenses and costs, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, computer research charges, postage, delivery service fees, paralegal and secretarial services, federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, Employee Retirement Income Security Act of 1974, as amended, excise taxes and penalties and any other disbursements or expenses incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in or otherwise participating in a Proceeding. Expenses shall also include Expenses incurred in connection with any appeal resulting from any Proceeding including, without limitation, the premium, security for and other costs relating to any cost bond, supersedeas bond or other appeal bond or its equivalent.

(h) "***Independent Counsel***" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement or of other indemnitees under similar indemnification agreements), or (ii) any other party to or participant or witness in the Proceeding giving rise to a claim for indemnification or advancement of Expenses hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

(i) "***Proceeding***" means any threatened, pending or completed claim, action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other proceeding, whether brought by or in the right of the Company, its shareholders or otherwise and whether of a civil (including intentional or unintentional tort claims), criminal, administrative or investigative (formal or informal) nature, including any appeal therefrom, including any pending on or before the Effective Date. If Indemnitee reasonably believes that a given situation may lead to or culminate in the institution of a Proceeding, such situation shall also be considered a Proceeding.

Section 2. Services by Indemnitee. Indemnitee serves as a [director] [and] [officer] of the Company. However, this Agreement shall not impose any independent obligation on Indemnitee or the Company to continue Indemnitee's service to the Company. This Agreement shall not be deemed an employment contract between the Company (or any other entity) and Indemnitee.

Section 3. General. Subject in all respects to Section 4 and Section 5, the Company shall indemnify and advance Expenses to, Indemnitee (a) as provided in this Agreement and (b) otherwise to the maximum extent permitted by Maryland law in effect on the Effective Date and as amended from time to time; provided, however, that no change in Maryland law shall have the effect of reducing the benefits available to Indemnitee hereunder based on Maryland law as in effect on the Effective Date. Subject in all respects to Section 4 and Section 5, the rights of Indemnitee provided in this Section 3 shall include, without limitation, the rights set forth in the other sections of this Agreement, including any additional indemnification permitted by Section 2-418(g) of the Maryland General Corporation Law (the "***MGCL***").

Section 4. Standard for Indemnification. If, by reason of Indemnitee's Corporate Status, Indemnitee is, or is threatened to be, made a party to any Proceeding, the Company shall indemnify, defend and hold harmless Indemnitee against all judgments, penalties, fines and settlements and advance all Expenses actually incurred by Indemnitee or on Indemnitee's behalf in connection with any such Proceeding, subject to the limitations and requirements set forth herein, including the Certain Limits on Indemnification as set forth in Section 5 of this Agreement.

Section 5. Certain Limits on Indemnification. Notwithstanding any other provision of this Agreement (other than Section 6), Indemnitee shall not be entitled to:

(a) indemnification or advancement of Expenses hereunder if the Proceeding was one by or in the right of the Company and Indemnitee is adjudged to be liable to the Company as described in Section 2-418(b)(2)(ii) of the MGCL;

(b) indemnification or advancement of Expenses hereunder if it is finally determined (in that all rights of appeal have been exhausted or lapsed) in a Proceeding that (i) the act or omission of Indemnitee was material to the matter giving rise to the Proceeding and (x) was committed in bad faith or (y) was the result of Indemnitee's active and deliberate dishonesty; (ii) Indemnitee actually received and is adjudged to be liable for an improper personal benefit in money, property or services, as a result of an act or omission by Indemnitee; or (iii) in the case of any criminal proceeding, Indemnitee had reasonable cause to believe that Indemnitee's act or omission was unlawful;

(c) indemnification or advancement of Expenses hereunder if the Proceeding was brought by Indemnitee, unless: (i) the Proceeding was brought to enforce any of Indemnitee's rights under this Agreement, and then only to the extent in accordance with and as authorized by Section 12 of this Agreement, or (ii) the Charter or Bylaws, a resolution of the stockholders entitled to vote generally in the election of directors or of the Board of Directors or an agreement approved by the Board of Directors to which the Company is a party, expressly provide otherwise; or

(d) indemnification or advancement of Expenses hereunder with respect to any settlement or judgment for insider trading or for disgorgement of profits pursuant to Section 16(b) of the Exchange Act.

Section 6. Court-Ordered Indemnification. Notwithstanding any other provision of this Agreement, a court of appropriate jurisdiction, upon application of Indemnitee and such notice as the court shall require, may order indemnification of Indemnitee by the Company in the following circumstances:

(a) if such court determines that Indemnitee is entitled to reimbursement under Section 2-418(d)(1) of the MGCL, the court shall order indemnification, in which case Indemnitee shall be entitled to recover the Expenses of securing such reimbursement; or

(b) if such court determines that Indemnitee is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not Indemnitee (i) has met the standards of conduct set forth in Section 2-418(b) of the MGCL or (ii) has been adjudged liable for receipt of an improper personal benefit under Section 2-418(c) of the MGCL, the court may order such indemnification as the court shall deem proper. However, indemnification with respect to any Proceeding by or in the right of the Company or in which liability shall have been adjudged in the circumstances described in Section 2-418(c) of the MGCL shall be limited to Expenses.

Section 7. Indemnification for Expenses of an Indemnitee Who Is Wholly or Partially Successful Notwithstanding any other provision of this Agreement, and without limiting any such provision, to the extent that Indemnitee was or is, by reason of Indemnitee's Corporate Status, made a party to (or otherwise becomes a participant in) any Proceeding and is successful, on the merits or otherwise, in the defense of such Proceeding, Indemnitee shall be indemnified for all Expenses actually incurred by Indemnitee or on Indemnitee's behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee under this Section 7 for all Expenses actually incurred by Indemnitee or on Indemnitee's behalf in connection with each such claims, issues or matters, allocated on a reasonable and proportionate basis. For purposes of this Section 7 and without limitation, the termination of any claim, issue or matter in such a Proceeding by settlement or dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter. As clarification, notwithstanding whether Indemnitee is successful in any Proceeding, Indemnitee shall be entitled to indemnification of Expenses if the standard for indemnification under Section 4, subject to Section 5, of this Agreement is met.

Section 8. Procedure for Advancement of Expenses to Indemnitee. If, by reason of Indemnitee's Corporate Status, Indemnitee is, or is threatened to be, made a party to any Proceeding, the Company shall, without requiring a preliminary determination of Indemnitee's ultimate entitlement to indemnification hereunder, advance all reasonable Expenses incurred by or on behalf of Indemnitee in connection with such Proceeding within ten days after the receipt by the Company of a statement or statements requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding, and such advancement may be in the form of, in the reasonable discretion of Indemnitee (but without duplication), (a) payment of such Expenses directly to third parties on behalf of Indemnitee, (b) advance of funds to Indemnitee in an amount sufficient to pay such Expenses or (c) reimbursement to Indemnitee for Indemnitee's payment of such Expenses. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee and shall include or be preceded or accompanied by a written affirmation by Indemnitee of Indemnitee's good faith belief that the standard of conduct necessary for indemnification by the Company as authorized by law and by this Agreement has been met and a written undertaking by or on behalf of Indemnitee, in substantially the form attached hereto as Exhibit A or in such form as may be required under applicable law as in effect at the time of the execution thereof. To the extent that Expenses advanced to Indemnitee do not relate to a specific claim, issue or matter in the Proceeding, such Expenses shall be allocated on a reasonable and proportionate basis. The undertaking required by this Section 8 shall be an unlimited general obligation by or on behalf of Indemnitee and shall be accepted without reference to Indemnitee's financial ability to repay such advanced Expenses and without any requirement to post security therefor.

Section 9. Indemnification and Advancement of Expenses as a Witness or Other Participant. Notwithstanding any other provision of this Agreement (other than Section 5), to the extent that Indemnitee is or may be, by reason of Indemnitee's Corporate Status, made a witness or otherwise asked to participate in any Proceeding, including through any deposition, interview, interrogatory or document or similar request, whether instituted by the Company or any other party, and to which Indemnitee is not a party, Indemnitee shall be advanced all reasonable Expenses and indemnified against all Expenses actually incurred by Indemnitee or on Indemnitee's behalf in connection therewith within ten days after the receipt by the Company of a statement or statements requesting any such advance or indemnification from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee.

Section 10. Procedure for Determination of Entitlement to Indemnification.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. Indemnitee may submit one or more such requests from time to time and at such time(s) as Indemnitee deems appropriate in Indemnitee's sole discretion. The officer of the Company receiving any such request from Indemnitee shall, promptly upon receipt of such a request for indemnification, advise the Board of Directors in writing that Indemnitee has requested indemnification.

(b) Upon written request by Indemnitee for indemnification pursuant to Section 10(a) above, a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall promptly be made in the specific case: (i) if a Change in Control shall have occurred, by Independent Counsel, in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee, which Independent Counsel shall be selected by the Indemnitee and approved by the Board of Directors in accordance with Section 2-418(e)(2)(ii) of the MGCL, which approval shall not be unreasonably withheld or delayed; or (ii) if a Change in Control shall not have occurred, (A) by the Board of Directors by a majority vote of a quorum consisting of Disinterested Directors or, if such a quorum cannot be obtained, then by a majority vote of a duly authorized committee of the Board of Directors consisting solely of one or more Disinterested Directors, (B) if Independent Counsel has been selected by the Board of Directors in accordance with Section 2-418(e)(2)(ii) of the MGCL and approved by the Indemnitee, which approval shall not be unreasonably withheld or delayed, by Independent Counsel, in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee, or (C) if so directed by a majority of the members of the Board of Directors, by the stockholders of the Company. If it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten days after such determination. Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination in the discretion of the Board of Directors or Independent Counsel if retained pursuant to clause (ii)(B) of this Section 10(b). Any Expenses incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company shall indemnify and hold Indemnitee harmless therefrom.

(c) The Company shall pay the reasonable fees and expenses of Independent Counsel, if one is appointed.

Section 11. Presumptions and Effect of Certain Proceedings.

(a) In making any determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 10(a) of this Agreement, and the Company shall have the burden of proof to overcome that presumption in connection with the making of any determination contrary to that presumption.

(b) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement does not create a presumption that Indemnitee did not meet the requisite standard of conduct described herein for indemnification. The termination of any Proceeding or of any claim, issue or matter therein, by conviction, or a plea of *nolo contendere* or its equivalent, or an entry of an order of probation prior to judgment, creates a rebuttable presumption that the Indemnitee did not meet the requisite standard of conduct described herein for indemnification.

(c) The knowledge and/or actions, or failure to act, of any other director, officer, employee or agent of the Company or any other director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of any other foreign or domestic corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise shall not be imputed to Indemnitee for purposes of determining any right to indemnification under this Agreement.

(d) For purposes of any determination of whether any act or omission of Indemnitee met the requisite standard of conduct described herein for indemnification, each act of Indemnitee shall be deemed to have met such standard insofar as such Indemnitee's action is based on the records or books of accounts of the Company, including financial statements, or on information supplied to Indemnitee by the officers of the Company in the course of their duties, or on the advice of legal counsel for the Company or on information or records given or reports made to the Company by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Company, provided that in each instance, such reliance is in accordance with Section 2-405.1(d) of the MGCL. The provisions of this Section 11(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement or under applicable law.

Section 12. Remedies of Indemnitee.

(a) If (i) a determination is made pursuant to Section 10(b) of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Sections 8 or 9 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 10(b) of this Agreement within 45 days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Sections 7 or 9 of this Agreement within ten days after receipt by the Company of a written request therefor, or (v) payment of indemnification pursuant to any other section of this Agreement or the Charter or Bylaws is not made within ten days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication in an appropriate court located in the State of Maryland, or in any other court of competent jurisdiction, of Indemnitee's entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnitee, at Indemnitee's option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence a proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 12(a); provided, however, that the foregoing clause shall not apply to a Proceeding brought by Indemnitee to enforce Indemnitee's rights under Section 7 or 8 of this Agreement. Except as set forth herein, the provisions of Maryland law (without regard to its conflicts of laws rules) shall apply to any such arbitration. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In any judicial proceeding or arbitration commenced pursuant to this Section 12, Indemnitee shall be presumed to be entitled to indemnification or advancement of Expenses, as the case may be, under this Agreement and the Company shall have the burden of proving that Indemnitee is not entitled to indemnification or

advancement of Expenses, as the case may be. If Indemnitee commences a judicial proceeding or arbitration pursuant to this Section 12, Indemnitee shall not be required to reimburse the Company for any advances pursuant to Section 8 of this Agreement until a final determination is made with respect to Indemnitee's entitlement to indemnification (as to which all rights of appeal have been exhausted or lapsed). The Company shall, to the fullest extent not prohibited by law, be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 12 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all of the provisions of this Agreement.

(c) If a determination shall have been made pursuant to Section 10(b) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 12, absent a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification.

(d) In the event that Indemnitee is successful in any such judicial adjudication or arbitration, Indemnitee shall be entitled to recover from the Company, and shall be indemnified by the Company for, any and all Expenses actually incurred by Indemnitee in seeking, pursuant to this Section 12, a judicial adjudication of or an award in arbitration to enforce Indemnitee's rights under, or to recover damages for breach of, this Agreement. If it shall be determined in such judicial adjudication or arbitration that Indemnitee is entitled to receive part but not all of the indemnification or advancement of Expenses sought, the Expenses incurred by Indemnitee in connection with such judicial adjudication or arbitration shall be allocated on a reasonable and proportionate basis.

(e) Interest shall be paid by the Company to Indemnitee at the maximum rate allowed to be charged for judgments under the Courts and Judicial Proceedings Article of the Annotated Code of Maryland for amounts which the Company pays or is obligated to pay for the period (i) commencing with either the tenth day after the date on which the Company was requested to advance Expenses in accordance with Sections 8 or 9 of this Agreement or the 45th day after the date on which the Company was requested to make the determination of entitlement to indemnification under Section 10(b) of this Agreement, as applicable, and (ii) ending on the date such payment is made to Indemnitee by the Company.

Section 13. Defense of the Underlying Proceeding.

(a) Indemnitee shall notify the Company promptly in writing upon being served with any summons, citation, subpoena, complaint, indictment, request or other document relating to any Proceeding which is reasonably likely to result in the right to indemnification or the advancement of Expenses hereunder and shall include with such notice a description of the nature of the Proceeding and a summary of the facts underlying the Proceeding. The failure to give any such notice shall not disqualify Indemnitee from the right, or otherwise affect in any manner any right of Indemnitee, to indemnification or the advancement of Expenses under this Agreement unless the Company's ability to defend in such Proceeding or to obtain proceeds under any insurance policy is materially and adversely prejudiced thereby, and then only to the extent the Company is thereby actually so prejudiced.

(b) Subject to the provisions of the last sentence of this Section 13(b) and of Section 13(c) below, the Company shall have the right to defend Indemnitee in any Proceeding which may give rise to indemnification hereunder; provided, however, that the Company shall notify Indemnitee of any such decision to defend within 15 calendar days following receipt of notice of any such Proceeding under Section 13(a) above. The Company shall not, without the prior written consent of Indemnitee, which shall not be unreasonably withheld or delayed, consent to the entry of any judgment against Indemnitee or enter into any settlement or compromise which (i) includes an admission of fault of Indemnitee, (ii) does not include, as an unconditional term thereof, the full release of Indemnitee from all liability in respect of such Proceeding, which release shall be in form and substance reasonably satisfactory to Indemnitee or (iii) would impose any Expense, judgment, fine, penalty or limitation on Indemnitee. This Section 13(b) shall not apply to a Proceeding brought by Indemnitee under Section 12 of this Agreement.

(c) Notwithstanding the provisions of Section 13(b), if in a Proceeding to which Indemnitee is a party by reason of Indemnitee's Corporate Status, (i) Indemnitee reasonably concludes, based upon the opinion of counsel approved by the Company, which approval shall not be unreasonably withheld or delayed, that Indemnitee may have one or more separate defenses or counterclaims to assert with respect to any issue which may not be consistent with other defendants in such Proceeding, (ii) Indemnitee reasonably concludes, based upon the opinion of counsel approved by the Company, which approval shall not be unreasonably withheld or delayed, that an actual or apparent conflict of interest or potential conflict of interest exists between Indemnitee and the Company, or (iii) if the Company fails to assume the defense of such Proceeding in a timely manner, Indemnitee shall be entitled to be represented by separate legal counsel of Indemnitee's choice, subject in the case of this subsection (iii) to the prior approval of the Company, which approval shall not be unreasonably withheld or delayed, at the expense of the Company. In addition, if the Company fails to comply with any of its obligations under this Agreement or in the event that the Company or any other person takes any action to declare this Agreement void or unenforceable, or institutes any Proceeding to deny or to recover from Indemnitee the benefits intended to be provided to Indemnitee hereunder, Indemnitee shall have the right to retain counsel of Indemnitee's choice, subject to the prior approval of the Company, which approval shall not be unreasonably withheld or delayed, at the expense of the Company (subject to Section 12(d) of this Agreement), to represent Indemnitee in connection with any such matter.

Section 14. Non-Exclusivity; Survival of Rights; Subrogation.

(a) The rights to indemnification and advancement of expenses provided by the Charter and the Bylaws shall vest immediately upon election of Indemnitee as a [director] [and] [officer] of the Company. The rights of indemnification and advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Charter or Bylaws, any agreement or a resolution of the stockholders entitled to vote generally in the election of directors or of the Board of Directors, or otherwise. Unless consented to in writing by Indemnitee, no amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in Indemnitee's Corporate Status prior to such amendment, alteration or repeal, regardless of whether a claim with respect to such action or inaction is raised prior or subsequent to such amendment, alteration or repeal. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right or remedy shall be cumulative and in addition to every other right or remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion of any right or remedy hereunder, or otherwise, shall not prohibit the concurrent assertion or employment of any other right or remedy.

(b) All rights of Indemnitee under this Agreement shall survive termination of Indemnitee's employment with the Company.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

Section 15. Insurance. The Company will use its reasonable best efforts to acquire directors and officers liability insurance, on terms and conditions deemed appropriate by the Board of Directors, with the advice of counsel, covering Indemnitee for any claim made against or any expense, liability or loss incurred by Indemnitee by reason of Indemnitee's Corporate Status and covering the Company for any indemnification or advancement of Expenses made by the Company to Indemnitee for any claims made against Indemnitee by reason of Indemnitee's Corporate Status, whether or not the Company would have the power to indemnify such person against such liability under

the MGCL. Additionally, after any termination of employment of Indemnitee, for a period through the sixth anniversary of the termination of employment, the Company shall use reasonable best efforts to maintain such directors and officers insurance covering Indemnitee. Without in any way limiting any other obligation under this Agreement, the Company shall indemnify Indemnitee for any payment by Indemnitee arising out of the amount of any deductible or retention and the amount of any excess of the aggregate of all judgments, penalties, fines, settlements and Expenses incurred by Indemnitee in connection with a Proceeding over the coverage of any insurance referred to in the previous sentence. The purchase, establishment and maintenance of any such insurance shall not in any way limit or affect the rights or obligations of the Company or Indemnitee under this Agreement except as expressly provided herein, and the execution and delivery of this Agreement by the Company and the Indemnitee shall not in any way limit or affect the rights or obligations of the Company under any such insurance policies. If, at the time the Company receives notice from any source of a Proceeding to which Indemnitee is a party or a participant (as a witness or otherwise) the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Indemnitee shall cooperate with the Company or any insurance carrier of the Company with respect to any Proceeding.

Section 16. Coordination of Payments. The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable or payable or reimbursable as Expenses hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

Section 17. Reports to Stockholders. To the extent required by the MGCL, the Company shall report in writing to its stockholders the payment of any amounts for indemnification of, or advancement of Expenses to, Indemnitee under this Agreement arising out of a Proceeding by or in the right of the Company with the notice of the meeting of stockholders of the Company next following the date of the payment of any such indemnification or advancement of Expenses or prior to such meeting.

Section 18. Duration of Agreement; Binding Effect.

(a) This Agreement shall continue until and terminate on the later of (i) the date that Indemnitee shall have ceased to serve as a director, officer, employee or agent of the Company or as a director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of any other foreign or domestic corporation, real estate investment trust, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise that such person is or was serving in such capacity at the request of the Company and (ii) the date that Indemnitee is no longer subject to any actual or possible Proceeding (including any rights of appeal thereto and any Proceeding commenced by Indemnitee pursuant to Section 12 of this Agreement).

(b) The indemnification and advancement of Expenses provided by, or granted pursuant to, this Agreement shall be binding upon and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), shall continue as to an Indemnitee who has ceased to be a director, officer, employee or agent of the Company or a director, trustee, officer, partner, manager, managing member, fiduciary, employee or agent of any other foreign or domestic corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise that such person is or was serving in such capacity at the request of the Company, and shall inure to the benefit of Indemnitee and Indemnitee's spouse, assigns, heirs, devisees, executors and administrators and other legal representatives.

(c) The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

(d) The Company and Indemnitee agree that a monetary remedy for breach of this Agreement, at some later date, may be inadequate, impracticable and difficult of proof, and further agree that such breach may cause Indemnitee irreparable harm. Accordingly, the Parties hereto agree that Indemnitee may enforce this Agreement by seeking injunctive relief and/or specific performance hereof, without any necessity of showing actual damage or irreparable harm and that by seeking injunctive relief and/or specific performance, Indemnitee shall not be precluded from seeking or obtaining any other relief to which Indemnitee may be entitled. Indemnitee shall further be entitled to such specific performance and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting bonds or other undertakings in connection therewith. The Company acknowledges that, in the absence of a waiver, a bond or undertaking may be required of Indemnitee by a court, and the Company hereby waives any such requirement of such a bond or undertaking.

Section 19. Most-Favored Nation. If the Company provides indemnification to another current or former director [or officer] of the Company on terms that are more favorable to such current or former director [or officer] than the terms of indemnification contained in this Agreement, then this Agreement shall automatically be deemed to be amended (without any action on the part of the Company or Indemnitee) to include such more favorable terms.

Section 20. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 21. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. One such counterpart signed by the party against whom enforceability is sought shall be sufficient to evidence the existence of this Agreement.

Section 22. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

Section 23. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the Parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

Section 24. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered by hand or facsimile and receipted for by the Party to whom said notice or other communication shall have been directed, on the day of such delivery, or (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

(a) If to Indemnitee, to the address set forth on the signature page hereto.

(b) If to the Company, to:

Orion Office REIT Inc.
2325 East Camelback Road, Floor 8
Phoenix, AZ 85016
Attention:
Facsimile:

with a copy to:

Latham & Watkins LLP
650 Town Center Drive
Costa Mesa, CA 92705
Attention: William Cernius; Darren Guttenberg
Facsimile: 714-755-8290

or to such other address as may have been furnished in writing to Indemnitee by the Company or to the Company by Indemnitee, as the case may be.

Section 25. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Maryland, without regard to its conflicts of laws rules.

Section 26. Contribution. If the indemnification provided in this Agreement is unavailable in whole or in part and may not be paid to Indemnitee for any reason, other than for failure to satisfy the standard of conduct set forth in Section 4 or due to the provisions of Section 5, then, in respect to any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding), to the fullest extent permissible under applicable law, the Company, in lieu of indemnifying and holding harmless Indemnitee, shall pay, in the first instance, the entire amount incurred by Indemnitee, whether for Expenses or judgments, penalties, fines and settlements, in connection with any Proceeding without requiring Indemnitee to contribute to such payment, and the Company hereby waives and relinquishes any right of contribution it may have at any time against Indemnitee.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

COMPANY:

ORION OFFICE REIT INC.

By: _____

Name:
Title:

INDEMNITEE

_____

Name:
Address:

LIMITED LIABILITY COMPANY AGREEMENT
OF
OAP/VER VENTURE, LLC

THIS LIMITED LIABILITY COMPANY AGREEMENT is made and entered into as of this 13th day of January, 2020, by and between **VEREIT REAL ESTATE, L.P.,** a Delaware limited partnership (the "VEREIT Member"), and **OAP HOLDINGS LLC,** a Delaware limited liability company (the "Investor Member").

ARTICLE 1
DEFINITIONS

The following terms used in this Agreement shall have the following meanings (unless otherwise expressly provided herein):

"Acquisition **Costs.**" Those costs related to the acquisition of a Target Property, which includes, among other costs, the purchase price of such Target Property, legal fees and other professional fees, due diligence review costs, title insurance premiums, escrow charges, transfer taxes, and all fees and expenses relating to any proposed financing of such Target Property.

"Additional Capital Contributions." Any Capital Contributions of the Members to the Company made in accordance with Section 8.4 of this Agreement.

"Additional Property." Any Target Property acquired by the Company pursuant to the terms of Article 7 of this Agreement. In the case of one or more thereof, the "Additional Properties."

"**Additional Property Acquisition** Contribution." As defined in Section 8.3.

"Adjusted Capital Account Deficit." With respect to each Member, the deficit balance, if any, in such Member's Capital Account as of the end of the applicable Fiscal Year or other period, after giving effect to the following adjustments:

(a) Credit to such Capital Account any amounts which such Member is obligated to restore pursuant to any provisions of this Agreement or is deemed to be obligated to restore pursuant to Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Regulations; and

(b) Debit to such Capital Account the items described in paragraphs (4), (5) and (6) of Section 1.704-1(b)(2)(ii)(d) of the Regulations.

"Administrative Member." The Member designated as the Administrative Member pursuant to Section 5.5(a) of this Agreement. The VEREIT Member is the initial Administrative Member.

"Administrative Member Financing Default." Any Financing Default to the extent caused by the intentional act or omission of the Administrative Member, without the knowledge or prior approval of the other Member. For the avoidance of doubt, the Administrative Member's obligation to expend its own funds on behalf of the Company, or to make any capital contribution to the Company, in the event that a Financing Default is threatened to occur due to a lack of funds held by the Company or any Subsidiary, will not constitute an Administrative Member Financing Default.

"Affiliate." With respect to any Person, an Entity Controlling, Controlled by, or under common Control with such Person.

"Affiliated Contract." Any contract, agreement, or arrangement between the Company and/or one or more Subsidiaries, on the one hand, and a Member or an Affiliate of any Member, on the other hand.

"Agreed Value." As to any Initial Property, the amount set forth on Exhibit B hereto with respect to such Initial Property.

"Agreement." This Limited Liability Company Agreement of the Company, as amended from time to time.

"Anti-Terrorism Laws." As defined in Section 4.2(d).

"Applicable Employee Misconduct." As defined in the definition of Excusable Employee Misconduct.

"Approved Budget." Refers to any Company Operating Budget or Property Operating Budget approved by the Members pursuant to Section 5.4.

"Approval Rights." A Member's right to participate in the management of the Business, including the right to consent to, approve, or otherwise participate in any decisions or actions of or by the Company or the Members, but only to the extent expressly provided in this Agreement or in the Delaware Act. Each Member shall have Approval Rights appurtenant to its Membership Interest unless otherwise expressly provided in this Agreement, unless such Member is only an Economic Interest Owner, or unless any of its predecessors in interest with respect to its Membership Interest was an Economic Interest Owner only.

"Assumed Tax Liability." The expected aggregate federal, state, and local tax liability of a Member attributable to items of income, gain, loss, and deduction allocated to such Member for income tax purposes (excluding allocations under Section 704(c) of the Code) for a given Fiscal Year, assuming the highest marginal federal, state, and local income or similar tax rate applicable to any Member as if such Member resides in New York, New York, taking into account the character of the relevant income or loss to such Member and the deductibility, if any, of any state, local, or foreign tax in computing any state or federal tax liability.

"Bankruptcy." With respect to any Member or Guarantor, (a) a general assignment for the benefit of the creditors of such Person, (b) the appointment of a receiver, trustee, or custodian for all or any substantial part of the property and assets of such Person, or (c) the entry of an "order for relief' against such Person in, or the commencement by such Person of, any proceeding under present or future bankruptcy laws or under any other bankruptcy, insolvency, or other laws respecting debtor's rights.

"Breach." A material breach of this Agreement not specifically enumerated under Section 5.5(c)(i)-(c)(viii), including without limitation, a failure by the Administrative Member to carry out its duties under this Agreement in substantial accordance with the Standard of Care, which failure or breach is not cured within fifteen (15)

days after the breaching party receives written notice thereof from the non-breaching party (or if such breach is not curable within fifteen (15) days but the breaching party has exercised reasonable efforts to cure such breach within such fifteen (15) day period, the breaching party shall have an additional thirty (30) days in which to cure such breach so long as it diligently pursues the completion of such cure following written notice from the non-breaching party). For avoidance of doubt, notwithstanding anything provided in this Agreement, a Member's failure to make an Additional Capital Contribution or an Additional Property Acquisition Contribution shall not constitute a Breach by such Member for purpose of this Agreement.

"Business." As defined in Article 3.

"Business Day." Any day of the week other than Saturday, Sunday, or a day which is a state or Federal holiday and on which financial institutions or post offices are generally closed in the State of New York or the State of Arizona.

"Business Plan." As defined in Section 5.4(b)(i).

"Call Option Letter" In relation to a Property, the call option letter issued by the Title Holder to the Master Lessee in connection with the Master Lease for such Property.

"Capital Account." A capital account maintained for each Member in accordance with the rules set forth in Section 1.704-1(b)(2)(iv) of the Regulations. Subject to the foregoing, a Member's Capital Account generally shall be:

(a) increased by (i) the amount of money contributed by such Member to the Company, including Company liabilities assumed by such Member, (ii) the fair market value (which is stipulated to be the Agreed Value in the case of the Initial Properties) of property contributed by such Member to the Company (net of liabilities secured by such property that the Company is considered to assume or take subject to under Section 752 of the Code), and (iii) allocations to such Member of Net Profits (and items thereof) and items of income and gain that are specially allocated to such Member pursuant to Section 10.5; and

(b) decreased by (i) the amount of money distributed to such Member by the Company, including such Member's individual liabilities assumed by the Company, (ii) the fair market value of all property distributed to such Member by the Company (net of liabilities secured by such property that such Member is considered to assume or take subject to under Section 752 of the Code), and (iii) allocations to such Member of Net Losses (and items thereof) and items of deduction or loss specially allocated to such Member pursuant to Section 10.5.

Upon the Transfer of an Economic Interest in the Company, the transferee shall succeed to the Capital Account of the transferor with respect to the Transferred Economic Interest.

"Capital Contribution." With respect to each Member, the amount of cash or the agreed fair market value of property (net of liabilities secured by such property) paid in or transferred to the Company by that Member pursuant to Sections 8.1, 8.2, 8.3, or 8.4 of this Agreement.

"Capital Contribution Notice." As defined in Section 8.4(b).

"Capital Transaction." Sales, financings, and refinancings of any Property, the Company's membership interest in any Subsidiary, or any Mezz Subsidiary's interest in a Master Lessee, and transactions generating condemnation awards or payment of title insurance proceeds, or casualty loss insurance proceeds to the Company or any Subsidiary.

"Cause and "Cause Event." As defined in Section 5.5(c).

"Certificate of Formation." The Certificate of Formation of the Company, as originally filed and as subsequently supplemented, amended and/or restated from time to time.

"Code." The Internal Revenue Code of 1986, as it may be amended from time to time, or any provision of succeeding law.

"Company." OAP/VER VENTURE, LLC, a Delaware limited liability company.

"Company Expenses." Expenses incurred directly by the Company or the Subsidiaries, or by the Administrative Member on behalf of the Company or the Subsidiaries in accordance with the terms of this Agreement, which shall include, among other things, the legal and accounting expenses as may be incurred in the conduct of the Business or the Subsidiaries' Business; respectively.

"Company Minimum Gain." "Partnership minimum gain," as defined in Section 1.7042(d) of the Regulations. Subject to the foregoing, Company Minimum Gain shall equal the amount of gain, if any, which would be recognized by the Company with respect to each Nonrecourse Liability of the Company if the Company were to transfer the Company's property which is subject to such Nonrecourse Liability in full satisfaction thereof and for no other consideration.

"Company Operating Budget." As defined in Section 5.4(a)(i).

"Contributing Member." As defined in Section 8.5.

"Contribution Date." The Contribution Date with respect to each Initial Property shall be the closing date for the conveyance of such Initial Property to a Master Lessee or Title Holder pursuant to the Formation Agreement.

"Control." When used with respect to any specified Person, Control means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting interests, by contract or otherwise, and the terms Controlling and Controlled shall have meanings correlative to the foregoing.

"Deficiency." As defined in Section 8.5.

"Delaware Act." The Delaware Limited Liability Company Act, as amended from time to time.

"Depreciation." For each Fiscal Year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such Fiscal Year, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year, Depreciation

shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Fiscal Year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Administrative Member.

"Designated Individual." Has the meaning assigned to it in Section 301.6223-1(b)(3) of the Regulations.

"Distributable Cash from Capital Transactions." The total gross cash receipts of the Company derived from Capital Transactions involving the Company's membership interest in any Subsidiary, a Mezz Subsidiary's membership interest in a Master Lessee, or from distributions by any Subsidiary to the Company derived from Capital Transactions involving a Property, and from Reserves derived from Capital Transactions which the Administrative Member has determined are no longer needed to be retained, less any of such gross receipts (a) applied to the expenses (including Company Expenses) associated with any such Capital Transaction, including any expenses of restoration and repair in the case of a casualty or condemnation event, (b) set aside for Reserves pursuant to the provisions of this Agreement at the time of calculation of such Distributable Cash from Capital Transactions, or (c) applied to pay down any indebtedness of the Company or any Subsidiary associated with any such Capital Transaction in accordance with the terms of any Loan Documents or as otherwise mutually agreed by the Members. Distributable Cash from Capital Transactions shall be calculated on a Property-by-Property basis, based on the separate books and records maintained by the Company with respect to such Property and applicable Subsidiary pursuant to Section 11.2 hereof .

"Distributable Cash from Operations." The total gross cash receipts of the Company (on a collective basis and not on a Property-by-Property basis) derived from all sources other than Capital Transactions, including but not limited to distributions from the Subsidiaries (other than distributions derived from Capital Transactions), together with any amounts that have been previously included in Reserves maintained by the Company which the Administrative Member has determined are no longer needed to be retained (excluding amounts arising from Capital Transactions that previously have been included in Reserves), less any of such gross receipts applied to (a) Operating Expenses, (b) any increases in Reserves maintained by the Company and the Subsidiaries pursuant to the provisions of this Agreement, or (c) the pay down of any indebtedness of the Company or any Subsidiary in accordance with the terms of applicable Loan Documents.

"Economic Interest." A Member's share of one or more of the Company's Net Profits, Net Losses and rights to distributions of the Company's assets pursuant to this Agreement and the Delaware Act, but specifically excluding any Approval Rights under this Agreement or the Delaware Act.

"Economic Interest Owner." The owner of an Economic Interest only, without any Approval Rights.

"Emergency Expenses." Any expenditures determined by the Administrative Member in good faith to be necessary to prevent material injury to a Property, a Subsidiary or the Company or for the safekeeping, health and welfare of the occupants or invitees thereof from imminent or immediate harm.

"Entity." A general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative, association, estate, nominee, or other legal entity or organization, whether domestic or foreign.

"Entity Tax." As defined in Section 16.12(f).

"Equity Investment Amount." As of any time, with respect to each Property, an amount equal to the total net equity invested by the Members in such Property, being the sum of all Capital Contributions previously made by the Members to the Company which are allocated to such Property (after the Special VEREIT Member Distribution described in Section 9.3 in the case of the Initial Properties), less the aggregate amount of Distributable Cash from Capital Transactions previously distributed to the Members with respect to such Property pursuant to the terms of Section 9.2(a) or 9.2(b) and applied to the return of the Members' Capital Contributions with respect to such Property.

"Event of Dissociation." As defined in Section 13.1(b).

"Excusable Employee Misconduct." The commission of an act described in Section 5.5(c), by an employee of the Administrative Member or an Affiliate thereof (the "Applicable Employee Misconduct") if each of the following conditions is satisfied: (a) the Applicable Employee Misconduct is committed without the prior actual knowledge of any executive officer of such Administrative Member or Affiliate (an "Executive Officer"); (b) promptly after any of the Executive Officers receiving actual knowledge of the Applicable Employee Misconduct, the Executive Officers provide notice to the Investor Member and cause the removal (at the expense of the Administrative Member or its Affiliate) of all employee(s) who committed the Applicable Employee Misconduct from any work with respect to the Company, any Subsidiary, and all Properties; and (c) the Executive Officers cause such Applicable Employee Misconduct to be cured and reimburse the Company and Subsidiaries for any and all losses sustained by the Company and the Subsidiaries as a result of such Applicable Employee Misconduct within (x) ten (10) days after any of the Executive Officers receive actual knowledge of such Applicable Employee Misconduct in the event of monetary Applicable Employee Misconduct, or (y) thirty (30) days after any of the Executive Officers receive actual knowledge of such Applicable Employee Misconduct in the event of non-monetary Applicable Employee Misconduct (or within such longer period of time, not to exceed sixty (60) days, if such Applicable Employee Misconduct cannot reasonably be cured within such thirty (30) day period and so long as the Executive Officers are diligently pursuing a cure); provided, however, that in no event shall any particular Applicable Employee Misconduct become Excusable Employee Misconduct if such Applicable Employee Misconduct recurs more than two (2) times during the term of the Company.

"Executive Order." As defined in Section 4.2(d).

"Final Acquisition Cost Budget." As defined in Section 7.5.

"Final Acquisition Proposal." As defined in Section 7.5.

"Financing Default" An "event of default" under the Master Lease Financing for any Property, unless such event of default (i) is cured within any applicable cure period under such Master Lease Financing, or (ii) is cured after any applicable cure period under such Master Lease Financing and such cure is accepted by the Lender of such financing, or (iii) is waived by the Lender of such financing. Cure periods, waivers or other provisions in this Agreement that relate to events or conditions that constitute or could constitute an event of default under the Master Lease Financing are not relevant in determining whether an event of default has occurred under such Master Lease Financing.

"Fiscal Year." The Company's and the Subsidiaries' fiscal years, which shall be the calendar year.

"Formation Agreement." That certain Formation Agreement dated November 7, 2019, as amended, by and between VEREIT OP, as predecessor in interest to the VEREIT Member, and Investor Member.

"Gatehouse Capital." Gatehouse Capital Economic and Financial Consultancy K.S.C.C., a Kuwait shareholding company (closed).

"Gatehouse Member." Gatehouse Capital, any Entity Controlling, Controlled by, or under Common Control with Gatehouse Capital, or any Entity which results from a merger or consolidation by or with Gatehouse Capital, so long as the surviving or successor member is Controlled by, or under Common Control with, Gatehouse Capital.

"Gross Asset Value." Means with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by a Member to the Company or any Subsidiary shall be the gross fair market value of such asset, as determined by the Administrative Member with the consent of all Members having Approval Rights, provided that the initial Gross Asset Value of the Initial Properties contributed to the Company and/or the Subsidiaries by VEREIT Member pursuant to the Purchase Agreements shall be as set forth in Exhibit B;

(b) The Gross Asset Values of all Company or Subsidiary assets shall be adjusted to equal their respective gross fair market values (taking Section 7701(g) of the Code into account), as determined by the Administrative Member as of the following times: (i) the acquisition of an additional Interest by any new or existing Member in exchange for more than a de minimis Capital Contribution; (ii) the distribution by the Company to a Member of more than a de minimis amount of Company property as consideration for an Interest; and (iii) the liquidation of the Company or Subsidiary within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Regulations, provided that an adjustment described in clauses (i) and (ii) of this paragraph shall be made only if the Administrative Member reasonably determines that such adjustment is necessary to reflect the relative economic interests of the Members in the Company;

(c) The Gross Asset Value of any item of Company assets distributed to any Member shall be adjusted to equal the gross fair market value (taking Section 7701(g) of the Code into account) of such asset on the date of distribution as determined by the Administrative Member; and

(d) The Gross Asset Values of Company or Subsidiary assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Sections 734(b) or 743(b) of the Code, but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Section 1.704-1(b)(2)(iv)(m) of the Regulations and subparagraph (f) of the definition of "Net Profits and Net Losses"; provided, however, that Gross Asset Values shall not be adjusted pursuant to this subparagraph (d) to the extent that an adjustment pursuant to subparagraph (b) is required in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (d).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to subparagraph (a), (b) or (d), such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset, for purposes of computing Net Profits and Net Losses.

"Guarantee." As defined in Section 8.6(b).

"Guarantor." As defined in Section 8.6(b).

"Indemnitee." (i) Any Person made a party to a proceeding or threatened with being made a party to a proceeding by reason of the Person's status as (A) the Administrative Member, an Affiliate of the Administrative Member, or their respective members, managers, shareholders, directors, officers and employees, (B) a Member, an Affiliate of a Member or their respective managers, directors, officers, employees, shareholders, and members, and any other Person who serves at the request of the Administrative Member on behalf of the Company as an officer, director, member, or employee of the Company or any Subsidiary, and (ii) such other Persons (including Affiliates of the Administrative Member, a Member, or the Company) as the Administrative Member may designate in writing from time to time (whether before or after the event giving rise to potential liability); *provided,* that "Indemnitee" shall not include an Administrative Member removed for Cause or a Member with respect to any proceeding brought against such Member pursuant to Section 5.9(b).

"Initial Administrative Member." As defined in Section 5.5(a).

"Initial Capital Contributions." With respect to each Member, the amount of cash paid in and/or the Initial Properties transferred to the Company or to a Title Holder by that Member pursuant to Section 8.1 and 8.2 of this Agreement.

"Initial Contribution Account." With respect to each of the Initial Properties, a book-entry account to be maintained by the Company for each Member equal to the Initial Capital Contributions made by such Member pursuant to Section 8.1 or 8.2, as applicable, in connection with the conveyance of such Property to the Company (or the applicable Title Holder), less the aggregate distributions made by the Company to such Member with respect to such Property pursuant to Section 9.2(a)(ii) or Section 9.2(a)(iii), as applicable.

"Initial Properties." Collectively, the properties identified in Exhibit B hereto. Individually, each such property constitutes an "Initial Property."

"Interest." Any interest in the Company, including a Membership Interest with Approval Rights or an Economic Interest only.

"IRR." With respect to the Investor Member, an internal rate of return of the applicable percentage per annum, compounded annually, on the aggregate sum of the Capital Contributions of such Member, commencing on the later of (a) the date or dates that such Member's Capital Contributions are received by the Company or (b) the date of this Agreement, and taking into account the timing and amounts of all distributions from the Company. In making the foregoing calculation, it shall be assumed that all Capital Contributions made by a Member, and all distributions received by a Member, occur on the first day of the month which is closest to the date actually made or received. IRR shall be calculated using the "XIRR" function in Microsoft Excel™ version 13.0 or later or similar program.

"Investor Member." As defined in the Introduction.

"Investor Member Representative." The Person designated by the Investor Member from time to time as its representative for the purpose of interaction with the Administrative Member under this Agreement. Unless and until written notice to the Administrative Member to the contrary is given by the Investor Member, all approvals required or requested from the Investor Member hereunder shall be given by such representative, and the Administrative Member may rely thereon. Initially, the Investor Member Representative shall be Petra Conte. The Investor Member may change its representative by written notice at any time.

"Investor Permitted Transfer." The following sales, transfers or assignments:

(a) Subject to the requirements of subparagraphs (b)(v) and (b)(vi) below, the transfer of (i) the entire direct interest of the Investor Member in the Company to an Entity which is an Affiliate of the Gatehouse Member, or (ii), any indirect interest in the Company to an Entity which is an Affiliate of the Gatehouse Member; and

(b) The syndication, sale, or transfer to any individual or Entity of direct or indirect interests in the Investor Member, and the pledge of direct or indirect interests in the Investor Member as security to any party providing funding to the holder of any such interest, so long as:

(i) There is no non-compliance with any federal or state securities laws;

(ii) Investor Member continues to be Controlled by the Gatehouse Member. For the avoidance of doubt, the foreclosure of a pledge of the direct or indirect interests of the Gatehouse Member which results in a loss of Control of the Investor Member by the Gatehouse Member shall not be an Investor Permitted Transfer;

(iii) Investor Member shall provide to VEREIT Member copies of all "Know Your Customer" information provided by the holders of such direct or indirect ownership interests in Investor Member which are provided to any Lender. If such information is not required by a Lender with respect to any Person who, as a result of such transfer, directly or indirectly owns ten percent (10%) or more of the voting interests in the Investor Member pursuant to 31 C.F.R. § 800.302(b) and as defined at 31 C.F.R. § 800.228, Investor Member nevertheless shall provide typical "Know Your Customer" information for such Person to VEREIT Member;

(iv) No such transfer shall result in any Person and Affiliates of such Person other than the Gatehouse Member and Affiliates of the Gatehouse Member, directly or indirectly owning more than twenty percent (20%) of the ownership interests in the Investor Member in the aggregate;

(v) The Investor Member shall continue to be able to make the representations of the Investor Member set forth in Section 4.3; and

(vi) Such transfer shall be in compliance with all applicable requirements of any Loan or Master Lease to which the Company or any Subsidiary is a party.

"Investor Permitted Transferee." Any transferee pursuant to an Investor Permitted Transfer.

"Lease." A lease of any Property or of space within any Property.

"Legal Proceeding." Any action, dispute, controversy, claim, counter-claim, suit, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, inquiry, audit, examination or investigation commenced, brought, conducted or heard by or before, or otherwise involving, any court or other governmental authority or any arbitrator or arbitration panel.

"Lender." Any Entity which makes a Loan to the Company, any Subsidiary, or a Title Holder in connection with a Master Lease Financing.

"Liquidators." As defined in Section 13.3(a).

"Loan." Any loan or financing assumed or obtained by the Company, any Subsidiary or a Title Holder from an Entity which is not a Member or an Affiliate of a Member. The accrual of payables in connection with the operation of the Business and the Subsidiaries' Businesses shall not be Loans for the purposes hereof.

"Loan Documents." The agreements, instruments, certificates, and other documents evidencing and, if applicable, securing any Loan.

"Major Decision." As defined in Section 5.2(b).

"Majority in Interest." The Member or group of Members whose Ownership Percentage(s) equals or exceeds 51%.

"Master Lease" In relation to a Property, the master lease agreement between the Title Holder and the Master Lessee of such Property (whether directly or through a joinder or supplement thereto) in connection with the Master Lease Financing of such Property.

"Master Lease Documents." In relation to a Property, the Master Lease, the Put Option Letter, the Call Option Letter, the Supplemental Agreement and the Tax Matters Agreement for such Property.

"Master Lease Financing." In relation to a Property, the financing provided by a Lender to the Master Lessee of such Property through the Title Holder and the Master Lease Documents for such Property.

"Master Lessee" In relation to a Property, the limited liability company or limited partnership that is the master lessee of such Property pursuant to the Master Lease for such Property.

"Member." Each Person who executes this Agreement or a counterpart hereof as a Member, and each of the Persons who may hereafter become Members as provided in this Agreement, but only so long as such Person holds an Interest in the Company.

"Member Loan." As defined in Section 8.5(b).

"Member Loan Option." As defined in Section 8.5(a).

"Member Minimum Gain." "Partner nonrecourse debt minimum gain," as defined in Section 1.704-2(i) of the Regulations. Subject to the foregoing, Member Minimum Gain shall equal the amount of gain, if any, that would be recognized by a Member if the Member Nonrecourse Debt of such Member were treated as a Nonrecourse Liability and the property that is subject to such deemed Nonrecourse Liability were transferred in full satisfaction thereof and for no other consideration.

"Member Nonrecourse Debt." "Partner nonrecourse debt," as defined in Section 1.7042(b)(4) of the Regulations.

"Member Nonrecourse Deductions." "Partner nonrecourse deductions," as defined in Section 1.704-2(i) of the Regulations. Subject to the foregoing, the amount of Member Nonrecourse Deductions with respect to a Member Nonrecourse Debt for a Fiscal Year shall equal the excess, if any, of the net increase, if any, in the amount of Member Minimum Gain attributable to such Member Nonrecourse Debt during that Fiscal Year over the aggregate amount of any distribution during that Fiscal Year to the Member that bears the economic risk of loss for such Member Nonrecourse Debt to the extent such distributions are from the proceeds of such Member Nonrecourse Debt and

are allocable to an increase in Member Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Section 1.704-2(i) of the Regulations.

"Membership Interest." A Member's entire interest in the Company including without limitation such Member's Economic Interest and any Approval Rights granted pursuant to this Agreement or the Delaware Act.

"Mezz Subsidiary." Any Entity formed by the Company for the purpose of owning the membership interest in one or more Master Lessees. Collectively, the "Mezz Subsidiaries."

"Necessary Funds." Any and all funds needed by the Company or any Subsidiary which are in excess of the Company's or such Subsidiary's net operating revenues and Reserves for one or more of the following purposes: (a) to pay the costs and expenses of the ownership, operation, maintenance, repair, renovation, alteration, management, and/or leasing of the Properties, (b) to pay the costs of performing the agreements of the Company or the Subsidiaries under any Leases, contracts, agreements, commitments, or other instruments to which the Company or the Subsidiaries are or shall become a party, (c) to pay, when due, real estate and other taxes affecting the Properties, and insurance premiums for the insurance policies maintained in accordance with the terms of this Agreement for the Properties, the Company and the Subsidiaries, (d) to comply with all legal requirements now or hereafter applicable to the Properties and the operation and management thereof, (e) to restore any Property in the event of a fire or other casualty, if a determination is made by the Members to perform such restoration or if the Company or the Subsidiary is contractually obligated to restore such damage, and (f) to pay any and all other authorized Company and Subsidiary liabilities, including, without limit thereto, debt service on any Loan or other indebtedness incurred by the Company or any Subsidiary in accordance with the Approved Budget (not including any Member Loan). Acquisition Costs in connection with the acquisition of Additional Properties shall not be considered Necessary Funds for purposes of Section 8.4 of this Agreement.

"Net Profits" and "Net Losses." For each Fiscal Year or other period, an amount equal to the Company's taxable income or loss, respectively, for such year or period, determined in accordance with Section 703(a) of the Code (and for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss), with the following adjustments:

(a) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Net Profits or Net Losses pursuant to this definition shall be added to such taxable income or loss;

(b) Any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as 705(a)(2)(B) expenditures pursuant to Section 1.704-1(b)(2)(iv)(i) of the Regulations, and not otherwise taken into account in computing Net Profits or Net Losses pursuant to this definition shall be subtracted from such taxable income or loss;

(c) In the event the book value of any Company asset is adjusted in compliance with Section 1.704-1(b) of the Regulations, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Net Profits or Net Losses;

(d) Gain or loss resulting from any disposition of Company asset with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the book value of the asset disposed of notwithstanding that the adjusted tax basis of such property differs from its book value;

(e) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year, computed in accordance with the definition of Depreciation;

(f)To the extent an adjustment to the adjusted tax basis of any Company or Subsidiary asset pursuant to Section 743(b) or Section 734(b) of the Code is required, pursuant to Section 1.704 1(b)(2)(iv)(m)(2) or 1.704 1(b)(2)(iv)(m)(4) of the Regulations, to be taken into account in determining Capital Accounts, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) from the disposition of such asset and shall be taken into account for purposes of computing Net Profits or Net Losses; and

(g)Notwithstanding any other provision of this definition, any items which are specially allocated pursuant to Section 10.5 shall not be taken into account in computing Net Profits or Net Losses.

"Nonrecourse Deductions." As defined in Sections 1.704-2(b)(1) and 1.704-2(c) of the Regulations. Subject to the preceding sentence, the amount of Nonrecourse Deductions for a Fiscal Year shall equal the excess, if any, of the net increase, if any, in the amount of Company Minimum Gain during that Fiscal Year (determined under Section 1.704-2(d) of the Regulations) over the aggregate amount of any distributions during that Fiscal Year of proceeds of a Nonrecourse Liability that are allocable to an increase in Company Minimum Gain (determined under Section 1.704-2(h) of the Regulations).

"Nonrecourse Liability." As defined in Section 1.704-2(b)(3) of the Regulations.

"Officer." An individual appointed by the Administrative Member pursuant to Section 5.10 to whom the Administrative Member delegates specified responsibilities or authority.

"Operating Expenses." All cash expenditures made by the Company in connection with conducting the Business or by the Subsidiaries in connection with conducting the Subsidiaries' Business, including, but not limited to, Company Expenses, any lease payments arising under any Master Lease Financing, or debt service arising from any Loan or other indebtedness of the Company or the Subsidiaries, provided that notwithstanding the foregoing, Operating Expenses shall not include: (a) any cash or capital expenditures funded from the Reserves of the Company or any Subsidiary; (b) non-cash items such as depreciation and amortization; (c) expenses associated with any Capital Transaction (including any related Company Expenses) or (d) during any period when an Affiliate of the Administrative Member is the Portfolio Manager for the Properties, property management expenses and other expenses related to oversight and inspection of the Properties (which will be covered by the fees payable to the Affiliate of the Administrative Member that is the Portfolio Manager pursuant to the Portfolio Management Agreement), including without limitation the Administrative Member's meetings with Affiliates of the Administrative Member and the costs of Property tours.

"Operating Guidelines." As defined in Exhibit E.

"Ownership Percentage." For each Member, the Ownership Percentage set forth on Exhibit A hereto.

"Partnership Representative." The "partnership representative" of the Company for purposes of Section 6223 of the Code, as amended by the Revised Partnership Audit Procedures.

"Permitted Transferee." Any VEREIT Permitted Transferee or any Investor Permitted Transferee.

"Person." An individual or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such Person where the context so permits.

"Portfolio Manager." The Person engaged by the Company and/or the Subsidiaries to operate the Properties in accordance with the terms of the Portfolio Management Agreement. The initial Portfolio Manager shall be VEREIT Realty Advisors, LLC.

"Portfolio Management Agreement." The Portfolio Management Agreement to be entered into between the Company and the Portfolio Manager pursuant to Section 5.11(a). The form of the Portfolio Management Agreement is attached hereto as Exhibit C.

"Pre-Acquisition Budget." As defined in Section 7.2.

"Preliminary Acquisition Proposal(s)." As defined in Section 7.2.

"Prohibited Person." A Person that satisfies any of the following: (a) a Person that is listed in the annex to, or is otherwise subject to, the provisions of the Executive Order; (b) a Person owned or Controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order; (c) a Person with whom any party is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law, including without limitation the Executive Order and the USA Patriot Act; (d) a Person who commits, threatens, or conspires to commit or support "terrorism" as defined in Section 3(d) of the Executive Order; (e) a Person that is named as a "specially designated national and blocked person" on the then-most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, http://www.treas.gov/offices/eotffc/ofac/sdn/tllsdn.pdf, or at any replacement website or other replacement official publication of such list; and (f) a Person who is affiliated with a Person listed in items (a) through (e), above.

"Property." Each real estate asset owned by the Company from time to time, directly or indirectly, including the Initial Properties and the Additional Properties, to the extent the same are owned by the Company, directly or indirectly, at the applicable time. In the case of two or more thereof, the "Properties."

"Property Operating Budget." As defined in Section 5.4(b)(i)(A).

"Pursuit Costs." All costs of identifying, investigating, reviewing, and analyzing the feasibility and desirability of acquiring Target Properties, including travel costs, the costs of environmental, engineering, title, and other reports of third party consultants, attorneys' fees incurred in connection with the negotiation of letters of intent, purchase agreements, and other contractual documentation relating to any such proposed acquisition and in connection with due diligence regarding any Target Property, and all costs of identifying, applying for, and negotiating any financing in connection with the proposed acquisition of a Target Property; provided, however, Pursuit Costs shall not include the corporate overhead of a Member or any Affiliate of a Member.

"Put Option Letter" In relation to a Property, the put option letter issued by the Master Lessee to the Title Holder in connection with the Master Lease for such Property.

"Regulations." The federal income tax regulations, including temporary regulations, promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"REIT." As defined in Section 5.15.

"Reserves." Funds set aside and amounts allocated by the Administrative Member to reserves for working capital and the payment of taxes, insurance, debt service, or other costs or expenses incident to the ownership or operation of the Properties, or otherwise deemed necessary to meet the current or anticipated future needs of the Company or the Subsidiaries.

"Review Year." As defined in Section 16.12(e).

"Revised Partnership Audit Procedures." The revised rules for auditing partnerships contained in the Bipartisan Budget Act of 2015, signed into law on November 2, 2015, and the Regulations thereunder.

"Special VEREIT Member Distribution." As defined in Section 9.3.

"Standard of Care." The usual and customary standard of care and skill employed by sponsors serving as a general partner or as a limited liability company manager of joint ventures owning, directly or indirectly, office projects comparable to the Properties in accordance with the exercise of good faith, fair dealing and sound and prudent business and industry practices for properties such as the Properties in connection with the administration and management of the Company and the assets and property of the Company, including without limitation diligent attention to the obligations of the Company under the Leases and taking into account special considerations required by the geographic location of any applicable Property.

"Subsidiary." Any Master Lessee or Mezz Subsidiary. Collectively, the "Subsidiaries."

"Subsidiaries' Business." The business of the Subsidiaries, which is to own, operate, construct, renovate, improve, lease, sublease, finance, refinance, sell, transfer, exchange, or otherwise dispose of (however designated), and otherwise deal with, the Properties, directly or, in the case of the Mezz Subsidiaries, indirectly through ownership of the membership interests in the Master Lessees.

"Supplemental Agreement." In relation to a Property, the supplemental agreement entered into by the Master Lessee and the Title Holder in connection with the Master Lease for such Property.

"Target Amount." As defined in Section 10.2(d).

"Target Property." Any property presented by a Member for potential acquisition by the Company in accordance with the terms of Article 7 hereof.

"Tax Matters Agreement." In relation to a Property, the tax matters agreement entered into by the Master Lessee and the Title Holder in connection with the Master Lease for such Property.

"Title Holder." In relation to a Property, the limited liability company or limited partnership that holds legal title to such Property and has entered into Master Lease Documents with a Master Lessee for such Property.

"Transaction Costs." As defined in the Formation Agreement.

"Transfer." As defined in Section 12.1. The terms Transferred or Transferring shall have meanings correlative to the foregoing.

"USA Patriot Act." As defined in Section 4.2(d).

"VEREIT Member." As defined in the Introduction.

"VEREIT Member Key Persons." Glenn Rufrano, Thomas W. Roberts, Charles Vogel, and Paul McDowell.

"VEREIT OP." VEREIT Operating Partnership, L.P., a Delaware limited partnership.

"VEREIT Permitted Transferee." Any Entity Controlling, Controlled by, or under common Control with (a) the VEREIT REIT, (b) any Affiliate of the VEREIT REIT, or (c) any Entity resulting from a merger by or consolidation with the VEREIT REIT.

"VEREIT REIT." VEREIT, Inc., a Maryland corporation.

"Withdrawing Member." As defined in Section 13.1(e).

ARTICLE 2
FORMATION OF COMPANY

2.1 Formation. The Company was formed as a Delaware limited liability company upon the filing of its Certificate of Formation by an "authorized person" in the office of the Secretary of State of Delaware in accordance with the provisions of the Delaware Act on December 2, 2019.

2.2 Name. The name of the Company is "OAP/VER VENTURE, LLC."

2.3 Principal Place of Business. The principal place of business of the Company is 2325 East Camelback Road, 9th Floor, Phoenix, Arizona 85016. The Company may locate its place of business and registered office at any other place or places as the Administrative Member may from time to time deem advisable. The Administrative Member shall provide prompt notice to each of the Members of any changes in the principal place of business or registered office of the Company.

2.4 Registered Office and Registered Agent. The Company's initial registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. The Company's registered agent is The Corporation Trust Company. The registered office and registered agent may be changed from time to time pursuant to the Delaware Act and the applicable rules promulgated thereunder. The Administrative Member shall cause the Company to qualify to do business and appoint registered agents in other states as required.

2.5 Term. The term of the Company commenced on the date the Certificate of Formation was filed with the Secretary of State of Delaware and shall continue until the Company is dissolved and its affairs wound up in accordance with the provisions of this Agreement and until the cancellation of the Certificate of Formation in the manner required by Section 18-203 of the Delaware Act.

ARTICLE 3
BUSINESS OF COMPANY

The business of the Company (the "Business") shall be to acquire, own, operate, lease, master lease, sublease, construct, renovate, improve, finance, refinance, sell, transfer, exchange, or otherwise deal with commercial real estate, including the Initial Properties and Additional Properties acquired pursuant to Article 7 hereof, directly or indirectly through ownership of the Subsidiaries. In furtherance thereof, the Company may exercise all powers necessary to or reasonably connected with the Business which may be legally exercised by limited liability companies under the Delaware Act, and may engage in all activities necessary, customary, convenient, or incident to any of the foregoing. Notwithstanding the foregoing, the Business shall be limited to and conducted in a manner so as to permit the VEREIT REIT at all time to be qualified as a REIT under the Code.

ARTICLE 4
NAMES AND ADDRESSES OF MEMBERS; REPRESENTATIONS, WARRANTIES, AND COVENANTS OF THE MEMBERS

4.1 Names and Addresses. The names and addresses of the initial Members are set out on Exhibit A attached hereto.

4.2 Representations, Warranties and Covenants of VEREIT Member. The VEREIT Member hereby represents, warrants and covenants to the Company and the Investor Member that:

(a) The VEREIT Member is a limited partnership duly formed and validly existing in good standing under the laws of the State of Delaware.

(b) The VEREIT Member has all requisite legal right, power, and authority to execute and deliver this Agreement, to perform its obligations hereunder (in its individual capacity and as the Administrative Member of the Company), and to act as the Administrative Member of the Company.

(c) The execution, delivery, and performance by the VEREIT Member of this Agreement have been duly authorized by all necessary partnership

action. This Agreement has been duly executed and delivered by the VEREIT Member and constitutes the legal, valid, and binding obligation of the VEREIT Member enforceable against the VEREIT Member in accordance with its terms.

(d) Neither the VEREIT Member nor any of its respective direct or indirect constituent owners (excluding shareholders and direct and indirect constituent owners of the VEREIT REIT) currently are, or shall be at any time during the term hereof, in violation of any laws relating to terrorism or money laundering (collectively, the "Anti-Terrorism Laws"), including without limitation Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (the "Executive Order"), and/or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56) (the "USA Patriot Act").

(e) Neither the VEREIT Member nor any of its respective direct or indirect constituent owners (excluding shareholders and constituent owners of the VEREIT REIT) is or shall be during the term hereof a Prohibited Person.

4.3 Representations, Warranties and Covenants of Investor Member. The Investor Member hereby represents, warrants and covenants to the Company and the VEREIT Member that:

(a) The Investor Member is a limited liability company duly formed and validly existing in good standing under the laws of Delaware.

(b) The Investor Member has all requisite legal right, power, and authority to execute and deliver this Agreement and to perform its obligations hereunder.

(c) The execution, delivery, and performance by the Investor Member of this Agreement have been duly authorized by all necessary limited liability company action. This Agreement has been duly executed and delivered by the Investor Member and constitutes the legal, valid, and binding obligation of the Investor Member enforceable against the Investor Member in accordance with its terms.

(d) Neither the Investor Member nor any of its respective direct or indirect constituent owners or Affiliates currently are, or shall be at any time during the term hereof, in violation of any Anti-Terrorism Laws, including without limitation the Executive Order, and/or the USA Patriot Act.

(e) Neither the Investor Member nor any of its respective direct or indirect constituent owners or Affiliates is or shall be during the term hereof a Prohibited Person.

ARTICLE 5
MANAGEMENT

5.1 Management. The business and affairs of the Company shall be managed by the Administrative Member in accordance with this Agreement and the Operating Guidelines. Subject only to the requirement that Major Decisions must be approved as provided in Section 5.2 or expressly elsewhere in this Agreement, and subject to the Operating Guidelines, the Administrative Member shall have full, exclusive, and complete authority, power, and discretion to manage and control the business and affairs of the Company and the Subsidiaries, to make all decisions regarding those matters, and to perform any and all other acts or activities customary or incident to the management of the Business, the Subsidiaries' Business, and the Properties.

5.2 Major Decisions and Operating Guidelines.

(a) Major Decision Approval. Notwithstanding Section 5.1, all Major Decisions proposed to be taken by the Administrative Member shall require the approval of both the VEREIT Member and the Investor Member. Except as otherwise expressly provided in Section 11.3 with respect to certain tax matters, in the event that any action which would constitute a Major Decision is proposed by the Administrative Member, the Administrative Member shall give the VEREIT Member and the Investor Member reasonable prior written notice of such proposed Major Decision (a "Major Decision Notice") specifying the particulars thereof in reasonable detail. Each Member shall, within ten (10) Business Days following the date such Major Decision Notice is delivered to such Member, give a written notice to the Administrative Member stating either that (i) it approves of the proposed Major Decision described in the Major Decision Notice, (ii) it disapproves of the proposed Major Decision, and setting forth the reasons for such disapproval with reasonable specificity, or (iii) it requires more information in order to approve or disapprove of such proposed Major Decision, and setting forth a specific list of requested additional information, following the receipt of which such Member shall promptly advise the Administrative Member of such Member's approval or disapproval as described above. If a Member shall fail to give such a written notice to the Administrative Member within said ten (10) Business Days, then the Administrative Member may submit a second Major Decision Notice to such Member which shall state in bold, capital letters on the top of the first page (and on the outside of any envelope, if applicable) "MAJOR DECISION NOTICE - PROMPT RESPONSE REQUESTED." If a Member shall fail to respond to any such a second Major Decision Notice within five (5) Business Days following the date such second Major Decision Notice is delivered to such Member, such Member shall be deemed to have approved the proposed Major Decision described in the Major Decision Notice, except in the case of the Major Decisions described in Sections 5.2(b)(i) — (iii), (vi) — (xx), (xxii) — (xxv), (xxvii) and (xxviii) below (the "Fundamental Major Decisions"), which shall require the affirmative written approval of both the VEREIT Member and the Investor Member, failing which any such Fundamental Major Decision shall be deemed disapproved by a non-responding Member. Notwithstanding the foregoing, the Members may approve and/or adopt any proposed Major Decision, and may waive the necessity of any Major Decision Notice in connection therewith, by unanimous written consent of the Members.

(b) Major Decisions. Each of the following actions or decisions is a "Major Decision" for purposes of this Agreement:

(i) Acquisitions. The acquisition by the Company or any Subsidiary of (A) fee simple title to, or any leasehold interest in, any real property (including a leasehold interest pursuant to a Master Lease), or (B) an interest in any Entity that is the owner of fee simple title to, or any leasehold interest in, any real property.

(ii) Borrowings. Borrowing money by the Company (other than a Member Loan) or permitting any Subsidiary to borrow money, whether on a secured or unsecured basis, prepaying in whole or in part, refinancing, recasting, modifying, amending, terminating, extending, or compromising any indebtedness or other financing of the Company or any Subsidiary, or securing the same by mortgages, deeds of trust, security agreements or other similar agreements, instruments or other documents, or modifying the terms of any Loan or Loan Documents to which the Company and/or a Subsidiary is from time to time bound; provided, that (A) trade financing or accounts payable incurred in the ordinary course of the business of the Company and any Subsidiaries, (B) capital leases, and (C) any financing of furniture, fixtures or equipment may be obtained by Administrative Member on behalf of the Company provided that such financing is in compliance with the Operating Guidelines and is provided for in a current Approved Budget or is otherwise approved by the Investor Member.

(iii) Sales. The sale, assignment (except for a collateral assignment in connection with a permitted Loan), or other disposition of any Property or a membership interest in any Subsidiary, but excluding (A) sales of obsolete personal property disposed of in the ordinary course of business, (B) granting of any routine

utility easements and similar easements and licenses that do not adversely affect the operation or maintenance of any Property in any material respect, and (C) the sale of the Properties pursuant to the terms of Article 14.

(iv) Leases. Any material modification of the terms of any Lease, including the economic terms of any Lease (but not to include non-discretionary administrative modifications for the purpose of effecting elections made by the tenant under a Lease or as otherwise contemplated by a Lease), the termination of any Lease (unless in connection with the exercise of the landlord's rights following a tenant default), the waiver of any rights under a Lease, or the execution of any new Lease of any Property or any portion thereof.

(v) Material Contracts. Except to the extent provided for in an approved Business Plan, making or assuming or materially modifying any contract or agreement (excluding Leases, which are governed by item (iv)) binding upon the Company or a Subsidiary which (A) is for a term of more than one year, and is not cancellable on thirty days' notice without cause and without payment of a termination fee or penalty, or (B) provides for fees exceeding $50,000 annually (any such contract or agreement being a "Material Contract" for purposes hereof).

(vi) Budget Variations. Amending, modifying, altering or varying from any Approved Budget, except in the case of (A) Emergency Expenses, (B) amounts required to be expended to pay for any alteration, repair, or replacement respecting any Property required by any present or future law, ordinance, order, rules, regulation, or requirement of any federal, state, or municipal government, department, commission, board, or office, (C) taxes imposed by any federal, state or municipal government, (D) utility costs, (E) snow removal costs, (F) insurance premiums for insurance policies maintained in accordance with the terms of this Agreement, (G) required debt service on any Loans, (H) required payments under any Master Lease, and (I) variations of more than five percent (5%) in the aggregate with respect to any Approved Budget.

(vii) Capital Improvements. Making any capital improvements to a Property or permitting capital improvements to be made to a Property, or approving plans, schedules, and all other material matters relating to the capital repair, renovation or refurbishment of a Property, including any construction contract to which the Company or a Subsidiary is a party, and selection of contractors, architects and engineers, in connection therewith, except in the case of capital improvements, repairs, renovations, or refurbishments which (A) are permitted pursuant to a currently effective Approved Budget, or (B) are Emergency Expenses.

(viii) Lending. Lending funds, extending credit, or guaranteeing any obligations of any other Person, including any Member or Subsidiary, except that the accrual of receivables in the ordinary course of business shall not be deemed lending funds as long as the Administrative Member is making reasonable efforts to collect same.

(ix) Engagement of Affiliates. Except as otherwise expressly provided in this Agreement, engaging or approving the engagement of or entering into any contract or agreement with a Member or any Affiliate of a Member to perform any service for or on behalf of the Company or any Subsidiary, or entering into any Affiliated Contract.

(x) Accounting and Income Tax Matters. The adoption or modification of any material accounting or tax policy, principle, practice, or election (except as otherwise expressly provided in Article 10) (with special attention given to preservation of REIT status of the VEREIT Member as provided in Section 5.15), the selection of any outside accountant for the Company or any Subsidiary other than Deloitte, the termination of Deloitte as the outside accountant for the Company and the Subsidiaries, or entering into any settlement agreement regarding income taxes with the Internal Revenue Service or any state, local, or non-U.S. taxing authority that would bind, directly or indirectly, any other Member.

(xi) Admissions. The admission of any additional or replacement Member to the Company (other than a Permitted Transferee) or to any Subsidiary.

(xii) Merger or Consolidation. The merger or consolidation of the Company or any Subsidiary with or into any other Entity.

(xiii) Amendments. Any amendment to this Agreement or to the limited liability company agreement of any Subsidiary, except in connection with Section 10.10.

(xiv) Other Activities. The undertaking of or any commitment by the Company or any Subsidiary to any activities or business unrelated to the Business or the Subsidiaries' Business.

(xv) Employees. Hiring or otherwise engaging or allowing to be hired or engaged any Person who would be deemed an employee of the Company or any Subsidiary for any purpose under any federal, state, or other governmental law, rule, or regulation.

(xvi) Litigation. Commencing, making a counterclaim (other than mandatory counterclaims), compromising, agreeing or consenting to, settling, discontinuing, releasing, or taking, or determining not to take, any other material action in any Legal Proceeding in which the amount involved exceeds $1,000,000, exclusive of actions to seek a reduction in real estate taxes, and exclusive of the settlement of any third party claim covered by the Company's or applicable Subsidiary's insurance.

(xvii) Debt Relief Filing a voluntary petition or otherwise initiating Legal Proceedings to have the Company or any Subsidiary adjudicated insolvent, or seeking an order for relief of the Company as a debtor under the United States Bankruptcy Code (11 U.S.C. §§ 101 *et seq.);* filing any petition seeking any composition, reorganization, readjustment, liquidation, dissolution, or similar relief under the present or any future federal bankruptcy laws or any other present or future applicable federal, state, or other statute or law relative to bankruptcy, insolvency, or other relief for debtors with respect to the Company or any Subsidiary; seeking the appointment of any trustee, receiver, conservator, assignee, sequestrator, custodian, liquidator (or other similar official) of the Company or any Subsidiary or of all or any substantial part of the assets of the Company or any Subsidiary; making any general assignment for the benefit of creditors of the Company or any Subsidiary; admitting in writing the inability of the Company or any Subsidiary to pay its debts generally as they become due; or declaring or effecting a moratorium on the Company's or any Subsidiary's debt or taking any action in furtherance of any of the above proscribed actions.

(xviii) Dissolution. Any decision to dissolve or liquidate the Company or any Subsidiary, other than the dissolution of a Master Lessee and related Mezz Subsidiary following the approved sale of the Property of such Master Lessee.

(xix) Subsidiary Actions. Causing or permitting the Company to cause or permit any Subsidiary to take any action that, if taken directly by the Company, would be a Major Decision.

(xx) Additional Capital Contributions. Any decision to require the Members to make additional Capital Contributions, other than for Necessary

Funds.

(xxi) Property Management, Asset Management. Leasing, and Construction Management Agreements. Selecting any property manager, asset manager, leasing agent, or construction manager for any Property, or entering into, modifying, or terminating a property management agreement, asset management agreement, leasing agreement, or construction management agreement for any Property, other than as described in Section 5.13 with respect to the Portfolio Management Agreement.

(xxii) Casualty Repair. Any decision not to rebuild or repair following material damage to the improvements located on any Property.

(xxiii) Zoning. Seeking or consenting to any change in zoning, subdivision or other land use regulations applicable to any Property.

(xxiv) Confessing Judgment. Confessing a judgment against the Company or any Subsidiary.

(xxv) Change in Use. Subject to the rights of the tenant under any applicable Lease, changing the use of any Property, or changing the purpose of the Company or any Subsidiary, from their respective current uses and purposes to any other use or purpose.

(xxvi) insurance. Make and implement any decision or determination concerning the type or amount of insurance coverage to be maintained with respect to the Properties or any changes thereto (but in no event shall the Company or any Subsidiary carry less insurance coverage for a Property than required by any Lease or any Master Lease Documents).

(xxvii) Master Lease Documents. Modifying or amending the Master Lease Documents, exercising any call option or put option under the Master Lease Documents, or entering into any other lease document that provides for the financing of all or part of the Properties.

(xxviii) Encumbrances. Voluntarily subject all or any portion of the Properties to any encumbrance, except (i) for liens arising by operation of law and securing obligations of the Company or any Subsidiary that are not then currently due or payable *(i.e.,* real estate taxes), (ii) for liens securing the obligations of the Master Lessees under the Master Lease Documents, (iii) for materialmen or construction liens in connection with work performed at the Properties in accordance with a current Approved Budget or pursuant to approved Leases, (iv) for liens in the nature of capital leases, (v) for liens on furniture, fixtures or equipment if in a current Approved Budget, and (vi) any encumbrance, except an encumbrance created by the borrowing of money, that does not have a material adverse effect on a Property.

(xxix) Miscellaneous. Any other decision that, pursuant to the express terms of this Agreement, requires the approval of all Members.

(c) Operating Guidelines. The Administrative Member shall operate the Company and the Properties in accordance with the Operating Guidelines, based upon its good faith interpretation thereof. The Administrative Member may at its option, from time to time submit requests for clarification of the Operating Guidelines to the Investor Member Representative (an "Operating Guideline Request"). If the Investor Member Representative does not respond to an Operating Guideline Request within ten (10) Business Days of the date on which it receives such Operating Guideline Request, then the Administrative Member shall be authorized to act on the basis of its good faith interpretation of the Operating Guidelines.

5.3 Authority of the Administrative Member.

(a) Master Lease of Properties. The Administrative Member, on behalf of the Company, shall cause the Company to coordinate the conveyance of each of the Initial Properties to a separate designated Title Holder, as described in the Formation Agreement, to form a Master Lessee for each such Initial Property, and to cause each such Master Lessee to enter into a Master Lease and Master Lease Documents with the Title Holder of the applicable Initial Property, all in connection with Master Lease Financing in the principal amount of up to $200,000,000 to be provided by Capital One, National Association, as Administrative Agent, Sole Lead Arranger and Sole Bookmaker, for the Initial Properties and for the property located in Westerville, Ohio to be acquired by the Company as described in Section 7.10 hereof.

(b) Portfolio Management Agreement. The Administrative Member, on behalf of the Company, shall cause the Company to enter into a Portfolio Management Agreement with Portfolio Manager in the form attached hereto as Exhibit C.

(c) Implement Major Decisions. The Administrative Member, on behalf of the Company and each Subsidiary, shall implement all Major Decisions approved (or deemed approved) by the Members, and shall enforce agreements entered into by the Company and each Subsidiary.

(d) Required Insurance. The Administrative Member shall ensure that the Company and the Subsidiaries, as applicable, at all times maintain insurance meeting the requirements agreed to by the Members prior to the execution of this Agreement. It is anticipated that such insurance shall be arranged by the VEREIT Member or an Affiliate of the VEREIT Member pursuant to the Portfolio Management Agreement, provided that the cost of such insurance shall be allocated between the Company and the Subsidiaries as determined by the Members.

(e) Possession of Company Property and Assignment of Rights. In no event shall the Administrative Member be authorized or entitled to possess, use, pledge, or assign property of the Company or of any Subsidiary for other than a Company purpose.

5.4 Operating Budgets and Business Plans.

(a) Company Operating Budget.

(i) On or before November 15 of each Fiscal Year of the Company, the Administrative Member shall prepare and submit to the Members a proposed annual operating budget for the Company (such budget being referred to as the "Company Operating Budget") for the next Fiscal Year. The proposed Company Operating Budget shall include projections, in reasonable detail, of the Company's cash receipts and cash expenditures for the forthcoming Fiscal Year. The Company Operating Budget for Fiscal Year 2019 has been prepared and approved by the Members prior to the execution of this Agreement.

(ii) The Members shall promptly review and either approve or provide comments and/or proposed modifications to the Company Operating Budget for each Fiscal Year within thirty (30) days after receipt of such proposed budget.

(iii) Until final approval of any proposed Company Operating Budget has been given, the Company shall be operated on the basis of the previous Fiscal Year's approved Company Operating Budget, together with a 3% increase in expenditures under such budget until the end of the Fiscal Year for such proposed operating budget, and a further 3% increase at the beginning of each successive Fiscal Year if such final approval has not then been given.

(b) Property Business Plans.

(i)On or before November 15 of each Fiscal Year the Administrative Member shall cause to be prepared and shall propose to the Members a new or updated, as the case may be, annual business, leasing, and marketing plan (a "Business Plan") for the next Fiscal Year for each Subsidiary, including:

(A) a proposed operating budget and capital budget for each Property (each such budget being referred to as a "Property Operating Budget") including projections, in reasonable detail, of the applicable Master Lessee's cash receipts and required or recommended cash expenditures, including capital expenditures, for the next succeeding Fiscal Year, and for the addition to, or reduction in, any Reserves;

(B) a description of any proposed capital contributions or working capital financing (as permitted by the Operating Guidelines) to the applicable Master Lessee; and

(C) if the Property of any Subsidiary is not leased to a single tenant, current leasing guidelines for such Property.

The initial Business Plan for each of the Initial Properties, including the initial Property Operating Budget for each such Initial Property, has been prepared and approved by the Members prior to the execution of this Agreement.

(ii) The Members shall promptly review and either approve or provide comments and/or proposed modifications to each proposed Business Plan within thirty (30) days after receipt by the Members of such proposed Business Plan.

(iii) Until final approval of a proposed Business Plan has been given, the subject Master Lessee shall be operated on the basis of the previous Fiscal Year's approved Property Operating Budget, together with a 3% increase in expenditures under such budget until the end of the Fiscal Year for such proposed operating budget and capital expenditures budget, and a further 3% increase at the beginning of each successive Fiscal Year if such final approval has not then been given.

(iv) Amendments to a Property's approved Business Plan (other than variations in such Property's Operating Budget set forth in clauses (vi) and (vii) in the definition of Major Decisions) shall require the approval of both Members.

(c) Approved Operating Budgets and Business Plans. The Administrative Member is authorized to cause the Company, the Subsidiaries and the Properties to operate on the basis of the approved Company Operating Budget and Business Plans, together with such variations as are set forth in clauses (vi) and (vii) in the definition of Major Decisions. The Administrative Member shall promptly advise the Members of any event relating to the management and operation of a Property that does or could significantly affect, either adversely or favorably, such Property or cause a significant deviation from the approved annual Business Plan or Property Operating Budget for such Property.

5.5 Member, Tenure, and Qualifications of Administrative Member.

(a) Generally. The Company shall have one Administrative Member. The initial Administrative Member shall be the VEREIT Member (in its capacity as the Administrative Member of the Company, the "Initial Administrative Member"). The Initial Administrative Member shall serve as Administrative Member of the Company until it resigns, it is removed for Cause pursuant to Section 5.5(c), or it suffers or incurs an Event of Dissociation (upon the occurrence of which, the Administrative Member will be deemed to have resigned). Any successor to the Initial Administrative Member shall hold office until its resignation, removal, dissolution and liquidation, or death, as applicable.

(b) Resignation. The Administrative Member shall not be permitted to resign without the consent of the Investor Member.

(c) Removal. The Investor Member may remove VEREIT as the Administrative Member, but only for Cause, by delivering written notice of such removal (a "Removal Notice") specifying the basis for such removal in reasonable detail. Any subsequent Administrative Member may be removed at any time by the prior written action of a Majority in Interest of the Members, with or without Cause. Notwithstanding the foregoing, except as set forth in Section 5.5(c)((ix), Cause or a Cause Event shall not exist to the extent that the subject event is the result of Applicable Employee Misconduct which has been cured in the manner required in order to meet the definition of Excusable Employee Misconduct under this Agreement. For purposes of this Section 5.5(c), "Cause" or "Cause Event" means:

(i) A Bankruptcy with respect to the Administrative Member, unless the applicable petition is dismissed within one hundred twenty (120) days from the date of filing or a Bankruptcy relating to a Guarantor that results in an "event of default" under any Master Lease Documents after expiration of applicable notice and cure periods thereunder, and unless such "event of default" is otherwise cured or waived;

(ii) The disposition (whether voluntary or by operation of law) by the Administrative Member of all or any part of the Administrative Member's interest in the Company (or such Administrative Member's right to receive distributions of Company property or assets) in breach of Article 12 hereof;

(iii) The commission by the Administrative Member, Guarantor or Portfolio Manager, or any Affiliate or senior or key personnel thereof, of an act involving gross negligence, fraud, intentional misappropriation of Company assets, or willful misconduct in connection with the business of the Company or any Subsidiary or in connection with any Affiliated Contract;

(iv) The voluntary withdrawal, retirement, or resignation of the Administrative Member from the Company in breach of Section 13.1(d) hereof;

(v) As to any Administrative Member that is a corporation, general or limited partnership, limited liability company or trust, the liquidation or dissolution of such Entity, except in connection with a reorganization in which there is a surviving Entity;

(vi) The engagement by the Administrative Member in any of the activities described in Section 5.2 without the approval of the Investor Member, provided, however, that for purposes of this Section 5.5(c)(vi), clause (a) of the definition of Excusable Employee Misconduct shall not apply to any determination of whether Excusable Employee Misconduct has occurred, and the removal of the employee(s) responsible for the Applicable Employee Misconduct from further work with respect to the Company, any Subsidiary, and all Properties, as described in clause (b) of the definition of Excusable Employee Misconduct, shall not be required;

(vii) An Administrative Member Financing Default;

(viii) A "Going Concern" disclosure is made by the auditors of either the Administrative Member, VEREIT REIT, or VEREIT OP; or

(ix) A Breach by the Administrative Member (including, without limitation, a Breach resulting from a failure by the Administrative Member to carry out its duties under this Agreement in substantial accordance with the Standard of Care), provided, however, a Cause or Cause Event pursuant to this Section 5.5(c)(ix) shall not be curable by Excusable Employee Misconduct, but otherwise shall have the benefit of the cure rights provided for in the definition of Breach.

(d) Right of Contest. Notwithstanding anything to the contrary provided in Section 5.5(c), the VEREIT Member may dispute the Investor Member's claim of the existence of a Cause Event pursuant to Section 5.5(c)(ii), (iii), (vi), (vii) or (ix) by delivering a notice to the Investor Member (a "Notice of Contest") within ten (10) Business Days after the VEREIT Member's receipt of the Investor Member's Removal Notice. If the VEREIT Member fails to provide a Notice of Contest within such ten (10) Business Day Period, then the VEREIT Member shall have no right to dispute the effectiveness of the Removal Notice, which shall be conclusive. If a Notice of Contest is given within the period set forth above, then (i) the dispute shall be resolved by arbitration as provided in Exhibit G to this Agreement, and (ii) if the arbitrator upholds the grounds for termination under Section 5.5(c) (i.e., determines that a Cause Event has occurred), then the Removal Notice shall be conclusive and effective as of the date delivered, and not subject to further challenge, and (iii) if the arbitrator determines that there are no grounds for removal under Section 5.5(c) (i.e. that no Cause Event has occurred), then the Removal Notice shall be voided and of no further force or effect. Notwithstanding anything herein to the contrary, even in the event VEREIT Member delivers a Notice of Contest to Investor Member, the applicable Removal Notice shall be effective on the date delivered to VEREIT Member and Investor Member shall be permitted to exercise all remedies set forth in Section 5.6 below pending resolution of any such arbitration, other than the remedy set forth in Section 5.6(d), which shall be suspended pending resolution of such arbitration; provided, however, the Investor Member shall indemnify the VEREIT Member and the Company for all Losses (as defined in Section 5.9(a) below) incurred by the VEREIT Member and the Company as a result of the Investor Member's exercise of any such remedies in the event that the arbitrator determines that there are no grounds for removal (i.e. that no Cause Event has occurred).

(e) Exit Cooperation. If the Administrative Member resigns or is removed for Cause, then the exiting Administrative Member shall cooperate in good faith, and with commercially reasonable diligence, with the Company, its Members and any replacement Administrative Member, for the purpose of facilitating an orderly transition of the Administrative Member's duties and responsibilities, including the transfer of books and records and control of bank accounts of the Company and the Subsidiaries, all in accordance with good property management practices.

(f) Vacancies. If the position of Administrative Member shall at any time be vacant, then subject to the terms of Section 5.6(a) below, a new Administrative Member shall be appointed by a Majority in Interest of the Members. An Administrative Member need not be a resident of the State of Delaware.

5.6 Remedies for Removal of VEREIT Member.

(a) Appointment of New Administrative Member. In the event the VEREIT Member is removed as the Administrative Member for Cause, the Investor Member shall appoint a new Administrative Member (which may be the Investor Member or an Affiliate of the Investor Member) within ninety (90) days of the date on which the Administrative Member shall have been so removed; provided, however, if the Administrative Member contests its removal pursuant to Section 5.5(d) above, any new Administrative Member appointed by the Investor Member shall be either the Investor Member of an Affiliate of the Investor Member pending resolution of such contest. Notwithstanding such removal, the VEREIT Member shall remain liable for all accrued liabilities, duties and obligations incurred as Administrative Member arising prior to its removal.

(b) Loss of Promote Distributions. If the VEREIT Member is removed as the Administrative Member for Cause, any rights that the VEREIT Member had to the promote distributions under Sections 9.1(c), 9.2(a)(v) and 9.2(b)(iii) (the "Promote Clauses") shall terminate effective immediately, and all distributions under such Sections shall thereafter be made in accordance with each Member's respective Ownership Percentage. However, if a Notice of Contest is delivered by the VEREIT Member under Section 5.5(d), then all distributions under the Promote Clauses shall be held in an escrow until resolution of the VEREIT Member's contest of the Cause Event. If the arbitrator upholds the grounds for the Removal Notice, then such escrowed amounts shall be distributed in accordance with the provisions of the first sentence of this subsection (b) as of the date of removal, and if the arbitrator determines that there are no grounds for removal (i.e., that no Cause Event has occurred), then the distributions under the Promote Clauses then held in escrow shall be distributed to VEREIT Member, together with interest thereon, payable by the Company, at the rate of 10% per annum.

(c) Termination of Portfolio Management Agreement. If the VEREIT Member is removed as the Administrative Member for Cause, the Portfolio Management Agreement shall terminate and the Portfolio Manager shall not be entitled to any further payments of any fees set forth in the Portfolio Management Agreement and any deferred amounts of such fees shall be forfeited. However, if a Notice of Contest is delivered by the VEREIT Member under Section 5.5(d), then all fees due to Portfolio Manager under the Portfolio Management Agreement shall be held in an escrow until resolution of the VEREIT Member's contest of the Cause Event. If the arbitrator upholds the grounds for the Removal Notice, then such escrowed amounts shall be forfeited in accordance with the provisions of the first sentence of this subsection (c) as of the date of removal, and if the arbitrator determines that there are no grounds for removal (i.e., that no Cause Event has occurred), then the fees due to Portfolio Manager under the Portfolio Management Agreement then held in escrow shall be distributed to VEREIT Member, together with interest thereon, payable by the Company, at the rate of 10% per annum.

(d) Remedies at Law and Equity. If the VEREIT Member is removed as the Administrative Member for Cause, the Investor Member shall have the right, at its election, and on behalf of itself and/or the Company, to pursue any and all other rights and remedies available at law or in equity, in addition to the remedies expressly set forth in this Agreement.

(e) Bank Account Authority. Without limiting the Investor Member's rights under this Section 5.6, upon a removal of the Administrative Member for Cause, the Investor Member shall have the option, at its sole election, to become the sole signatory on all bank accounts, documents, and instruments of the Company and any Subsidiaries. The Members shall provide that the bank accounts of the Company and all Subsidiaries are arranged so as to permit the Investor Member to become the sole signatory on all such bank accounts upon the Investor Member certifying to the bank holding such accounts that the Administrative Member has been removed for Cause. However, if a Notice of Contest is delivered by the VEREIT Member under Section 5.5(d), and if the arbitrator determines that there are no grounds for removal (i.e. that no Cause Event has occurred), then signature authority on the bank accounts of the Company and all Subsidiaries shall revert to the VEREIT Member upon the VEREIT Member certifying to the bank holding such accounts that the VEREIT Member has been restored as the Administrative Member.

(f) Release of Guarantor. Notwithstanding anything in this Agreement to the contrary, in the event that the VEREIT Member is removed as the Administrative Member for Cause, the Investor Member shall use commercially reasonable efforts to cause each Guarantor to be released from its obligations under all Guarantees. In the event that the Investor Member fails to cause a Guarantor to be released simultaneously with any such removal, then the Investor Member shall cause a creditworthy Affiliate or other related party acceptable to the VEREIT Member in its reasonable discretion, to indemnify, defend and hold such Guarantor harmless from and against any and all losses and liabilities arising under any such Guarantee from and after the date of any such removal, and the Investor Member shall not take any action that would increase or modify the liability and obligations of such Guarantor under such Guarantee. Any and all losses and liabilities arising under any such Guarantee of a Guarantor attributable to events or occurrences prior to such removal, shall continue to be governed by the terms of Section 8.6 below, including any losses and liabilities of

such Guarantor under its Guarantee relating to any Administrative Member Financing Default occurring prior to such removal. The Investor Member acknowledges that Guarantor is a third party beneficiary of the indemnification obligations of the Investor Member under this Section 5.6(f).

5.7 Liability for Certain Acts. The Administrative Member shall not be liable for any of the debts or obligations of the Company or any Subsidiary, and has not guaranteed nor shall have any obligation with respect to the return of a Member's Capital Contributions or profits from the operation of the Company. Notwithstanding anything to the contrary contained in the Delaware Act, the Administrative Member shall not be liable to the Company, to any Subsidiary, or to any Member for any loss or damage sustained by the Company, any Subsidiary, or any Member except loss or damage resulting from any action constituting "Cause" under Section 5.5(c), or from a transaction for which such Administrative Member (solely in its capacity as such, and not merely as a Member) received a personal benefit in violation or breach of the material provisions of this Agreement. In the performance of its duties under this Agreement, the Administrative Member shall be entitled to rely on information, opinions, reports, or statements, including but not limited to financial statements or other financial data prepared or presented by: (a) any one or more Members, Officers, employees, and other agents of the Company whom the Administrative Member reasonably believes to be reliable and competent in the matter presented, or (b) legal counsel, public accountants, or other Persons as to matters the Administrative Member reasonably believes are within the Person's professional or expert competence.

5.8 No Exclusive Duty to Company. The respective Affiliates of the Members may have other business interests and, subject to Article 7, may engage in other activities in addition to those relating to the Company, even if such other business interests or activities are competitive with the Business or the Subsidiaries' Business. Subject to the terms of Article 7, neither the Company nor any Member shall have any right, by virtue of this Agreement, to share or participate in such other investments or activities of the respective Affiliates of a Member or to the income or proceeds derived therefrom. Subject to the terms of Article 7, no Member, Administrative Member or any of their Affiliates shall incur any liability to the Company, any Subsidiary, or any of the Members as a result of engaging in any other business or ventures.

5.9 Indemnification.

(a) Indemnification by the Company. The Company shall indemnify each Indemnitee from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including, without limitation, reasonable attorneys' fees and other legal fees and expenses), judgments, fines, settlements approved by the Administrative Member (if Indemnitee is not the Administrative Member) and other amounts (collectively, "Losses") arising from or in connection with any and all claims, demands, actions, suits or proceedings (civil, criminal, administrative or investigative) incurred by the Indemnitee and relating to the Company or its operations (including by reason of the fact that such Indemnitee is or was acting in connection with the activities of the Company in any capacity or that is or was serving at the request of the Administrative Member as an officer, director, or employee of the Company or any Subsidiary) in which any such Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, but only if: (1) with respect to the Administrative Member and its related Indemnitees, the Losses in question were not the result of a Breach of this Agreement by the Administrative Member and did not otherwise result from a Cause Event or a breach of any Affiliated Contact by an Indemnitee related to the Administrative Member, or (2) as to each other Indemnitee, such Indemnitee (i) is not guilty of fraud, gross negligence, willful misconduct or a knowing violation of law, or (ii) the Losses in question did not result from a Breach of this Agreement by the Member associated with such Indemnitee; *provided,* that the Company's indemnification obligations in connection with any Guarantee provided by an Affiliate of a Member are subject to the terms of Section 8.6(b). Any indemnification pursuant to this Section 5.9(a) shall be made only out of the assets of the Company and any insurance proceeds from any liability policy covering the Company or the Administrative Member, and without any obligation to call for Additional Capital Contributions. Notwithstanding anything to the contrary set forth herein, (i) the Company shall not be obligated to indemnify any Indemnitee in connection with any claim, lawsuit or other proceeding that has been brought against such Indemnitee by a Member, and (ii) the Company shall not be obligated to indemnify any Indemnitee in connection with any claim, lawsuit or other proceeding in connection with a dispute or disputes between or among the Administrative Member and its members and/or its Affiliates.

(b) Indemnification by the Members. Each Member shall indemnify the Company, the other Members and the Affiliates of the other Members from and against any and all Losses arising from or in connection with any and all claims, demands, actions, suits or proceedings (civil, criminal, administrative or investigative) arising out of or relating to (i) in the case of the VEREIT Member or any of its Affiliates, a Cause Event (including, without limitation, a Breach of this Agreement), a breach of the Formation Agreement (subject to any limitations on liability provided for therein), a breach of any Affiliated Contract by an Affiliate of the Administrative Member (subject to any notice and cure rights contained therein), or fraud, gross negligence, willful misconduct or a knowing violation of law by an Indemnitee related to VEREIT Member, and (ii) in the case of Investor Member, fraud, willful misconduct, knowing violation of law, or other Breach in the performance of this Agreement.

(c) Actual Damages. Notwithstanding anything in this Agreement to the contrary, a Member's liability hereunder shall be limited to actual costs, liabilities and damages (including any punitive damages imposed by third party claims), and in no event shall any Member have any liability under this Agreement (including under this Section 5.9) for, and each Member waives its rights to claim, demand, and collect any, exemplary, special, consequential, incidental, indirect or punitive damages, lost profits or similar items (in each case, except for any indirect or punitive damages imposed by third party claims).

(d) No Limitation of Rights; Liability of Members. The indemnifications provided by this Section 5.9 shall be in addition to any other rights to which an Indemnitee or any other Person may be entitled under any agreement as a matter of law or otherwise, and shall continue as to an Indemnitee who has ceased to serve in such capacity unless otherwise provided in a written agreement pursuant to which such Indemnitee is indemnified. Notwithstanding the foregoing, unless otherwise expressly provided in this Agreement, any claim against a Member by the Company, by another Member, or by an Affiliate of another Member under or in connection with this Agreement (including under this Section 5.9) shall be made only against, and shall be limited to, such Member's interest in the Company, the distributions received by such Member from the Company, the proceeds of the sale by such Member of its interest in the Company or such Member's interest in any property of the Company distributed to the Members pursuant to Section 13.3 below, and any right of the Company or a Member to proceed against (i) any other assets of a Member, or (ii) any direct or indirect owner or manager of such Member, or any of their respective assets, as a result of such a claim against such Member arising under this Agreement or otherwise, is hereby waived.

(e) Insurance. To the extent contemplated in the Approved Budget, the Company may purchase and maintain insurance on behalf of the Indemnitees and such other Persons as the Administrative Member shall determine against any liability that may be asserted against or expenses that may be incurred by such Person in connection with the Company's activities, regardless of whether the Company would have the power to indemnify such Person against such liability under the provisions hereof; *provided,* that if the Company shall purchase and maintain insurance for acts or omissions that are not subject to indemnification pursuant to Section 5.9(a) hereof, the Company shall be responsible for all costs of such insurance. If any Indemnitee recovers any amounts from such insurance coverage or any third party source, then such Indemnitee shall, to the extent such recovery is duplicative, reimburse the Company for any amounts previously paid to it by the Company in respect of such liabilities.

(f) Benefit. The provisions of this Section 5.9 are solely for the benefit of the Indemnitees, their heirs, successors, assigns and administrators and shall not be deemed to create any rights for the benefit of any other Persons.

(g) Contests. Notwithstanding anything to the contrary provided in this Section 5.9, any Member may claim or dispute the existence of a Cause Event, fraud, gross negligence, willful misconduct, a knowing violation of law, or other Breach of this Agreement in connection with any claim for indemnification under this Section 5.9, in which case such dispute shall be resolved by arbitration as provided in Exhibit G to this Agreement. Pending resolution of any such arbitration, the indemnification provisions under this Section 5.9 shall be suspended.

5.10 Standard of Care. The Administrative Member and each of its Affiliates performing services in connection with the business of the Company shall carry out its duties under this Agreement with the Standard of Care. Notwithstanding anything to the contrary set forth in this Agreement, neither the Administrative Member nor any Indemnitee associated with the Administrative Member shall be liable for monetary damages to the Company or any Members for Losses sustained, liabilities incurred or benefits not derived as a result of errors in judgment or mistakes of fact or law or of any act or omission (including any negligent act or omissions) except as provided in Section 5.9(b).

5.11 Authority of Agents. Unless authorized to do so by the Administrative Member, no attorney-in-fact, employee (if any), or other agent of the Company shall have any power or authority to bind the Company or any Subsidiary in any way, to pledge its credit or to expose the Company to pecuniary liability for any purpose. Except as otherwise provided in this Agreement, no Member (in its capacity as a Member) shall have any power or authority to bind the Company or any Subsidiary.

5.12 Officers. The Administrative Member may, but shall not be required to, create such officers of the Company as it deems appropriate, including, but not limited to, President, Executive Vice President, Senior Vice President(s), Vice President(s), Secretary, and Treasurer. The Officers shall have such duties and authority as are assigned or delegated to them by the Administrative Member from time to time. All Officers shall serve at the pleasure of the Administrative Member, and the Administrative Member may remove any Officer from office without cause. Any Officer may resign at any time.

5.13 Affiliated Contracts.

(a) The Members hereby approve and authorize the Administrative Member to cause the Company to enter into a property and asset management agreement with the Portfolio Manager in the form of the Portfolio Management Agreement attached hereto as Exhibit C. Except for the foregoing, the Administrative Member shall not cause the Company or any Subsidiary to enter into any Affiliated Contract without the prior written consent of the Members. The VEREIT Member will cause the Portfolio Manager and any other Affiliate under an Affiliate Contract to provide services and carry out obligations consistent with the Standard of Care.

(b) Notwithstanding anything to the contrary in Section 5.1, if the Investor Member determines, in its sole discretion, that an Affiliated Contract with the VEREIT Member or an Affiliate of the VEREIT Member has been breached by the VEREIT Member or such Affiliate, then the Investor Member may, on behalf of the Company or a Subsidiary, provide written notice to the Administrative Member of such determination and thereafter cause the Company or the Subsidiary, as applicable, to take such action as may be reasonably necessary to enforce such Affiliated Contract in accordance with the terms of such Affiliated Contract. In addition, the Investor Member may, on behalf of the Company or a Subsidiary, exercise any right of termination expressly set forth in an Affiliated Contract with the VEREIT Member or an Affiliate of the VEREIT Member, subject to any grace or cure periods set forth therein. The Investor Member shall have the authority to sign documents on behalf of the Company and/or a Subsidiary, and to issue notices on behalf of the Company and/or a Subsidiary, in order to carry out such enforcement or termination and shall provide the Administrative Member contemporaneous notice of all such actions by the Investor Member on behalf of the Company or a Subsidiary.

(c) If the VEREIT Member determines, in its sole discretion, that an Affiliated Contract with the Investor Member or an Affiliate of the Investor Member has been breached by that Member or Affiliate, then the VEREIT Member may, on behalf of the Company or a Subsidiary, provide written notice to the Investor Member of such determination and thereafter cause the Company or the Subsidiary, as applicable, to take such action as may be reasonably necessary to enforce such Affiliated Contract in accordance with the terms of such Affiliated Contract. In addition, the VEREIT Member may, on behalf of the Company or a Subsidiary, exercise any right of termination expressly set forth in an Affiliated Contract with the Investor Member or an Affiliate of the Investor Member, subject to any grace or cure periods set forth therein. The VEREIT Member shall have the authority to sign documents on behalf of the Company and/or a Subsidiary, and to issue notices on behalf of the Company and/or a Subsidiary, in order to carry out such enforcement or termination and shall provide the Investor Member contemporaneous notice of all such actions by the VEREIT Member on behalf of the Company or a Subsidiary.

(d) If the Administrative Member is removed for Cause as set forth in Section 5.5(c), the Company and each Subsidiary may terminate all Affiliated Contracts with the Administrative Member or its Affiliates, which such right may be exercised by the Member not Affiliated with the Administrative Member on behalf of the Company and each Subsidiary, as applicable.

(e) No Affiliate of the Administrative Member contracting with the Company or any Subsidiary may rely upon any action of the Administrative Member as binding upon the Company to the extent any such action violates the terms of this Agreement.

(f)Each Affiliate Contract shall contain the provisions set forth in Exhibit F attached hereto or comparable provisions approved by each of the Members.

(g)Notwithstanding anything to the contrary in this Agreement, the Investor Member shall have the right, without the consent of the VEREIT Member, to enforce, on behalf of the Company and its Affiliates, the terms of the Formation Agreement and any and all documents contemplated thereby which survive the closing of the conveyance of the Initial Properties by Affiliates of the VEREIT Member to the applicable Master Lessees or Title Holders. Any payments made by, or recoveries received from the VEREIT Member or any Affiliate thereof in respect of any obligations of such entity under the Formation Agreement shall not be considered Capital Contributions to the Company and shall not entitle the VEREIT Member to Capital Account credit on account of any such payments. Neither the VEREIT Member nor any Affiliate thereof shall have any right of reimbursement, indemnification or compensation from the Company or any Subsidiary or any Member (or Affiliate thereof) in respect of any obligations under this Section 5.12(g) or under the Formation Agreement.

(h)VEREIT Member acknowledges and agrees that the VEREIT Member Key Persons are the executives of the VEREIT Member, VEREIT OP, and/or VEREIT REIT with primary responsibility for the business decisions of the VEREIT Member in connection with the Properties. In the event of changes in the VEREIT Member Key Persons which result in none of such VEREIT Member Key Persons continuing to be employees of VEREIT REIT (a "Management Change"), and if within sixty (60) days after the occurrence of such Management Change the VEREIT Member fails to replace such VEREIT Member Key Persons with one or more individuals reasonably acceptable to the Investor Member (such approval not to be unreasonably withheld), then the Investor Member may at its option on behalf of the Company, terminate the Portfolio Management Agreement and replace the Portfolio Manager with a new asset and property management company reasonably acceptable to both Members.

5.14 Fees to Members and Affiliates. Except as specifically provided for in this Section 5.14 or set forth in an Affiliated Contract, no Member, nor any Affiliate of any Member, shall receive any compensation from the Company or any Subsidiary for its services to the Company or any Subsidiary, without prior written consent of all Members. Notwithstanding the foregoing, the Members hereby consent and agree to the payment of the following fees:

(a) Property Management Fee. Pursuant to the Portfolio Management Agreement, the Portfolio Manager shall be entitled to receive a property management fee for each Property in an amount that is equal to the greater of (i) 1% of gross receipts from such Property, or (ii) the amount of the property management fees that are reimbursable by tenants of such Property under their respective Leases. The Portfolio Manager shall be solely responsible for the payment of any fees negotiated with

and owed to any sub-property managers.

(b) Asset Management Fee. Pursuant to the Portfolio Management Agreement, the Portfolio Manager shall be entitled to receive an annual asset management fee with respect to each Property equal to 0.5% of the Equity Investment Amount attributable to such Property during the applicable calendar year, adjusted as necessary to reflect increases or decreases in such Equity Investment Amount during the course of the applicable calendar year.

(c) Additional Property Acquisition Fee. With respect to the acquisition of each Additional Property in accordance with Article 7, an acquisition fee equal to 0.6% of the purchase price of such Additional Property shall be payable to the VEREIT Member (or its designated Affiliate). No such acquisition fee shall be payable in connection with the acquisition of the Initial Properties.

5.15 REIT Status. The Members recognize that the VEREIT Member is indirectly owned by the VEREIT REIT, that the VEREIT REIT qualifies as a real estate investment trust (a "REIT") for federal income tax purposes and that the VEREIT Member must comply with a number of restrictions under the Code so that the VEREIT REIT may maintain its REIT status. In furtherance thereof, the Members agree that neither the VEREIT Member nor any other Administrative Member shall cause or allow the Company or any Subsidiary to take any action that would cause any of the income derived by the Company or such Subsidiary to fail to qualify as "Rents From Real Property" (as defined in Section 856(d) of the Code) or to take any other action that would cause the VEREIT REIT to fail to qualify as a REIT or to be subject to federal income tax under Sections 857 or 4981 of the Code, and that the Investor Member shall not prevent the VEREIT Member from causing the Company and the Subsidiaries to comply with the restrictions required under the Code in order for the VEREIT REIT to maintain its REIT status. In the event that the Investor Member removes the VEREIT Member in accordance with Section 5.5 and it or its Affiliate becomes the Administrative Member pursuant to Section 5.6, the Investor Member shall only be in violation of this Section 5.15 if (i) it operates the Properties differently, or changes the policies related thereto, from how the Properties were operated in the ordinary course of business prior to the removal of the VEREIT Member, and (ii) the change in operation or policy results in VEREIT REIT failing to qualify as a REIT, but in no event shall Investor Member be responsible for the actions of the VEREIT Member prior to removal that result in the failure of VEREIT REIT failing to qualify as a REIT. Without limiting the generality of the foregoing, without the prior written consent of the VEREIT Member, neither the Company nor any Subsidiary shall:

(a) Perform or provide any services to tenants of the Properties that would cause the Company or any Subsidiary to derive income that does not qualify as Rents From Real Property if the Company were taxed as a REIT. Instead, any such services must be provided by a "Taxable REIT Subsidiary" (as defined in Section 856(1)) of the VEREIT REIT, or by an "independent contractor" (as defined in Section 856(d) of the Code) from whom neither the Company nor the VEREIT REIT derives any income, directly or indirectly.

(b) Derive any income from a Net Profit Lease or any lease that would cause the Company or any Subsidiary to receive payments that do not qualify as Rents From Real Property if the Company were taxed as a REIT. For purposes hereof, the term "Net Profit Lease" shall mean a lease of real property pursuant to which any amount received or accrued by the Company is determined based in whole or in part on the income or profits derived by any Person from such property within the meaning of Section 856(d)(2)(A) of the Code.

(c) Acquire any assets that would not qualify as "real estate assets" under Section 856(c)(5)(B) of the Code or cause any assets already acquired by the Company to not qualify as "real estate assets" under Section 856(c)(5)(B).

(d) Derive any income from a prohibited transaction under Section 857(b)(6) of the Code.

ARTICLE 6
RIGHTS AND OBLIGATIONS OF MEMBERS; MEETINGS OF MEMBERS

6.1 Limitation on Liability. Each Member's liability shall be limited as set forth in Section 18-303(a) of the Delaware Act.

6.2 No Liability for Company Obligations. No Member will have any personal liability for any debts or losses of the Company (other than debts for which the Member specifically agreed to be personally liable); provided, however, the foregoing sentence does not limit the rights and liabilities of the Members of the Company and to each other that may be specifically set forth elsewhere in this Agreement or may be provided pursuant to the Delaware Act.

6.3 List of Members. Upon written request of any Member, the Company shall provide a list showing the names, addresses, and Ownership Percentages of all Members and, if requested, the other information required by the Delaware Act and maintained pursuant to Section 11.2.

6.4 Approvals of Members. The Members shall have the right to approve actions of the Administrative Member or the Company solely as expressly provided in this Agreement. Except as otherwise expressly provided in this Agreement, all actions on behalf of the Company may be taken by the Administrative Member without any further consent or approval of the Members. Further, the Members shall have only such rights as are set forth in this Agreement, and each Member hereby agrees to waive, to the fullest extent allowed by law, all rights to dissent from, or obtain payment of the fair value of his, her or its Interest in the event of, the actions enumerated in the Delaware Act.

6.5 Meetings. Meetings of the Members, for any purpose or purposes, may be called by the VEREIT Member or the Investor Member.

6.6 Place of Meetings. The Persons calling any meeting may designate any place in New York, New York as the place of meeting for any meeting of the Members. In lieu of any procedures contained in the Delaware Act, Members may also meet by conference telephone call if all Members can hear one another on such call and the requisite notice is given or waived. If no designation is made, the place of meeting shall be the principal executive office of the Company.

6.7 Notice of Meetings. Written notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than ten (10) nor more than forty five (45) days before the date of the meeting, either personally or by mail, by or at the direction of the Administrative Member or Person calling the meeting, to each Member. If mailed, such notice shall be deemed to be delivered as set forth in Section 16.13. Notice provided in accordance with this Section 6.7 shall be effective notwithstanding anything in the Delaware Act to the contrary.

6.8 Meeting of all Members. If all of the Members shall meet at any time and place and consent to the holding of a meeting at such time and place, such meeting shall be valid without call or notice, and at such meeting any lawful action may be taken.

6.9 Manner of Acting. Except as otherwise expressly provided in this Agreement, the affirmative unanimous vote of the Members shall be the act of the Members. Notwithstanding anything in the Delaware Act to the contrary, Members who have an interest (economic or otherwise) in the outcome of any particular matter upon which the Members vote or consent may vote or consent upon any such matter and their vote or consent, as the case may be, shall be counted in the determination of whether the matter is approved by the Members.

6.10 Action by Members Without a Meeting. Actions required or permitted to be taken by the Members at a meeting may be taken at a meeting with the approval of all of the Members and without a meeting if the action is evidenced by one or more written consents describing the action taken, signed by the Members entitled to vote and whose vote or consent would have been required if the action had been taken at a duly called and held meeting at which all necessary Members were present and voted. Actions taken under this Section 6.10 shall be effective when the Members required to approve such action have signed the consent, unless the consent specifies a different effective date.

6.11 Waiver of Notice. In lieu of any procedures contained in the Delaware Act, when any notice is required to be given to any Member, a waiver thereof in writing signed by the Person entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice.

ARTICLE 7
ACQUISITION OF ADDITIONAL PROPERTIES

The provisions of this Agreement regarding the Company's acquisition of Additional Properties are set forth in Exhibit D attached hereto and by this reference made a part hereof

ARTICLE 8
CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS

8.1 VEREIT Member's Initial Capital Contributions. On the Contribution Date for each Initial Property, the VEREIT Member shall contribute to the Company (or, in connection with any applicable Master Lease Financing, convey to the applicable Master Lessee or Title Holder), as an Initial Capital Contribution:

(a) All of its right, title, and interest in and to the applicable Initial Property in accordance with the terms of the Formation Agreement. In respect of such Initial Capital Contribution, the VEREIT Member shall receive a Capital Account credit with respect to each Initial Property in an amount equal to the Agreed Value of such Initial Property as set forth on Exhibit B hereto, adjusted to reflect the net prorations and other adjustments provided for in the Formation Agreement; plus

(b) Cash in an amount equal to twenty percent (20%) of the Transaction Costs payable by the Company in connection with the conveyance of such Property to the applicable Master Lessee or Title Holder.

8.2 Investor Member's Initial Capital Contributions. On the Contribution Date for each Initial Property, the Investor Member shall contribute to the Company, as an Initial Capital Contribution, cash in an amount equal to:

(a)eighty percent (80%) of the Agreed Value of such Initial Property, as adjusted to reflect the net prorations and other adjustments provided for in the Formation Agreement; plus

(b) eighty percent (80%) of the Transaction Costs payable by the Company in connection with the conveyance of such Property to the applicable Master Lessee or Title Holder; less

(c) eighty percent (80%) of the proceeds of any Master Lease Financing obtained in connection with the acquisition of such Property by or for the benefit of the Company. To the extent any of the Initial Properties are conveyed to the Company (or to Master Lessees or Title Holders) on the same date, the Initial Capital Contributions made by the Investor Member pursuant to this Section 8.2 shall be allocated proportionately among such Properties based on the Agreed Values and Transaction Costs of each such Property.

8.3 Additional Property Acquisition Contributions. The VEREIT Member and the Investor Member hereby agree to make additional cash contributions to the capital of the Company, in accordance with their respective Ownership Percentages, in connection with the acquisition of Additional Properties at such times and in such amounts as are specified in the Final Acquisition Proposals for any such Additional Properties (such contributions, the "Additional Property Acquisition Contributions").

8.4 Additional Capital Contributions.

(a)If, at any time and from time to time, (i) the Company or any Subsidiary requires Necessary Funds, or (ii) the Members jointly agree to make additional capital contributions for any other purpose, then the Members shall make additional contributions to the capital of the Company (herein collectively referred to as "Additional Capital Contributions") on the terms set forth in this Section 8.4.

(b)If the Administrative Member determines, in its reasonable discretion, that the Company or any Subsidiary requires Necessary Funds, or if the Members jointly agree to make additional capital contributions for any other reason, then the Administrative Member shall give written notice to the Members (a "Capital Contribution Notice") setting forth:

(i) the amount of additional capital required by the Company or otherwise agreed to be funded by the Members,

(ii) in the case of Necessary Funds, the specific purpose for which such additional capital is required, and

(iii) a contribution date by which the Members shall be required to make any such Additional Capital Contributions (which shall not be less than twenty (20) days following the date of the Capital Contribution Notice).

(c)Each Member shall contribute its pro rata share of any Additional Capital Contributions based upon the Ownership Percentages of the Members; provided, however, that if any Additional Capital Contribution is made pursuant to Section 8.4 at a time when distributions have previously been made to VEREIT Member pursuant to Section 9.1(c), Section 9.2(a)(v), or Section 9.2(b)(iii), then, such Additional Capital Contribution shall be made in accordance with the Members' respective proportionate shares of the distributions made under Section 9.1(c),Section 9.2(a)(v), and Section 9.2(b)(iii) in reverse order and to the extent of the distributions made, and thereafter in accordance with Ownership Percentages. The remedies set forth in Section 8.5 constitute the sole and exclusive remedies if a Member does not timely make the full amount of its Additional Capital Contribution following receipt of a Capital Contribution Notice.

8.5 Failure to Contribute.

(a) If any Member (the "Non-Contributing Member") fails to make an Additional Property Acquisition Contribution or an Additional Capital Contribution within the specified time as provided in a Final Acquisition Proposal or a Capital Contribution Notice (in either case, a "Deficiency"), then the other Member (i.e., the Member other than the Non-Contributing Member) (the "Contributing Member") may, in its sole and absolute discretion within thirty (30) days after the date the Deficiency was required to be contributed, elect to either (i) withdraw its share of such Additional Property Acquisition Contribution or Additional Capital Contribution, as the case may be, in which event the applicable Final Acquisition Proposal or Capital Contribution Notice shall be deemed cancelled and the Contributing Member's contribution shall be refunded to it, or (ii) pursuant to Section 8.5(b) below, lend to the Company the entire amount of such Additional Property Acquisition Contribution or Additional Capital Contribution (the "Member Loan Option"). If the Contributing Member elects to exercise the Member Loan Option, then the amount previously advanced by the Contributing

Member to the Company shall be treated as a portion of the Member Loan described in Section 8.5(b) below. If the Contributing Member fails, within such thirty (30) day period, to withdraw its portion of the Additional Property Acquisition Contribution or Additional Capital Contribution or fund the Deficiency to the Company in exercise of the Member Loan Option, then the Contributing Member shall be deemed to have elected to proceed under clause (i) above and the Company shall promptly return to the Contributing Member its share of such Additional Property Acquisition Contribution or Additional Capital Contribution, as applicable. In addition, in the event the Contributing Member elects to withdraw its portion of an Additional Property Acquisition Contribution with the result that the proposed acquisition of a Target Property is terminated, the Non-Contributing Member shall promptly pay or reimburse all Pursuit Costs and any forfeited earnest money incurred by the Company or the Contributing Member in connection with the proposed acquisition and subsequent failure to acquire such Target Property, and shall not be entitled to reimbursement from the Company for any such costs to the extent incurred by such Non-Contributing Member. Until such time as such amounts have been paid in full by the Non-Contributing Member all distributions pursuant to this Agreement that would otherwise be paid to the Non-Contributing Member shall instead be paid to the Company or the Contributing Member, as applicable, in payment of such obligation on behalf of the Non-Contributing Member.

(b) Member Loan Option. If the Contributing Member elects to exercise the Member Loan Option, then the Contributing Member shall advance to the Company the full amount of the applicable Additional Property Acquisition Contribution or Additional Capital Contribution, which advance shall constitute the principal amount of, and shall be, a non-recourse debt (as provided below) of the Company to such Contributing Member (a "Member Loan"). Such Member Loan shall bear interest on the unpaid principal balance thereof from the date on which the Contributing Member makes such Member Loan until such debt and all interest accrued thereon have been paid in full at the interest rate of 10% per annum (but not more than the maximum amount allowable under applicable law). For the sake of clarity, the Member Loan shall constitute a non-recourse obligation of the Company and the Contributing Member shall only be entitled to require any such debt to be paid out of distributions of Distributable Cash from Operations, Distributable Cash from Capital Transactions, and distributions pursuant to Section 13.3(b) of this Agreement.

8.6 Guarantee of Master Lease Financing.

(a) The VEREIT Member shall execute and deliver, or cause one or more of its Affiliates to execute and deliver, any guarantees or indemnities required by the terms of any Master Lease Financing obtained by the Company or any Subsidiary, provided that such Master Lease Financing has been approved by the VEREIT Member.

(b) Notwithstanding such guarantees and indemnities provided by the VEREIT Member or its Affiliates (each such guaranteeing party being hereinafter referred to as a "Guarantor", and each such guarantee or indemnity being hereinafter referred to as a "Guarantee"), the Company shall be primarily obligated for all liabilities evidenced by any such Guarantee and all of the assets of the Company shall be utilized to satisfy such obligations and liabilities before the VEREIT Member or Guarantor is required to make any payment pursuant to any such Guarantee. The Company shall indemnify and defend each Guarantor, on demand, from and against all claims, losses, liabilities, and expenses (including fees and disbursements of counsel) suffered or incurred by such Guarantor by reason of, or in connection with (either directly or indirectly), any such Guarantee. In the event that the Company does not have sufficient assets to satisfy such obligations and liabilities or to indemnify each Guarantor with respect thereto, the amount required to pay such obligations and liabilities or to indemnify each Guarantor shall be considered Necessary Funds and the provisions of Sections 8.4 and 8.5 shall be applicable.

(c) Notwithstanding the foregoing, in no event shall the Company or any Member have any obligation to fund, defend, indemnify or hold harmless any Guarantor on account of liability arising under any Guarantee as a result of any Cause Event by the VEREIT Member, any breach of any Affiliated Contract with an Affiliate of the VEREIT Member by such Affiliate of the VEREIT Member, or the fraud, willful misconduct, or negligence of such Guarantor or any of its Affiliates. Additionally, in the event the fraud, willful misconduct, or negligence of a Member or an Affiliate of a Member causes the breach of a non-recourse carve-out contained in a Guarantee or any of the other Master Lease Documents, resulting in the Company or any other Member incurring liability pursuant to any such Guarantee or pursuant to the Master Lease Documents, the responsible Member shall be obligated to reimburse the Company and/or such other Member (without indemnification by the Company or any Member) for any and all liabilities or expenses incurred by the Company or such other Member as a result of such action by the responsible Member.

8.7 Limit on Contributions and Obligations of Members. Except as expressly provided in this Article 8, the Members shall have no obligation or liability to the Subsidiaries, the Company or to the other Members (a) to make any contributions to the capital of the Company, (b) to guarantee any loans to the Subsidiary or the Company, or (c) to make any loans to any Subsidiary or the Company.

8.8 Return of Capital Contributions. Except as specifically provided in this Agreement, no Member shall be entitled to demand or receive the return of its Capital Contributions. Upon dissolution and liquidation of the Company, the Members shall look solely to the Company's assets for the return of their Capital Contributions, and no Member shall be liable for such return, even if such Company assets are insufficient to return the full amount of such Capital Contributions.

8.9 Interest on Capital. No interest shall be payable on any Capital Contribution made to the Company or on the balance in any Member's Capital Account.

8.10 Third-Party Beneficiaries. Except as provided in Section 8.6(b), neither this Article 8, nor any other provision of this Agreement, shall be construed to create any rights or benefits in any Person, other than the Members or any Officers, and, subject to the limitations on Transfer contained herein, their respective legal representatives, transferees, successors, and assigns. Without limiting the foregoing, the right of the Administrative Member to require any Additional Capital Contributions under the terms of this Agreement and the agreement of the Members to make Additional Capital Contributions shall not be construed as conferring any rights or benefits to or upon any Person not a party to this Agreement, including, but not limited to, any licensee, invitee, or tenant of any part of any Property, or the holder of any obligations secured by a mortgage, or other lien or encumbrance upon or affecting a Subsidiary, the Company or any interest of a Member therein or in a Property or any part thereof or any interest therein.

ARTICLE 9
DISTRIBUTIONS TO MEMBERS

9.1 Distributions of Distributable Cash from Operations. Subject to the provisions of Section 9.8 below, the Administrative Member shall cause the Company to distribute, on at least a quarterly basis, Distributable Cash from Operations to the Members in the following order of priority:

(a) First, to the Members to the extent of, and in proportion to, any outstanding Member Loans, with all payments first applying to accrued and unpaid interest and then to principal, until such Member Loans have been paid in full;

(b) Thereafter to the Members in proportion to their respective Ownership Percentages until there shall have been distributed to the Members aggregate amounts necessary to cause the Investor Member to have achieved a cumulative IRR of twelve percent (12%) on its aggregate Capital Contributions with respect to all of the Properties, inclusive of amounts previously paid under this Section 9.1(b), Section 9.1(c), Section 9.2(a)(ii)(iv), and (v), and Section 9.2(b)(ii) and (iii);

(c) Thereafter, but subject to Section 9.4, to the Members as follows:

(A) Eighty five percent (85%) to the Members in proportion to their respective Ownership Percentages; and

(B) Fifteen percent (15%) to the VEREIT Member as promote.

9.2 Distribution of Distributable Cash from Capital Transactions. Subject to the provisions of Section 9.8 below, the Administrative Member shall cause the Company to distribute to the Members, as soon as practicable following a Capital Transaction, Distributable Cash from Capital Transactions in the following order of priority:

(a) In the case of a Capital Transaction with respect to an Initial Property:

(i) First, to the Members to the extent of, and in proportion to, any Member Loans made with respect to such Initial Property, with all payments first applying to accrued and unpaid interest and then to principal, until such Member Loans have been paid in full;

(ii) Second, to the Investor Member until the Investor Member's Initial Contribution Account with respect to such Property has been reduced to zero;

(iii) Third, to the VEREIT Member, until the VEREIT Member's Initial Contribution Account with respect to such Property has been reduced to zero;

(iv) Fourth, to the Members in proportion to their respective Ownership Percentages until there shall have been distributed to the Members aggregate amounts necessary to cause the Investor Member to have achieved a cumulative IRR of twelve percent (12%) on its aggregate Capital Contributions with respect to all of the Properties, inclusive of any amounts previously paid under Sections 9.1(b) and 9.1(c) above, under subsections (ii), (iv), and (v) of this Section 9.2(a), and under Section 9.2(b)(ii) and (iii) below; and then

(v) Thereafter, but subject to Section 9.4, to the Members as follows:

(A) eighty five percent (85%) to the Members in proportion to their respective Ownership Percentages; and

(B) fifteen percent (15%) to the VEREIT Member as promote.

(b) In the case of a Capital Transaction with respect to any Additional Property:

(i) First, to the Members to the extent of, and in proportion to, any Member Loans made with respect to any Property, with all payments first applying to accrued and unpaid interest and then to principal, until such Member Loans have been paid in full;

(ii) Second, to the Members in proportion to their respective Ownership Percentages until there shall have been distributed to the Members aggregate amounts necessary to cause the Investor Member to have achieved a cumulative IRR of twelve percent (12%) on its aggregate Capital Contributions with respect to all of the Properties, inclusive of any amounts previously paid under Section 9.1(b) and 9.1(c), under Section 9.2(a)(ii), (iv), and (v), and under subsections (ii) and (iii) of this Section 9.2(b); and then

(iii) Thereafter, but subject to Section 9.4, to the Members as follows:

(A) eighty five percent (85%) to the Members in proportion to their respective Ownership Percentages; and

(B) fifteen percent (15%) to the VEREIT Member as promote.

9.3 Special VEREIT Member Distribution. Promptly following the Contribution Date for each of the Initial Properties, the Company shall make a distribution to the VEREIT Member (the "Special VEREIT Member Distribution") equal to the sum of (i) eighty percent (80%) of the Agreed Value of such Property, as adjusted to reflect the net prorations and other adjustments provided for in the Formation Agreement, plus (iv) twenty percent (20%) of the proceeds of any Master Lease Financing obtained in connection with the Company's acquisition of such Property. The Members agree that the contribution of the Initial Properties by the VEREIT Member pursuant to Section 8.1 and the Special VEREIT Member Distribution, together, shall be treated as a part sale, part contribution of such Initial Properties to the Company by the VEREIT Member as described in Sections 721 and 707(a)(2)(B) of the Code.

9.4 True-Up. Notwithstanding the other provisions of this Article 9, which are intended to permit distributions of the VEREIT Member's promote on an interim basis, distributions on account of Distributable Cash from Capital Transactions shall ultimately be determined in the aggregate for all Properties and over the entire term of the Company as a whole. If, upon the final dissolution and liquidation of the Company, the financial statements for the Company shall show, or it is otherwise determined by the Company's accountants, that the aggregate distributions made to the VEREIT Member pursuant to Section 9.2(a)(iii) and 9.2(b)(iii) exceed the amount of the aggregate distributions that should have been made to the VEREIT Member when calculating the aggregate Distributable Cash from Capital Transactions with respect to all Capital Transactions consummated from the commencement of the term of the Company to the date of such calculation (any such over-distribution, an "Excess"), then the proceeds available in connection with the final dissolution and liquidation of the Company shall be distributed to the Investor Member until the Excess, if any, on the date of such distribution has been reduced to $0.00, and if such proceeds are insufficient to reduce the Excess to $0.00, then the VEREIT Member shall promptly pay to the Investor Member the amount necessary to reduce such Excess to $0.00.

9.5 Limitation Upon Distributions. No distribution shall be made to the Members if prohibited by the Delaware Act.

9.6 Priority and Return of Capital. No Member shall have priority over any other Member, either as to the return of Capital Contributions or as to Net Profits, Net Losses or distributions, except as otherwise specifically provided for herein. This Section shall not apply to loans (as distinguished from Capital Contributions) a Member has made to the Company.

9.7 Amounts Withheld. All amounts withheld pursuant to the Code or any provision of any state, local or foreign tax law with respect to any payment, distribution or allocation to the Members shall be treated as amounts paid or distributed, as the case may be, to the Members with respect to which such amount was withheld pursuant to this Section 9.7. The Company is authorized to withhold from payments, distributions or allocations to the Members, and to pay over to any federal, state and local government or any foreign government, any amounts required to be so withheld pursuant to the Code or any provisions of any other federal, state or local law or any foreign law, and shall allocate any such amounts to the Members with respect to which such amounts were withheld. To the extent the Company is required to pay any such amount to any taxing authority prior to a Member's receipt of a related distribution, such Member shall reimburse the Company for such amount to the extent such tax payment does not reduce a distribution to the Member within thirty (30) days of the payment to the taxing authority.

9.8 Tax Distribution. Notwithstanding anything in this Agreement to the contrary, if, for any Fiscal Year other than the year in which the Company distributes the proceeds of liquidation to the Members pursuant to Section 13.3(b), the distributions actually distributable to any Member pursuant to Section 9.1 and Section 9.2, in each case

taking into account Section 9.4, would be insufficient to pay the Assumed Tax Liability, then, to the extent the Company has sufficient cash on hand to do so, the Company shall distribute to such Member, on or about April 1 of the following year, the amount of cash needed to pay the Assumed Tax Liability (a " Tax Distribution"). Any Tax Distribution pursuant to this Section 9.8 shall be treated as an advance against and shall reduce future distributions under Sections 9.1 and 9.2.

ARTICLE 10
ALLOCATIONS OF NET PROFITS AND NET LOSSES

10.1 Separate Allocations Among Properties . The Company's Net Profit and Net Loss shall be allocated between the Members on a Property-by-Property basis. To the extent necessary (as determined by the Administrative Member in good faith based on the advice of counsel or the Company's tax accountants) to properly account for and allocate the Company Net Profit and Net Loss, the Administrative Member is hereby authorized to modify the provisions of this Article 10 to incorporate concepts of separate accounting or to otherwise achieve the legally correct result, but in all events taking into account the intentions of the Members to account for all Net Profit and Net Loss in a manner that effectively treats each Property as being held by a separate Entity.

10.2 Allocation of Net Profits and Net Losses. The Company's Net Profit and Net Loss derived from each Property attributable to each Fiscal Year shall be determined as though the books of the Company were closed as of the end of such Fiscal Year. The rules of this Section 10.2 shall apply except as provided in Section 10.5.

(a) For each Fiscal Year, Net Profit or Net Loss (other than items allocated pursuant to Section 10.5) derived from each Property shall be allocated, insofar as possible, so that, following all allocations pursuant to Section 10.5 for such Fiscal Year and the allocation pursuant to this Section 10.2 which is here being described, each Member's Capital Account balance shall be equal to the result (be it positive, negative or zero) of subtracting (i) the sum of (x) such Member's share of Company Minimum Gain and (y) such Member's share of Member Minimum Gain, from (ii) such Member's Target Amount applicable to each Property at the end of such Fiscal Year.

(b) Except to the extent otherwise required by applicable law: (i) in applying subsection (a), to the extent possible each item of income, gain, loss, and deduction shall be allocated among the Members in the same proportions as each other such item, and, to the extent permitted by law, each item of credit shall be allocated in such proportions; and (ii) to the extent necessary to produce the result prescribed by subsection (a), items of income and gain shall be allocated separately from items of loss and deduction, in which event the proportions applicable to items of income and gain shall (to the extent permitted by law) be applicable to items of credit.

(c) If, for any Fiscal Year, (i) the aggregate of all items of income, gain, loss, and deduction (other than those to be allocated pursuant to Section 10.5) derived from a Property is zero and (ii) each Member's Capital Account balance with respect to such Property equals, prior to allocations pursuant to this Section 10.2 for such Fiscal Year, the result (be it positive, negative or zero) of subtracting (A) the sum of (1) such Member's share of Company Minimum Gain and (2) such Member's share of Member Minimum Gain, from (B) such Member's Target Amount at the end of such Fiscal Year with respect to the applicable Property then, except to the extent otherwise required by applicable law, all such items, and (to the extent permitted by law) all items of credit, shall be allocated among all Members in proportion to their respective Ownership Percentages with respect to the applicable Property as in effect throughout such Fiscal Year.

(d) For these purposes, the "Target Amount" of a Member at the end of any Fiscal Year means the amount which such Member would then be entitled to receive in respect of a Property if, immediately following such Fiscal Year: (i) all of the assets of the Company related to the applicable Property were sold for cash equal to their respective book values (as determined for Capital Account maintenance purposes under Section 704 of the Code and the Regulations thereunder) (or, in the case of assets subject to liabilities for which the creditor's right is limited to assets of the Company, the amounts of such liabilities, if greater than the aggregate book values of such assets); and (ii) the proceeds of such sale were applied to pay all debts of the Company related to the applicable Property with the balance distributed as provided in Section 9.2, provided, however, that if the sale described in clause (i) would not generate proceeds sufficient to pay all debts of the Company related to the applicable Property, the Members shall be considered entitled in the aggregate (and as among them in proportion to their respective Ownership Percentages) to receive, pursuant to Section 9.2, a negative amount equal to the excess of such debts over such proceeds.

10.3 Limitation on Loss Allocations. Notwithstanding anything in this Agreement to the contrary, no loss or item of deduction shall be allocated to a Member if such allocation would cause such Member to have an Adjusted Capital Account Deficit as of the last day of the Fiscal Year or other period to which such allocation relates. Any amounts not allocated to a Member pursuant to the limitations set forth in this Section 10.3 shall be allocated to the other Members to the extent possible without violating the limitations set forth in this Section 10.3, and any amounts remaining to be allocated shall be allocated among the Members in accordance with the provisions of Section 10.2.

10.4 Intention and Construction of Allocations. It is the intention of the Members to allocate Net Profits and Net Losses with respect to a particular Property in such a manner as to cause each Member's Capital Account related to such Property to always equal the amount of cash such Member would be entitled to receive if the Company sold its assets related to the applicable Property for their book values and, after satisfying all Company liabilities related to the applicable Property, the proceeds from such sale, as well as all other funds of the Company related to the applicable Property, were then distributed to the Members pursuant to Section 9.2. These provisions shall be so interpreted as necessary to accomplish such result.

10.5 Special Allocations. The following special allocations shall be made in the following order:

(a) Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(f) of the Regulations, in the event there is a net decrease in Company Minimum Gain during a Company Fiscal Year with respect to a particular Property, each Member shall be allocated (before any other allocation is made pursuant to this Article 10) items of income and gain for such Fiscal Year (and, if necessary, for subsequent Fiscal Years) in an amount equal to that Member's share of the net decrease in Company Minimum Gain with respect to such Property.

(i) The determination of a Member's share of the net decrease in Company Minimum Gain shall be determined in accordance with Section 1.704-2(g) of the Regulations.

(ii) The items to be specially allocated to the Members in accordance with this Section 10.5(a) shall be determined in accordance with Section 1.704-2(f)(6) of the Regulations.

(iii) This Section 10.5(a) is intended to comply with the Minimum Gain chargeback requirement set forth in Section 1.704-2(f) of the Regulations and shall be interpreted consistently therewith.

(b) Member Minimum Gain Chargeback.

(i) Except as otherwise provided in Section 1.704-2(i)(4), in the event there is a net decrease in Member Minimum Gain during a Company Fiscal Year with respect to a particular Property, each Member who has a share of that Member Minimum Gain as of the beginning of the year, to the extent required by Section

1.704-2(i)(4) of the Regulations shall be specially allocated items of Company income and gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to that Member's share of the net decrease in Member Minimum Gain with respect to such Property.

(ii) Allocations pursuant to this Section 10.5(b) shall be made in accordance with Section 1.704-2(i)(4) of the Regulations. This Section 10.5(b) is intended to comply with the requirement set forth in Section 1.704-2(i)(4) of the Regulations and shall be interpreted consistently therewith.

(c) Qualified Income Offset Allocation.In the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) or 1.704-1(b)(2)(ii)(d)(6) of the Regulations which would cause such Member to have an Adjusted Capital Account Deficit with respect to a particular Property, items of Company income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate such Adjusted Capital Account Deficit as quickly as possible. This Section 10.5(c) is intended to constitute a "qualified income offset" in satisfaction of the alternate test for economic effect set forth in Section 1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

(d) Gross Income Allocation. In the event any Member has a deficit Capital Account at the end of any Company Fiscal Year with respect to a particular Property which is in excess of the sum of (i) any amounts such Member is obligated to restore pursuant to this Agreement, plus (ii) such Member's distributive share of Company Minimum Gain as of such date, plus (iii) such Member's share of Member Minimum Gain determined pursuant to Section 1.704-2(i)(5) of the Regulations, each such Member shall be specially allocated items of Company income and gain relating to such Property in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 10.5(d) shall be made only if and to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article 10 have been made, except assuming that Section 10.5(c) and this Section 10.5(d) were not contained in this Agreement.

(e) Allocation of Nonrecourse Deductions. Nonrecourse Deductions with respect to a particular Property shall be allocated to the Members in accordance with their respective Ownership Percentages.

(f) Allocation of Member Nonrecourse Deductions. Member Nonrecourse Deductions with respect to a particular Property shall be allocated as prescribed by the Regulations.

10.6 Built-In Gain or Loss/Section 704(c) Tax Allocations. In the event that the Capital Account of any Member with respect to a particular Property is credited with or adjusted to reflect the fair market value of a Company property or properties, the Members' distributive shares of depreciation, depletion, amortization, and gain or loss, as computed for tax purposes, with respect to such property, shall be determined pursuant to Section 704(c) of the Code and the Regulations thereunder, so as to take account of the variation between the adjusted tax basis and book value of such property. For purposes of such allocations, the Company shall elect the remedial allocation method described in Section 1.704-3(d) of the Regulations with respect to the contributed portion of the Initial Properties. Any deductions, income, gain or loss specially allocated pursuant to this Section 10.6 shall not be taken into account for purposes of determining Net Profits or Net Losses or for purposes of adjusting a Member's Capital Account with respect to the applicable Property.

10.7 Recapture. Ordinary taxable income arising from the recapture of depreciation and/or investment tax credit with respect to a particular Property shall be allocated to the Members in the same manner as such depreciation and/or investment tax credit was allocated to them.

10.8 Prohibition Against Retroactive Allocations. Notwithstanding anything in this Agreement to the contrary, no Member shall be allocated any loss, credit, or income attributable to a period prior to its admission to the Company. In the event that a Member Transfers all or a portion of his Interest, or if there is a reduction in a Member's Ownership Percentage with respect to a particular Property due to the admission of new Members or otherwise, each Member's distributive share of Company items of income, loss, credit, etc. attributable to such Property, shall be determined by taking into account each Member's varying Interests in the Company with respect to such Property during the Company's taxable year. For this purpose, unless the Administrative Member, in its sole discretion, elects to provide for an interim closing of the Company's books, each Member's distributive share shall be estimated by taking the pro rata portion of the distributive share such Member would have included in his taxable income had he maintained his Ownership Percentage with respect to the applicable Property throughout the Company year. Such proration shall be based upon the portion of the year during which such Member held the Ownership Percentage, except that extraordinary, non-recurring items shall be allocated to the Persons holding Interests with respect to the applicable Property at the time such extraordinary items occur.

10.9 Allocation of Nonrecourse Liabilities. The "excess nonrecourse liabilities" of the Company (within the meaning of Section 1.752-3(a)(3) of the Regulations) with respect to a particular Property shall be shared by the Members in accordance with their respective Ownership Percentages.

10.10 Alternative Allocations. It is the Members' intention that each Member's distributive share of income, gain, loss, deduction, credit (or item thereof) with respect to a particular Property be determined and allocated consistently with the provisions of the Code, including Sections 704(b) and 704(c) of the Code. If the Administrative Member reasonably deems it necessary in order to comply with the Code, the Administrative Member may allocate income, gain, loss, deduction or credit (or items thereof) arising in any Fiscal Year differently than as provided for in this Article 10 if, and to the extent, (a) allocating income, gain, loss, deduction or credit (or item thereof) with respect to a particular Property would cause the determinations and allocations of each Member's distributive share of income, gain, loss, deduction or credit (or item thereof) attributable to such Property not to be permitted by the Code and any applicable Regulations or (b) such allocation would be inconsistent with a Member's Interest relating to such Property taking into consideration all facts and circumstances; provided, however, that any allocation pursuant to this Section 10.10 shall not materially alter the economic agreement between or among the Members. Any allocation made pursuant to this Section 10.10 will be a complete substitute for any allocation otherwise provided for in this Agreement, and no further amendment of this Agreement or approval by any Member is necessary to effectuate such allocation. In making any such allocations under this Section 10.10 ("New Allocations") the Administrative Member may act in reliance upon advice of counsel to the Company or the Company's regular accountants that, in either case, in their respective opinions after examining the relevant provisions of the Code and any current or future proposed or final Regulations, the New Allocations are necessary in order to ensure that, in either the then-current year or in any preceding year, each Member's distributive share of income, gain, loss, deduction, or credit (or items thereof) with respect to a particular Property is determined and allocated in accordance with the Code and such Member's Interest. New Allocations made by the Administrative Member in reliance upon the advice of counsel or accountants as described in this Section 10.10 will be deemed to be made in the best interests of the Company and all of the Members consistent with the duties of the Administrative Member under this Agreement and any such New Allocations will not give rise to any claim or cause of action by any Member against the Company or the Administrative Member.

ARTICLE 11
BOOKS AND RECORDS; REPORTS

11.1 Accounting Period; Outside Accountant. The Company's accounting period shall be the Fiscal Year. The initial outside accountant for the Company and the Subsidiaries shall be Deloitte, with any change in such designation being a Major Decision for purposes of this Agreement.

11.2 Records and Reports. At the expense of the Company, the Company shall maintain separate books and records for all accounting and operational purposes

for the Company and each Master Lessee and its related Property. Bank accounts for the Company may be maintained separate from the bank accounts of the Subsidiaries or, at the election of the Administrative Member or to the extent required by any Loan, on a consolidated basis. All Company Expenses shall be charged to the appropriate Subsidiary. To the extent a Company Expense benefits one or more Subsidiaries, the Administrative Member will allocate such expense as appropriate among the Subsidiaries using its reasonable discretion. The Company must maintain records and accounts of all operations and expenditures of the Company and each Subsidiary on the accrual basis. The Company shall keep at its principal place of business the following records:

(a) A current list of the full name and last known address of each Member and Economic Interest Owner;

(b) Copies of records to enable a Member to determine the relative voting rights, if any, of the Members;

(c) A copy of the Certificate of Formation of the Company and each Subsidiary, and all amendments thereto;

(d) Copies of the Company's federal, state, and local income tax returns and reports, if any, for the three (3) most recent years;

(e) Copies of this Agreement, together with any amendments hereto, and the limited liability company agreement of each Subsidiary, and any amendments thereto; and

(f) Copies of any financial statements of the Company or the Subsidiaries for the three (3) most recent years.

All books and records, in addition to those described in (a) through (f) above, shall at all times be maintained or made available to the Members and the Economic Interest Owners at the principal office of the Company and shall be open to the inspection, examination and copying of and by the Members, Economic Interest Owners, or their duly authorized representatives during reasonable business hours upon not less than five (5) Business Days advance notice to the Administrative Member.

11.3 Tax Matters. At the expense of the Company, the Partnership Representative shall cause the preparation and timely filing of all tax returns required to be filed by the Company pursuant to the Code and all other tax returns deemed necessary and required in each jurisdiction in which the Company does business. All such returns shall be presented to the Members for review prior to filing and at least fifteen (15) days prior to any applicable filing deadline (including any applicable extensions), and the failure of a Member to object to any such tax return within seven (7) Business Days after the date such tax return is delivered to such Member shall be deemed an approval of any tax election contained therein for purposes of Section 5.2(b)(x) hereof. Copies of such returns, or pertinent information therefrom, shall be furnished to the Members within a reasonable time after filing thereof.

11.4 Reports to Members.

(a)Within forty-five (45) days after the close of each Fiscal Year, beginning with the Fiscal Year ending December 31, 2020, the Administrative Member shall provide to the Members drafts of audited financial statements of the Company for such Fiscal Year, with final audited financial statements to be provided within sixty (60) days after the close of each Fiscal Year. Such financial statements shall be prepared in accordance with generally accepted accounting principles in the United States of America (including footnotes and year-end adjustments, but subject to estimated depreciation) and shall include an income and expense statement, statement of cash flows, and balance sheet which shall reflect the results of the operations of the Company for such Fiscal Year, the unpaid balance due on all obligations of the Company, a statement of changes in the Members' equity, and all other information customarily reflected in similar financial statements and as reasonably requested by a Member.

(b) The Administrative Member shall have prepared and delivered to the Members, (a) within twenty (20) days after the end of each month of each Fiscal Year with respect to the Company and each Subsidiary, (i) monthly income and expense statements and balance sheets, except with respect to the last month of each calendar year, (ii) a copy of cash disbursements ledger entries for such period, (iii) a copy of cash receipts ledger entries for such period, (iv) an aged receivables report, if applicable, (v) a trial balance, (vi) a variance analysis-budget vs. actual (line items 10% or greater), (vii) a copy of check registers, bank account statements and reconciliations, and (viii) a rent roll; and (b) within forty five (45) days after the end of each of the first three (3) calendar quarters of each Fiscal Year with respect to the Company and each Subsidiary, an unaudited income and expense statement, statement of cash flows, and balance sheet showing each Member's Capital Account balance with respect to each such quarter. Such financial statements shall be prepared in accordance with generally accepted accounting principles in the United States of America, subject to estimated depreciation and the lack of footnotes and year-end adjustments.

(c) The Partnership Representative shall cause to be prepared and delivered to the Members by February 15th of each Fiscal Year (i) a report (inclusive of a draft K-1 and various supporting documents) reflecting each Member's share of the Company's estimated taxable income for the immediately preceding Fiscal Year, and (ii) an annual depreciation schedule prepared in accordance with the alternative depreciation system using the straight-line method.

(d) The Administrative Member shall maintain the books and records of the Company, and shall prepare the reports set forth in Sections 11.4 (b) and (c), (i) on a "stand alone" basis for each Property, as if the investment in each Property were made pursuant to a separate joint venture agreement having the same parties and same economic terms as set forth in this Agreement (i.e., as if such Property were the sole asset of the Company), and (ii) on an aggregate basis taking into account all assets of the Company. Annually, by May 1 of each Fiscal Year, in connection with the preparation of tax returns under Section 11.3, the Administrative Member shall prepare or cause to be prepared a separate tax statement for each Property to be provided to Investor Member concurrently with Investor Member's Schedule K-1 reflecting such "stand alone" treatment for tax purposes so that Investor Member can determine how Investor Member's share of cash distributions, capital contributions and allocations of profits and losses for tax purposes for each Fiscal Year shall be apportioned to and among its members on a Property-by-Property basis. Such separate tax statements shall be prepared on a tax basis and in accordance with the federal income tax laws in effect during the applicable Fiscal Year. If the Administrative Member reasonably determines that any cash, revenue, liability, income, expense, gain, loss or other item is not clearly attributable to a specific Property, then the Administrative Member shall apportion such item to and among the Properties in any manner determined by the Administrative Member to be reasonable. The Administrative Member and the Members further acknowledge that the "stand alone" reports and financial statements may be augmented or modified as reasonably necessary or appropriate to enable the requirements described in the preceding sentence to be accomplished satisfactorily as reasonably determined by the Members. For the avoidance of doubt, it is anticipated that, to the extent permitted by applicable law (including Section 704 of the Code and the Regulations thereunder), the Company will prepare, file with the IRS, and send to the Investor Member, a single K-1 for each taxable year that is a composite of the "stand alone" Property-by-Property statements contemplated by this Section 11.4(d). To the extent that any costs or expenses of any tax audits are reasonably attributable to the application of this Section 11.4(d), as determined in the reasonable discretion of the Administrative Member, such costs and expenses shall be borne solely by the Investor Member, and the Investor Member shall not pursue recovery of any damages attributable to the application of this Section 11.4(d) from the Administrative Member.

(e)In addition to the reports set forth above, the Administrative Member shall prepare and deliver to the Members such other reports as any Member may reasonably request from time to time.

ARTICLE 12
TRANSFERS

12.1 Covenants Regarding Transfers. Each of the Members hereby covenants and agrees that, except as otherwise expressly provided in this Article 12, such Member will not directly or indirectly assign, convey, sell, transfer, encumber, or in any way alienate (collectively a " Transfer") all or any part of its Interest or permit the Transfer of any of the direct or indirect ownership interests in such Member without the prior written consent of all Members. Any attempted Transfer of all or any portion of an Interest without the necessary consent, or as otherwise permitted hereunder, shall (a) be null and void, (b) have no effect whatsoever, and (c) constitute a breach of this Agreement.

12.2 Permitted Transfers. Notwithstanding anything to the contrary contained in Section 12.1 above, but subject to Section 12.3 below:

(a) The VEREIT Member may Transfer all or any part of its Interest to a VEREIT Permitted Transferee at any time, and such transferee shall become a substituted Member without the consent of any other Member. Additionally, for the avoidance of doubt, (i) the Transfer of direct and indirect interests in the VEREIT Member, and the issuance of new interests in the VEREIT Member, may occur at any time without the consent of any other Member, provided that the Interest of the VEREIT Member continues to be Controlled by a VEREIT Permitted Transferee, and (ii) interests in the VEREIT REIT may be Transferred without restriction.

(b) Subject to the terms of Section 12.3 and 12.4 below, Transfers of the Interest of the Investor Member pursuant to an Investor Permitted Transfer shall be permitted at any time, and any Investor Permitted Transferee of the entire direct interest of the Investor Member in the Company shall become a substituted Member without the consent of any other Member. Additionally, for the avoidance of doubt, (i) the Transfer of direct or indirect interests in the Investor Member, and the issuance of new interests in the Investor Member, to an Investor Permitted Transferee may occur at any time without the consent of the VEREIT Member.

12.3 Conditions of Permitted Transfers. Any permitted Transfer of a Member's Interest in the Company, including any Transfer permitted pursuant to Section 12.2 above, shall be subject to the following conditions, as applicable:

(a) in the case of a direct transfer, the transferor, its legal representative, or authorized agent must have executed a written instrument of Transfer of such Interest in form and substance reasonably satisfactory to the Administrative Member;

(b) in the case of a direct transfer, the transferee must have executed a written agreement, in form and substance reasonably satisfactory to the Administrative Member containing, without limitation, (i) the transferee's agreement to assume all of the duties and obligations of the transferor under this Agreement with respect to the Transferred Interest and to be bound by and subject to all of the terms and conditions of this Agreement, and (ii) representations by the transferee comparable to the representations by the Members set forth in Article 4, as well as representations regarding the matters identified in Section 12.4 below;

(c) in the case of a direct transfer, the transferor has expressly granted to such transferee the right to become a substituted Member with Approval Rights with respect to such Transferred Interest;

(d) in the case of a direct transfer, the transferee must have executed such other documents and instruments as the Administrative Member may deem reasonably necessary to effect the admission of the transferee as a Member;

(e) the transferee or the transferor must have paid the expenses incurred by the Company in connection with the admission of the transferee to the Company; and

(f) in the case of a permitted direct transfer of the Investor Membership Interest, the Investor Member provides at least fifteen (15) Business Days' prior notice to the VEREIT Member, provides information about the identity of the proposed transferee and its constituent members comparable to the information provided about the Investor Member in connection with the Formation Agreement and the execution of this Agreement, including such information as the VEREIT Member reasonably requires in order to make the determinations described in Section 12.4 below, and complies with the any additional reasonable due diligence requests of the VEREIT Member with respect to the proposed transferee.

12.4 Prohibition on Certain Transfers. Notwithstanding anything to the contrary provided in this Article 12, no Member may Transfer all or part of its Interest, or permit the Transfer of any direct or indirect ownership interests in such Member, and any Transfer or purported Transfer shall be null and void and the Company shall not recognize the transferee, purported transferee, or purported beneficial owner of such Interest as a direct or indirect holder of an Interest in the Company for any purpose, if the Administrative Member determines that such action would (a) violate, or require registration or qualification under, applicable federal, state, or foreign securities laws; (b) cause any of the representations, warranties or covenants set forth in Article 4 to be untrue, incorrect or incomplete in any material respect with respect to the transferee (including, without limitation, violation of any Anti-Terrorism Laws, or status as a Prohibited Person), (c) in the case of a direct transfer, create a material risk of adverse tax consequences to any Member (other than to the transferor and transferee), (d) require the filing of, or create a material risk of adverse consequences by not filing, a voluntary notice with the Committee on Foreign Investment in the United States ("CFIUS") in connection with such Transfer, (e) cause the Company to be in breach of or default under the terms of any Loan Documents, or (f) threaten or result in a liquidation of the Company. Prior to effecting any Transfer of an Interest, the transferor shall provide reasonable assurances to the Company that the proposed Transfer would not cause the consequences described in this Section 12.4.

12.5 Bankruptcy. Any Member which suffers a Bankruptcy shall be a "Bankrupt Member" for purposes hereof. The Interest of a Bankrupt Member shall vest in the trustee, receiver or administrator of the Bankrupt Member's estate. The Company shall not be dissolved and terminated as a result of a Member becoming a Bankrupt Member. A Bankrupt Member's successor in interest shall be an Economic Interest Owner in the Company only and shall continue to have the Economic Interest associated with its Interest, but shall have no Approval Rights.

ARTICLE 13
DISSOLUTION AND TERMINATION

13.1 Dissolution.

(a) The Company shall be dissolved upon the first to occur of any of the following:

(i) the unanimous consent of the Members to dissolve the Company; and

(ii) the occurrence of any event which, as a matter of law, requires that the Company be dissolved.

(b) The Company shall not be dissolved upon the occurrence of any of the following events (each, an 'Event of Dissociation"):

(i) With respect to any Member, upon the Transfer of all of such Member's Interest;

(ii) With respect to any Member, upon the voluntary withdrawal, retirement or resignation of the Member by notice to the Company;
(iii) With respect to any Member that is an Entity, the filing of articles of dissolution or the dissolution and liquidation of such Entity;
(iv) With respect to any Member that is a trust, upon termination of the trust;

(v) With respect to any Member, the Bankruptcy of the Member; or

(vi) Any other event that terminates the continued membership of a Member in the Company.

Within ten (10) days following the happening of any Event of Dissociation with respect to a Member, such Member must give notice of the date and the nature of such event to the Company and each other Member.

(c) Any successor in interest of a Member as to whom an Event of Dissociation occurred shall become an Economic Interest Owner but shall not be admitted as a Member with Approval Rights except in accordance with Article 12 hereof.

(d) A Member shall not voluntarily withdraw from the Company or take any other voluntary action that causes an Event of Dissociation, except as otherwise authorized by this Agreement.

(e) Unless otherwise approved by all of the Members or otherwise provided herein, a Member who suffers or incurs an Event of Dissociation or whose status as a Member is otherwise terminated (a "Withdrawing Member"), regardless of whether such termination was the result of a voluntary act by such Withdrawing Member, shall not be entitled to receive the fair value of its Membership Interest, and such Withdrawing Member shall become an Economic Interest Owner.

(f) Any damages for breach of Section 13.1(d) may be offset against distributions by the Company to which the Withdrawing Member would otherwise be entitled.

13.2 Effect of Dissolution. Upon dissolution, the Company shall cease to carry on its Business, except as permitted by the Delaware Act, and the Liquidators shall proceed to wind up the Business in accordance with this Agreement.

13.3 Winding Up, Liquidation and Distribution of Assets.

(a) Upon dissolution, an accounting shall be made by the Company's accountants of the accounts of the Company and of the Company's assets, liabilities and operations, from the date of the last previous accounting until the date of dissolution. The Administrative Member, or if none, the Person or Persons selected by the Members (the "Liquidators"), shall immediately proceed to wind up the affairs of the Company.

(b) If the Company is dissolved and its affairs are to be wound up, the Liquidators shall:

(i) Sell or otherwise liquidate all of the Company's and the Subsidiaries' assets as promptly as practicable (except to the extent the Liquidators may determine to distribute any assets to the Members in kind if agreed upon by all of the Members);

(ii) Allocate any Net Profit or Net Loss resulting from such sales to the Members and Economic Interest Owners in accordance with Article 10 hereof;

(iii) Discharge all liabilities of the Company, including liabilities to Members and Economic Interest Owners who are creditors, to the extent otherwise permitted by law, other than liabilities to Members and Economic Interest Owners for distributions, and establish such Reserves as may be reasonably necessary to provide for contingencies or liabilities of the Company; and

(iv)Distribute the remaining assets to the Members, either in cash or in kind (if approved by the Members), in accordance with Section 9.2 of this Agreement.

If any assets of the Company are to be distributed in kind, the net fair market value of such assets shall be determined by independent appraisal or by agreement of the Members. Such assets shall be deemed to have been sold as of the date of dissolution for their fair market value, and the Capital Accounts of the Members and Economic Interest Owners shall be adjusted pursuant to the provisions of this Agreement to reflect such deemed sale.

(c) Notwithstanding anything to the contrary in this Agreement, upon a liquidation within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Regulations, if any Member has a deficit Capital Account (after giving effect to all contributions, distributions, allocations, and other Capital Account adjustments for all taxable years, including the year during which such liquidation occurs), such Member shall have no obligation to make any Capital Contribution to reduce or eliminate the negative balance of such Member's Capital Account.

(d) Notwithstanding anything to the contrary contained herein, no distribution shall be made in violation of the Delaware Act.

(e) Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

13.4 Certificate of Cancellation. When all debts, liabilities, and obligations have been paid and discharged or adequate provisions have been made therefor and all of the remaining property and assets have been distributed to the Members, a certificate of cancellation will be executed and filed with the Secretary of State of Delaware in accordance with the Delaware Act.

13.5 Return of Contribution Nonrecourse to Other Members Except as provided by law or as expressly provided in this Agreement, upon dissolution, each Member shall look solely to the assets of the Company for the return of the Member's Capital Account. If the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the Capital Account of one or more Members, including, without limitation, all or any part of that Capital Account attributable to Capital Contributions, then such Member or Members shall have no recourse against any other Member and the Members will be entitled to any amounts that are distributable to them pursuant to Section 13.3(b)(iv).

ARTICLE 14
PROPERTY SALE OPTION

14.1 Sale of Properties.

(a) The sale procedure (the "Property Sale Procedure") described in this Article **14** may be initiated in the following circumstances:

(i) The Investor Member may initiate the Property Sale Procedure at any time after the termination of the Portfolio Management Agreement by the Investor Member due to a default by the Portfolio Manager thereunder.

(ii) Either Member may initiate the Property Sale Procedure at any time after the fifth (5^{th}) anniversary of the date of this Agreement.

(b)The Member which initiates the Property Sale Procedure pursuant to Section 14.1(a) above (the " Commencing Member" for purposes hereof), shall initiate such Property Sale Procedure by giving written notice thereof to the other Member. Thereafter, the Members shall in good faith cooperate and negotiate for a period of thirty (30) days as to (i) the gross sale price for the Properties, (ii) the marketing efforts to be undertaken, and (iii) the other terms and conditions of a sale of such Properties to a third party purchaser.

14.2 Sale Option.

(a) Generally. If the Members are unable to reach agreement on the matters set forth in Section 14.1 within the thirty (30) day period set forth therein, then the Commencing Member may deliver a written notice (a "Sale Notice") to the other Member (the "Responding Member") setting forth the gross sale price at which the Commencing Member proposes to sell the Properties (the "Target Sale Price"). The Target Sale Price must be in an amount equal to at least the sum of (i) the amount of any indebtedness directly or indirectly secured by the Properties through Master Lease Financing, including all fees, yield maintenance and penalty amounts, and/or other payments applicable to any prepayment of such indebtedness, and (ii) any other indebtedness or obligation owed by the Company and the Subsidiaries to third parties.

Until the date that is forty-five (45) days after receipt of a Sale Notice, the Responding Member may deliver to the Commencing Member a written notice (a "Purchase Notice") electing to purchase the Properties. In the event the Responding Member does not exercise its right to purchase the Properties within such forty-five (45) day period, then the Commencing Member shall be entitled to proceed with a sale of the Properties pursuant to the provisions of this Section 14.2.

(b) Purchase Election. In the event the Responding Member timely exercises its right to purchase the Properties following its receipt of a Sale Notice, the Responding Member (hereinafter referred to as the "Purchasing Member") shall purchase the Properties in accordance with the following terms and conditions:

(i)The price payable by the Purchasing Member to the Commencing Member (hereinafter referred to as the " Selling Member") for the Properties (the "Purchase Option Purchase Price") shall equal the amount which the Selling Member would receive under this Agreement if the Properties were sold for cash to an unrelated Person for a gross sale price equal to the Target Sale Price and the Distributable Cash from Capital Transactions resulting from such sale were distributed to the Members pursuant to Section 9.2, after payment of all indebtedness directly or, by virtue of Master Lease Financing, indirectly secured by such Properties, including all fees, yield maintenance and penalty amounts, and/or other payments applicable to any prepayment of such indebtedness, after paying all other indebtedness and obligations owed by the Company and the Subsidiaries to third parties, and after liquidating any Reserves then existing and without establishing any additional Reserves.

(ii) Within ten (10) days after delivering its Purchase Notice, the Purchasing Member shall deposit with First American Title Insurance Company (Atlanta, Georgia NCS office) an earnest money deposit equal to $2,000,000.00, which deposit shall be held in escrow and applied against the Purchase Option Purchase Price at closing.

(iii) The purchase of the Properties shall be closed and consummated on a date specified by Purchaser in the Purchase Notice, which date shall be at least forty five (45) days but not more than sixty (60) days after delivery of the Purchase Notice. Closing shall take place on the designated closing date by delivery of documents through First American Title Insurance Company (Atlanta, Georgia NCS office).

(iv) At the closing, the Master Lessees shall deliver to the Purchasing Member all documents customarily required (or reasonably required by the Purchasing Member) to convey the Properties to the Purchasing Member, which documents shall be in form and substance reasonably satisfactory to the Purchasing Member. Title to the Properties shall be conveyed free and clear of any Master Lease Documents or other Loan Documents and without any other exceptions not included in the Master Lessees' title insurance policies or not otherwise permitted by the terms of this Agreement or previously approved by the Company. Alternatively, upon the mutual agreement of the parties, the purchase transaction may be structured as a conveyance of membership interests in the Company or the Subsidiaries.

(v) Rentals and other income, as well as taxes and operating expenses with respect to the Properties (to the extent not payable directly or reimbursable by the tenants of the Properties), shall be prorated between the Company and the Purchasing Member at closing. In the event accurate prorations and other adjustments cannot be made at closing because current bills or statements or other information is not available, the parties shall prorate on the best available information, subject to adjustment after the closing as the actual amounts to be prorated are determined.

(vi) Closing costs, such as transfer taxes and title insurance premiums shall be allocated between the Company and the Purchasing Member in accordance with customary practices in the state, county, and municipality in which the Properties are located. The Purchasing Member and the Selling Member each shall pay its own attorneys' fees and expenses.

(vii) Pending the closing, the Properties shall be operated and maintained and the business of the Master Lessees conducted consistent with prior practices and then current Property Operating Budgets. On the Business Day immediately preceding the closing, the Company shall make a distribution of any Distributable Cash from Operations pursuant to Section 9.1 hereof. The Purchase Option Purchase Price for the Properties and all other amounts payable in connection with the transaction contemplated hereby shall be payable at the closing by federal wire of immediately available funds.

(viii) In the event that the Responding Member delivers a Purchase Notice but thereafter defaults in its agreement to acquire the Properties on the scheduled date of closing, then the Responding Member's earnest money deposit shall be disbursed to the Selling Member as full liquidated damages on account of the Responding Member's default. In addition, the Selling Member thereafter may, without further consent of the Responding Member, cause the Company to market the applicable Properties in accordance with the terms of Section 14.2(c) below, provided that the gross sale price for the Properties may be marketed and sold for less than 95% of the Target Sale Price.

(c) Sale Election. In the event the Responding Member does not exercise its right to purchase the Properties within the time period specified in Section 14.2(a) above, then the Commencing Member may, without further consent of the Responding Member, cause the Company to market the Properties at a gross sale price equal

to not less than ninety-five percent (95%) of the Target Sale Price for a period of six (6) months (the "Sales Period"). If the Company, at the direction of the Commencing Member, fails to enter into a Qualifying Agreement (as defined in Section 14.2(d) below) for the sale of the Properties during the Sales Period, the Commencing Member shall not be entitled to cause the Company to continue to market or sell the Properties without submitting a new Sale Notice to the Responding Member and following the procedures set forth in Section 14.2(a) above with respect to such Sale Notice. If the Commencing Member succeeds in obtaining a Qualifying Agreement for the sale of the Properties during the Sales Period then the Company shall proceed to sell the Properties pursuant to such Qualifying Agreement.

(d) Qualifying Agreement. "Qualifying Agreement" shall mean a purchase and sale agreement for the sale of all, but not less than all, of the Properties which meets the following requirements:

(i) The gross sale price in such transaction must equal or exceed ninety-five percent (95%) of the Target Sale Price and will be paid in full, in cash, at the closing (subject to customary prorations, credits, and cost allocations);

(ii) The purchaser thereunder shall have a reasonably demonstrable financial capability to make the deposits required under the agreement and to provide the equity that, together with generally available conventional mortgage financing, will be sufficient to pay the purchase price;

(iii) Closing is required within 60 days of the date of execution of the purchase and sale agreement, with no rights of extension other than one 30-day extension period beyond such 60 days;

(iv) The purchaser shall not be an Affiliate of the Commencing Member; and

(v) The sale of the Properties shall be without representations or warranties as to the physical condition of the improvements constructed on the Properties other than such representations and warranties as are generally accepted as being standard and customary with respect to the sale of similar properties.

(e) Marketing. During the Sales Period, the Commencing Member may require the Company (i) to incur reasonable and customary expenses in connection with the marketing of the Properties, such as the preparation of studies and brochures and legal fees to prepare and negotiate agreements, and (ii) to retain on a nonexclusive or exclusive basis one or more brokers designated by the Commencing Member, provided that (A) such brokers are not Affiliates of the Commencing Member, and (B) the commissions or fees payable to such broker(s) are consistent with commissions and fees payable to brokers in connection with the sale of properties similar to the Properties.

(f) Administrative Member Responsibilities. If the Commencing Member is not the Administrative Member and the Administrative Member does not exercise its right to purchase the Properties, the Administrative Member shall, at the Commencing Member's direction, and at the Company's expense, exercise reasonable efforts to enter into any arrangement and take any action that the Commencing Member is entitled to require pursuant to this Section 14.2. The Administrative Member shall, at the Company's expense, arrange for property tours, inspections and studies of the Properties and obtain title commitments, environmental and construction reports, market studies or other materials to facilitate the marketing and sale of the subject Properties as requested by the Commencing Member.

ARTICLE 15
INTENTIONALLY OMITTED

ARTICLE 16
MISCELLANEOUS PROVISIONS

16.1 Application of Delaware Law. This Agreement, and the application or interpretation hereof, shall be governed exclusively by its terms and by the Delaware Act, excluding any conflicts-of-law rule or principle that might refer to the governance or the construction of this Agreement to the law of another jurisdiction.

16.2 No Action for Partition. No Member has any right to maintain any action for partition with respect to the property of the Company or any Subsidiary.

16.3 Execution of Additional Instruments. Each Member hereby agrees to execute such other and further statements of interest and holdings, designations, powers of attorney, and other instruments necessary to comply with any laws, rules, or regulations. Each Member also agrees to amend this Agreement in a manner that is not of significant material impact to the Member but is required by any Loan.

16.4 Construction. Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa. The use of the terms "including" or "include" shall in all cases herein mean "including, without limitation" or "include, without limitation," respectively.

16.5 Headings. The headings in this Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Agreement or any provision hereof.

16.6 Waivers. The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

16.7 Rights and Remedies Cumulative. Except as expressly provided in this Agreement, the rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Such rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

16.8 Exhibits. All exhibits referred to in this Agreement and attached hereto are incorporated herein by this reference.

16.9 Successors and Assigns. Each and all of the covenants, terms, provisions, and agreements herein contained shall be binding upon and inure solely to the benefit of the parties hereto and, to the extent permitted by this Agreement, their respective successors and assigns.

16.10 No Third Party Rights. None of the provisions of this Agreement shall be construed to create any rights or benefits in any Entity other than the Members, any Officers, any Indemnitees, and their respective legal representatives, transferees, successors, and assigns, subject to the limitations on Transfer contained herein. For the avoidance of doubt, none of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor.

16.11 Counterparts: Electronic Signatures. This Agreement may be executed in separate counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. This Agreement may be executed and delivered by electronic means and such execution will be deemed to be an original.

16.12 Federal Income Tax Elections; Partnership Representative.

(a) For all purposes permitted or required by the Code, the Members constitute and appoint the VEREIT Member as the Partnership Representative, or if the VEREIT Member is no longer the Administrative Member, or if the VEREIT Member resigns as the Partnership Representative, then such other Person as shall be selected by a Majority in Interest of the Members shall serve as the Partnership Representative. This appointment is made pursuant to the provisions of Section 6223 of the Code and the Partnership Representative shall act on behalf of the Company for purposes of Sections 6221 through 6241 of the Code. Each Member hereby consents to the VEREIT Member serving as the Partnership Representative and agrees that, upon request of the Partnership Representative, it will execute, acknowledge, deliver, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such consent. The Partnership Representative may resign at any time by giving written notice to the Company and each of the other Members. The Partnership Representative shall be authorized, on behalf of the Company, to designate a Person to act as the Partnership Representative's Designated Individual at such time and in such manner as may be prescribed by the Regulations.

(b) The Partnership Representative shall represent the Company (at the Company's expense) in connection with any disputes, controversies or proceedings with the Internal Revenue Service or with any state, local, or non-U.S. taxing authority involving the Company, and subject to the terms of Section 5.2 in the case of any such action which constitutes a Major Decision, the Partnership Representative shall be authorized and entitled to (i) sign consents, enter into settlement and other agreements with such authorities with respect to any such examinations or proceedings, (ii) expend the Company's funds for professional services incurred in connection therewith, and (iii) take such actions on behalf of the Company in any and all proceedings with the Internal Revenue Service and any other such taxing authority as it reasonably determines to be appropriate. The Members agree to cooperate in good faith to timely provide information, make elections and file amended tax returns, all as reasonably requested by the Partnership Representative in connection with the Revised Partnership Audit Procedures. The Partnership Representative shall periodically update the Members as to the status of any disputes, controversies, or proceedings.

(c) The Partnership Representative shall give prompt notice to the Members of (i) the receipt by the Partnership Representative of written notice that a federal, state or local taxing authority intends to examine the Company's income tax returns for any year; (ii) receipt by the Partnership Representative of written notice of a final partnership adjustment under Code Section 6231; and (iii) receipt of any request by the Partnership Representative from the Internal Revenue Service for waiver of any applicable statute of limitations with respect to any tax return of the Company. The Partnership Representative shall give each Member at least five Business Days' advance notice of the time and place of (x) any administrative proceeding relating to the determination of a material tax item at the Company level and (y) any discussions with the Internal Revenue Service relating to a material item of allocation pursuant to this Agreement. The Partnership Representative shall keep all Members reasonably informed of the progress of any tax audits or examinations.

(d) In the event of any controversy with the Internal Revenue Service or any other taxing authority involving the Company, the outcome of which may adversely affect the Company, directly or indirectly, or the amount of allocation or profits, gains, credits or losses of the Company to an individual Member, the Partnership Representative shall cause the Company to incur such reasonable expenses as the Partnership Representative deems necessary or advisable and in the interest of the Company in connection with any such controversy, including, without limitation, attorneys' and accountants' fees.

(e) The Partnership Representative may cause the Company, in connection with any audit or proposed adjustment by the Internal Revenue Service, to make a valid election pursuant to Section 6226 of the Code and to comply with any requirements necessary to the continued validity of such election and accordingly to require each Person who was a Member during the Fiscal Year of the Company that was audited (a "Review Year") to personally bear any tax, interest and penalty resulting from adjustments based on such audit, and shall notify each such Person (and the Internal Revenue Service) of its share of such audit adjustments. Each Member agrees to the foregoing, even if such Person is no longer a Member at the time of the assessment of such tax, interest or penalty.

(f)In the event that the Company is unable (or otherwise fails) to make an election pursuant to Section 6226 of the Code and the Company is subject to an entity-level tax (including any interest, addition to tax, or penalties related thereto, an "Entity Tax") as a result of adjustments to items of income, gain, deduction, loss or credit of the Company for any Review Year, then (i) each Member agrees that each Person who was a Member during the Review Year, even if such Person is no longer a Member (unless a transferee Member has agreed to bear such liability in an appropriate document evidencing a Transfer effectuated in accordance with Article 12 hereof), shall pay to the Company, upon thirty (30) days' written notice from the Partnership Representative requesting the payment, an amount equal to such Person's proportionate share of such liability (including such Member's share of any additional accrued interest assessed against the Company relating to such Member's share of the assessed amounts), as reasonably determined by the Partnership Representative, based on the amount each such Person would have borne (computed at the tax rate used to compute the Company's liability, as may be adjusted pursuant to clause **Error! Reference source not found.)** had the Company's tax return for such Review Year reflected the audit adjustment, and the expense for the Company's payment of such Entity Tax shall be specially allocated to such Persons (or their successors) in such proportions, and (ii) the Partnership Representative will use commercially reasonable efforts to (x) if a Member was a tax-exempt entity during such Review Year, reduce the amount of such Entity Tax liability owed by the Company on account of the tax-exempt status of such Member as provided in Section 6225(c)(3) of the Code, (y) if a Member was a C corporation or an individual during such Review Year, reduce the amount of such Entity Tax liability owed by the Company on account of such status as provided in Section 6225(c)(4) of the Code, and (z) reduce, to the extent possible, the Entity Tax liability based on any other provisions of the Code or Regulations thereunder that may be applicable in such circumstance. At the reasonable discretion of the VEREIT Member, with respect to current Members, the Company may alternatively allow some or all of a Member's obligation pursuant to the preceding sentence to be applied to and reduce the next distribution(s) otherwise payable to such Member under this Agreement provided that such application to and reduction of the distributions shall apply to all current Members having a share of the assessment, pro-rata based on the Members' shares of the assessment.

(g) The Members acknowledge and agree that the Company may pay tax obligations under this Section 16.12 that relate to a period prior to the time a Member was admitted to the Company as a Member or when the Member's Economic Interest was less, and the Company, after reasonable efforts, may be unable to collect payments from Review Year Members pursuant to clause (f) of this Section 16.12. Consequently, a Member at the time of payment by the Company may bear the burden of tax obligations related to adjustments to tax items from which the Member did not benefit.

(h) The VEREIT Member is specifically directed and authorized to take whatever steps in its discretion it deems necessary or desirable to perfect the VEREIT Member's designation as Partnership Representative, including, without limitation, filing any forms or documents with the Internal Revenue Service and taking such other action as the VEREIT Member in its discretion determines may from time to time be required or advisable under the Regulations. Subject to the terms of Section 5.2 in the case of any such action which constitutes a Major Decision, each Member hereby agrees to the Partnership Representative extending the statute of limitations with respect to such Member regarding "partnership tax items" (without the further consent of such Member being required).

(i) The provisions contained in this Section 16.12 shall survive the dissolution of the Company and the withdrawal of any Member or the Transfer of any Member's Membership Interest and/or Economic Interest in the Company. The provisions of this Section 16.12 shall survive the termination of the Company and shall remain binding on the Members for as long a period of time as is necessary to resolve with the Internal Revenue Service any and all matters regarding the federal income taxation of the Company or the Members, and any other proceeding with any other such taxing authority, and for the Members to satisfy their obligations hereunder. Each Member shall file tax returns consistent with the tax treatment set forth in the Company's tax returns.

(j) Neither the Partnership Representative nor the Designated Individual shall have personal liability arising out of his, her or its good faith performance of his, her or its duties as the Partnership Representative or Designated Individual hereunder, and the Company shall pay all reasonable out-of-pocket costs of the Partnership Representative and Designated Individual in connection with his, her or its representation of the Company as the Partnership Representative or Designated Individual, as applicable. The provisions on limitations of liability of the Administrative Member and Members and indemnification set forth in Article 5 hereof shall be fully applicable to the Partnership Representative and the Designated Individual in his, her or its capacity as such.

16.13 Notices. Any and all notices, offers, demands, or elections required or permitted to be made under this Agreement shall be in writing, signed by the party giving such notice, and shall be deemed given and effective (a) when hand-delivered (either in person by the party giving such notice, or by its designated agent, or by commercial courier), (b) when sent via facsimile with confirmation of delivery, (c) when sent via electronic mail, (d) on the first Business Day (as evidenced by proof of mailing) following the deposit of such notice, postage prepaid, with a reputable, international, overnight courier with instructions for next-day delivery or (e) on the third Business Day following the day (as evidenced by proof of mailing) upon which such notice is deposited, postage pre-paid, certified mail, return receipt requested, with the United States Postal Service, or its legal successor, and addressed to the other party at such party's respective address as set forth on Exhibit A, or at such other address as the other party may hereafter designate by notice.

16.14 Amendments. Except as otherwise permitted in Section 8.5(c), Section 10.10, Article 12, or Article 14, any amendment to this Agreement shall be made in a writing identifying itself as an amendment to this Agreement and shall be executed by all of the Members. For the sake of clarity, this Agreement may be amended by the Administrative Member without prior consent of any Member whenever required by law or reasonably deemed necessary by the Administrative Member to effect changes of a ministerial nature that do not materially and adversely affect the rights or increase the obligations of the Members.

16.15 Invalidity. The invalidity or unenforceability of any particular provision of this Agreement as to any Persons or circumstances shall not affect the other provisions hereof, and this Agreement shall be valid and enforced to the fullest extent permitted by law. If any particular provision herein is construed to be in conflict with the provisions of the Delaware Act, the provisions of this Agreement shall control to the fullest extent permitted by applicable law. Any provision found to be invalid or unenforceable shall not affect or invalidate the other provisions hereof, and this Agreement shall be construed in a manner which is valid and enforceable to the fullest extent permitted by law.

16.16 Further Assurances. The Members each agree to cooperate, and to execute and deliver in a timely fashion any and all additional documents necessary to effectuate the purposes of the Company and this Agreement.

16.17 No Partnership Intended for Non-Tax Purposes. The Members have formed the Company under the Delaware Act, and expressly disavow any intention to form a partnership under any partnership act or laws of any state. The Members do not intend to be partners one to another or partners as to any third party. To the extent any Member, by word or action, represents to another Person that any other Member is a partner or that the Company is a partnership, the Member making such wrongful representation shall be liable to any other Member who incurs personal liability by reason of such wrongful representation.

16.18 Certification of Non-Foreign Status. In order to comply with Section 1445 of the Code and the applicable Regulations thereunder (as amended from time to time), in the event of the disposition by the Company of a United States real property interest as defined in the Code and Regulations, each Member shall provide to the Company an affidavit stating, under penalties of perjury, (a) the Member's address, (b) United States taxpayer identification number, (c) that the Member is not a foreign person as that term is defined in the Code and Regulations and (d) that the Member is not a disregarded entity as defined in Section 1.1445-2(b)(2)(iii) of the Regulations. Failure by any Member to provide such affidavit by the date of such disposition shall authorize the Administrative Member to withhold the applicable percentage (currently 15%) of each such Member's distributive share of the amount realized by the Company on the disposition.

16.19 Entire Agreement. This Agreement, with reference to the Formation Agreement, contains the entire agreement between the parties relating to the subject matter hereof, and all prior agreements relative hereto which are not contained herein or in the Formation Agreement are terminated.

16.20 Fiduciary Duties. In accordance with and subject to Section 18-1101(c) of the Delaware Act, the Members hereby acknowledge and agree that the provisions of this Agreement, to the extent they restrict or eliminate the duties (including fiduciary duties) and liabilities relating thereto otherwise existing at law or in equity, replace completely and absolutely such other duties (including fiduciary duties) and liabilities relating thereto and further acknowledge and agree that such provisions are fundamental elements to the agreement of the Members to enter into this Agreement, and without such provisions the Members would not have entered into this Agreement.

16.21 Confidentiality.

(a)The Members acknowledge and agree that the Company is a private company. No Member shall disclose the terms of this Agreement to any other Person without first obtaining the consent of each other Member. Each Member also agrees that it shall not disclose via public announcements, press releases, interviews or otherwise, any financial statements or financial information, any business, financial or operational plans, any financial or other analysis, or any summaries, strategies, pro formas, evaluations, agreements, plans, or projections of or pertaining to the Company or any other proprietary information of the Company (defined to include all information not previously publicly disclosed by the Company and/or by the Members) unless such Member first obtains the prior written consent of each other Member. Notwithstanding the foregoing, the Administrative Member shall be entitled to disclose such information as may be reasonably be required to lenders or prospective lenders in connection with any financing application and to prospective purchasers (and their lenders) of the Properties.

(b) Any documents provided by one party to another party pursuant to this Agreement shall be kept confidential and shall not be disclosed to any Person, except: (i) as may be required by applicable law or regulation; (ii) as may be required in connection with a Legal Proceeding; (iii) as may be required or permitted under Section 16.21(a) above; or (iv) with the consent of the party that provided such documents to the other party.

(c) Notwithstanding anything to the contrary contained herein: (i) the provisions of this Section 16.21 shall not apply to information that is in the public domain or otherwise generally available to the public; and (ii) any Member may disclose the information described in subsections (a) and (b) of this Section 16.21 as follows: (A) to such Member's direct and indirect owners, Affiliates, attorneys, accountants, or other advisors so long as such Persons are informed by such Member of the confidential nature of such information and are directed by such Member to treat such information confidentially; or (B) to the extent such Member reasonably deems necessary

or desirable pursuant to any court or governmental order, applicable securities or other laws or regulations, or financial reporting requirements.

16.22 Brokerage. Each Member hereby represents and warrants to the other and to the Company that, except as provided in the Formation Agreement, it has not dealt with any broker, investment bank, or other intermediary and that no fee is owed to any of the foregoing in connection with the formation of the Company or the agreements set forth in this Agreement. Each Member hereby agrees to indemnify the other and the Company against, and agrees to hold one another and the Company harmless from, any liability or claim (and all expenses, including attorneys' fees, incurred in defending any such claim or in enforcing this indemnity) for any other brokerage commission or similar fee or compensation arising out of or in any way connected with any claimed dealings with the indemnitor and relating to the formation of the Company or the conduct of the Company's Business.

16.23 Consent to Jurisdiction; Waiver of Jury Trial. Any action, suit, or proceeding in connection with this Agreement may be brought against any Member or the Company in the United States District Court for the Southern District of New York, if it has or can acquire jurisdiction, or if it does not or cannot acquire jurisdiction, then the courts of the State of New York in New York County, each Member and the Company hereby consenting and submitting to the jurisdiction thereof, and service of process may be made upon any Member or the Company, by certified or registered mail, at the address to be used for the giving of notice to such Member. In any action, suit, or proceeding in connection with this Agreement, each Member and the Company hereby waives any claim that any court set forth in this Section 16.23 is an inconvenient forum. IN ADDITION, THE PARTIES SHALL, AND THEY HEREBY DO, WAIVE TRIAL BY JURY IN ANY LEGAL ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF, OR IN ANY WAY CONNECTED WITH, THIS AGREEMENT OR THE RELATIONSHIP OF THE MEMBERS. THE FOREGOING WAIVER IS MADE KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY BY THE PARTIES.

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

MEMBERS:

VEREIT REAL ESTATE, L.P.,
a Delaware limited partnership

By: VEREIT Real Estate GP, LLC,
a Delaware limited liability company,
its General Partner

By: /s/ Todd J. Weiss
Name: Todd J. Weiss
Title: General Counsel, Real Estate

OAP HOLDINGS, LLC,
a Delaware limited liability company

By: OAP Investor Corp.,
a Delaware corporation

By: _____
Name: _____
Title: _____

Signature Page to Limited Liability Company Agreement of
OAP/VER VENTURE, LLC

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

MEMBERS:

VEREIT REAL ESTATE, L.P.,
a Delaware limited partnership

By: VEREIT Real Estate GP, LLC
a Delaware limited liability company
its General Partner

By: /s/ Todd J. Weiss
Name: Todd J. Weiss
Title: General Counsel, Real Estate

OAP HOLDINGS, LLC,
a Delaware limited liability company

By: OAP Investor Corp.,
a Delaware corporation

By: /s/ Khaled Al-Baijan
Name: Khaled Al-Baijan

Title: President

Signature Page to Limited Liability Company Agreement of
OAP/VER Venture, LLC

Exhibit 21.1

Subsidiaries of Orion Office REIT Inc.

Name	State
Orion Office REIT LP	Maryland
Orion Office REIT LP LLC	Maryland
Orion Services LLC	Maryland
Orion TRS Inc.	Maryland

Exhibit 99.1

, 2021

Dear Realty Income Stockholder:

We are pleased to inform you that on , 2021, the board of directors of Realty Income Corporation, a Maryland corporation ("Realty Income"), declared a distribution of the outstanding shares of common stock of Orion Office REIT Inc., a Maryland corporation ("Orion"), which will be a self-managed, publicly traded real estate investment trust ("REIT") and hold the Office Properties (as hereinafter defined) and certain other assets. The distribution of the shares of Orion is subject to the satisfaction of certain conditions.

The distribution of shares of Orion common stock (the "Distribution") is contemplated by the agreement and plan of merger, dated as of April 29, 2021 (as amended from time to time, the "Merger Agreement"), by and among VEREIT, Inc. ("VEREIT"), VEREIT Operating Partnership, L.P. ("VEREIT OP"), Realty Income, 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").

Pursuant to the Merger Agreement, Merger Sub 2 will merge with and into VEREIT OP, with VEREIT OP continuing as the surviving partnership (the "Partnership Merger"). Pursuant to the Merger Agreement and immediately following the Partnership Merger, VEREIT will merge with and into Merger Sub 1, with Merger Sub 1 continuing as the surviving corporation (the "Merger" and, together with the Partnership Merger, the "Mergers", and such effective time of the Merger, the "Merger Effective Time").

In connection with the Merger, each VEREIT common stockholder will have the right to receive 0.705 newly issued shares of Realty Income common stock, par value $0.01 per share ("Realty Income common stock"), for each share of VEREIT common stock, par value $0.01 per share ("VEREIT common stock") that they own immediately prior to the Merger Effective Time (and such ratio, the "Exchange Ratio"). In connection with the Partnership Merger, (i) each outstanding common partnership unit of VEREIT OP owned by a partner of VEREIT OP (the "VEREIT OP common units") other than VEREIT and Realty Income and their respective affiliates that is issued and outstanding immediately prior to the Partnership Merger Effective Time, subject to the terms and conditions set forth in the Merger Agreement, will be converted into the number of newly issued shares of Realty Income common stock equal to the Exchange Ratio, and (ii) each VEREIT OP Series F Preferred Unit and common partnership unit of VEREIT OP owned by VEREIT or by Realty Income or their respective affiliates that is issued and outstanding immediately prior to the Partnership Merger Effective Time, subject to the terms and conditions of the Merger Agreement, will remain outstanding as partnership interests in the surviving entity.

Following the Merger Effective Time, Realty Income will contribute those certain office properties, on the terms and subject to the conditions of the Merger Agreement, to Orion (the "Separation" and such properties, the "Office Properties") and commence the Distribution on , 2021. Following the Separation and the Distribution, Orion will be a self-managed, publicly traded REIT, with a portfolio of 92 office properties and related assets previously owned by Realty Income and VEREIT, totaling approximately 10.5 million total leasable square feet (collectively with the Office Properties, the "Orion Business").

The Merger was approved by VEREIT stockholders on August 12, 2021. On August 12, 2021, the Realty Income stockholders voted affirmatively to approve the issuance of shares of Realty Income common stock in connection with the transactions contemplated by the Merger Agreement.

We believe that this transaction will allow each of the Realty Income and Orion management teams to focus on their respective portfolios with distinct business strategies. We also believe that the Separation and the Distribution will enable current and potential investors, and the financial community, to evaluate Realty Income and Orion separately and better assess the distinctive merits, performance and future prospects of each business.

The Distribution is expected to occur on , 2021, by way of a pro rata special dividend to Realty Income stockholders, who will then include former VEREIT common stockholders and certain former

VEREIT OP common unitholders that received Realty Income common stock in the Merger and continue to hold such stock as of the close of business on the record date for the Distribution. Assuming that the conditions to the Distribution are satisfied, holders of every ten shares of Realty Income common stock as of the close of business on , 2021, the expected record date for the Distribution, (including the former VEREIT stockholders who continue to hold such stock as of the close of business on the record date for the Distribution) will be entitled to receive one share of Orion common stock. We expect that the Distribution will be treated as a taxable distribution to such Realty Income stockholders for U.S. federal income tax purposes.

Realty Income stockholders are not required to approve the Distribution, and you are not required to take any action to receive your shares of Orion common stock. Following the Merger and the Distribution, you will own shares in both Realty Income and Orion. The number of shares of Realty Income stock that you own prior to the Distribution will not change as a result of the Distribution. Realty Income common stock will continue to trade on the New York Stock Exchange under the symbol "O." Orion has been approved to list its common stock on the New York Stock Exchange under the symbol "ONL."

We have prepared the enclosed information statement, which is being mailed to all holders of shares of Realty Income common stock, as well as current holders of VEREIT common stock, that are expected to receive shares of Orion common stock in the Distribution. The information statement describes the Separation and the Distribution in detail and contains important information about Orion, its business, financial condition and operations. We urge you to read the information statement carefully.

We want to thank you for your continued support of Realty Income, and we look forward to your future support of Orion.

Sincerely,

/s/ Sumit Roy

Sumit Roy
President, Chief Executive Officer

, 2021

Dear Orion Office REIT Inc. Stockholder:

It is our pleasure to welcome you as a stockholder of our company, Orion Office REIT Inc., a Maryland corporation ("Orion"). Following the distribution of all of the shares of Orion common stock by Realty Income Corporation, our company will be a self-managed, publicly traded real estate investment trust ("REIT") that will own and operate high-quality office properties located in attractive markets in the United States.

We believe that the creation of a primarily single-tenant net lease suburban office-focused REIT is unique and differentiated in the public REIT market and positions us to benefit from the absence of direct competition in the public commercial real estate market. We intend to focus on suburban markets with strong fundamentals and demographic tailwinds accelerated in the post-COVID environment. We also believe that our management team's extensive experience and proven track record in office real estate, as well as its in-depth market knowledge and long-standing relationships with local, regional and national industry participants, will enable us to successfully execute our business strategy and generate attractive risk-adjusted returns and long-term value for our stockholders.

We plan to maintain a balance sheet positioned to support a growth-oriented business plan. We believe our conservative leverage and strong liquidity will enable us to opportunistically take advantage of high-quality acquisition opportunities. We seek to generate compelling total returns for our shareholders by augmenting earnings growth with sustainable dividend growth. We expect our dividend to be sized to permit meaningful free cash flow reinvestment into our current portfolio and accretive investments. Orion has been approved to list its common stock on the New York Stock Exchange under the symbol "ONL."

We invite you to learn more about Orion by carefully reviewing the enclosed information statement, which describes the distribution of Orion common stock in detail and contains important information about Orion, our business, financial condition and results of operations, as well as certain risks related to our business. The information statement also explains how you will receive your shares of Orion common stock. We look forward to your support as a stockholder of Orion.

Sincerely,

/s/ Paul H. McDowell
Paul H. McDowell
Chief Executive Officer
Orion Office REIT Inc.

PRELIMINARY AND SUBJECT TO COMPLETION, DATED OCTOBER 4, 2021

INFORMATION STATEMENT

Orion Office REIT Inc.

This information statement is being furnished in connection with the distribution by Realty Income Corporation, a Maryland corporation ("Realty Income"), to its common stockholders, including former common stockholders of VEREIT, Inc., a Maryland corporation ("VEREIT") and certain former VEREIT Operating Partnership, L.P. ("VEREIT OP") common unitholders that received Realty Income common stock in the Merger (as hereinafter defined) and continue to hold such stock as of the close of business on , 2021, the expected record date for the distribution of all of the outstanding shares of common stock of Orion Office REIT Inc., a Maryland corporation ("Orion"), and until the Distribution Date, a wholly owned subsidiary of Realty Income. The distribution of shares of our common stock (the "Distribution") is expected to occur following the closing of the merger of VEREIT with and into Rams MD Subsidiary I, Inc., a wholly owned subsidiary of Realty Income ("Merger Sub 1") (the "Merger," and such effective time of the Merger, the "Merger Effective Time"), pursuant to the agreement and plan of merger, dated as of April 29, 2021 (as amended from time to time, the "Merger Agreement"), by and among Realty Income, VEREIT, Rams Acquisition Sub II, LLC, a Delaware limited liability company ("Merger Sub 2") and Merger Sub 1. At the Merger Effective Time, subject to the terms and conditions of the Merger Agreement, each share of VEREIT common stock will be converted into the right to receive 0.705 newly issued shares of Realty Income common stock (the "Exchange Ratio"), and each VEREIT OP common unit (other than those held by VEREIT or Realty Income and their respective affiliates) will be converted into the right to receive 0.705 newly issued shares of Realty Income common stock.

Following the Merger Effective Time, Realty Income will contribute certain office properties to Orion, on the terms and conditions of the Merger Agreement and a related Separation and Distribution Agreement (the "Separation" and such properties, the "Office Properties"), and then commence the Distribution on , 2021. Following the Separation, we will own 92 office properties and related assets previously owned by Realty Income and VEREIT, totaling approximately 10.5 million total leasable square feet (collectively with the Office Properties, the "Orion Business").

The Distribution will be conducted pursuant to the terms of the Merger Agreement and a separation and distribution agreement (the "Separation and Distribution Agreement"). The Distribution is subject to certain conditions, described under the heading "The Separation and the Distribution."

We expect that the shares of Orion common stock will be distributed by Realty Income to Realty Income common stockholders, including former VEREIT common stockholders and certain former VEREIT OP common unitholders that received Realty Income common stock in the Merger and continue to hold such stock as of the close of business on the record date for the Distribution, on , 2021 (the "Distribution Date"). In the Distribution, Realty Income will distribute all of the outstanding shares of Orion common stock on a pro rata basis to such Realty Income common stockholders, in a transaction that is expected to be a taxable distribution for U.S. federal income tax purposes. **For every ten shares of Realty Income common stock held of record by Realty Income stockholders as of the close of business on , 2021, the expected record date for the Distribution, such stockholder will receive one share of Orion common stock, meaning that former holders of VEREIT common stock or VEREIT OP common units who continue to hold the Realty Income shares they received in the Merger will receive approximately one share of Orion common stock for approximately every fourteen shares of VEREIT common stock or VEREIT OP common units they owned prior to the Merger Effective Time. Realty Income stockholders will receive cash in lieu of any fractional shares of Orion common stock that such holders would have otherwise received as a result of the Distribution. Former Realty Income common stockholders will own approximately 70% of the Orion common stock, and former VEREIT common stockholders and certain former VEREIT OP common unitholders will together own approximately 30% of the Orion common stock.**

As discussed under "The Separation and the Distribution — Trading Before the Distribution Date," if you sell your shares of Realty Income common stock (including Realty Income common stock received in the Merger) in the "regular-way" market beginning as early as two days before the record date and up to and through the Distribution Date you also will be selling your right to receive shares of Orion common stock in connection with the Distribution. However, if you sell your shares of Realty Income common stock (including Realty Income common stock received in the Merger) in the "ex-distribution" market during the same period, you will retain your right to receive shares of Orion common stock in connection with the Distribution.

There is no current trading market for Orion common stock, although we expect that a limited market, commonly known as a "when-issued" trading market, will develop as early as two trading days before the record date for the Distribution, and we expect "regular-way" trading of Orion common stock to begin on the first trading day following the completion of the Distribution. We expect that our common stock will be listed on the New York Stock Exchange (the "NYSE") under the symbol "ONL."

We intend to elect and qualify to be taxed as a real estate investment trust ("REIT") for U.S. federal income tax purposes commencing with our initial taxable year ending December 31, 2021. Shares of our common stock will be subject to limitations on ownership and transfer that, among other purposes, are intended to assist us in qualifying as a REIT. Our charter (the "Orion Charter") will contain certain restrictions relating to the ownership and transfer of our common stock, including, subject to certain exceptions, a 9.8% limit, in value or by number of shares, whichever is more restrictive, on the ownership of outstanding shares of our common stock and a 9.8% limit, in value, on the ownership of shares of all classes and series of our outstanding stock. For more information, see "Description of Our Capital Stock — Restrictions on Ownership and Transfer."

Following the Distribution, we expect to be an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and, as such, are allowed to provide in this information statement more limited disclosure than an issuer that would not so qualify. In addition, for so long as we remain an emerging growth company, we may also take advantage of certain limited exceptions from investor protection laws such as the Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act"), and the Investor Protection and Securities Reform Act of 2010, for limited periods.

Realty Income stockholders are not required to approve the Distribution, and you are not required to take any action to receive your shares of Orion common stock.

In reviewing this information statement, you should carefully consider the matters described under the caption " Risk Factors" beginning on page 45.

Neither the U.S. Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved these securities or determined if this information statement is truthful or complete. Any representation to the contrary is a criminal offense.

This information statement does not constitute an offer to sell or the solicitation of an offer to buy any securities.

The date of this information statement is , 2021.

This information statement was first mailed to Realty Income stockholders on or about , 2021.

Information contained herein is subject to completion or amendment. A Registration Statement on Form 10 relating to these securities has been fi with the U.S. Securities and Exchange Commission under the U.S. Securities Exchange Act of 1934, as amended.

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Presentation of Information

Unless the context otherwise requires, references in this information statement to "Orion," "our company," "the company," "us," "our" and "we" refer to Orion Office REIT Inc., a Maryland corporation, and its consolidated subsidiaries. References to "Orion LP" or "our operating partnership" refer exclusively to Orion Office REIT LP, a Maryland limited partnership of which Orion Office REIT LP LLC, a Maryland limited liability company, is the initial limited partner and we are the general partner. Following the Separation, Orion LP will function as the operating partnership of Orion.

References to the "Merger" refer exclusively to the merger of VEREIT with and into Rams MD Subsidiary I, Inc., a wholly owned subsidiary of Realty Income. References to Orion's historical business and operations refer to the Office Properties and related operations of each of Realty Income and VEREIT, as operated by each of Realty Income and VEREIT, that will be transferred to Orion in connection with the Separation.

Unless the context otherwise requires, references in this information statement to "Realty Income" refer to Realty Income Corporation, a Maryland corporation, and its consolidated subsidiaries, and references to "VEREIT" refer to VEREIT, Inc., a Maryland corporation, and its consolidated subsidiaries, prior to the consummation of the Merger. Except as otherwise indicated or unless the context otherwise requires, all references to Orion per share data assume a distribution ratio of one share of Orion common stock, par value $0.01 per share ("Orion common stock"), for every ten shares of Realty Income common stock, par value $0.01 per share (the "Distribution Ratio").

As used herein, all references to "clients" of Orion refer to clients or tenants who have entered into lease agreements with Orion or its subsidiaries.

INFORMATION STATEMENT SUMMARY

The following is a summary of material information discussed in this information statement. This summary may not contain all of the details concerning the Separation, the Distribution or other information that may be important to you. To better understand the Separation, the Distribution and Orion's business and financial position, you should carefully review this entire information statement. Except as otherwise indicated or unless the context otherwise requires, the information included in this information statement assumes the completion of all of the transactions referred to in this information statement in connection with the Separation and the Distribution. Following the Separation and the Distribution, we will conduct our business as a traditional REIT, in which our properties will be owned and operated by our subsidiary limited partnerships, limited liability companies or other legal entities. We are the sole general partner of Orion LP and own, directly and indirectly, 100% of the limited partnership units in Orion LP. In the future, we may issue common operating partnership units of Orion LP ("OP units") or preferred operating partnership units of Orion LP ("preferred units") from time to time in connection with acquisitions of properties or for financing, compensation or other reasons. Unless otherwise stated, the real estate portfolio information and economic metrics related to our properties excludes the properties held by our unconsolidated joint venture with Arch Street Capital (the "Arch Street Joint Venture") (other than the losses or gains attributed to our interests in the Arch Street Joint Venture).

This information statement discusses the Office Properties and our interests in our unconsolidated joint venture as if the Office Properties and our interests in our unconsolidated joint venture were the Orion Business for all historical periods described. References in this information statement to Orion's historical assets, liabilities, businesses or activities are generally intended to refer to the historical assets, liabilities, businesses or activities of the transferred businesses as the businesses were conducted as part of Realty Income and its subsidiaries and VEREIT and its subsidiaries prior to the Merger.

Our Company

We will be an internally-managed REIT engaged in the ownership, acquisition, and management of a diversified portfolio of mission-critical and 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 clients.

We intend to 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 clients 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 client.

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

Real Estate Attributes. We will 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 client'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 ESG (as defined below) initiatives that are core to our strategy.

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. We believe that developing a robust growth trajectory from the outset of the Distribution and deploying capital at accretive acquisition spreads will support cash flow growth and drive value creation for our shareholders.

Asset Management. We will employ active asset management strategies and leverage our client relationships to attract and retain high-quality creditworthy clients, drive re-leasing and renewal activity and maximize our client 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 following the Distribution, in order to identify opportunities to sell, release, 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.

We believe that the creation of a primarily single-tenant net lease suburban office-focused REIT is unique and differentiated in the public REIT market and positions us to benefit from the absence of strategy-specific direct competition in the public commercial real estate market. We believe our highly experienced management team's successful history of operating publicly traded REITs, significant expertise in the U.S. single-tenant suburban office market and extensive relationships with industry participants, combined with our vertically-integrated platform handling investment, finance, property management, and leasing will enable us to identify value creation opportunities and position us for long-term growth. Our management team has a demonstrated history of attracting and managing institutional equity capital via joint ventures with institutional investors formed to leverage our management team's expertise in the single-tenant suburban office market.

Upon completion of the Separation, our portfolio will consist of 92 office properties totaling approximately 10.5 million total leasable square feet located within 29 states and Puerto Rico. Our portfolio is 94.4% occupied as of June 30, 2021, and generated pro forma annualized base rent ("ABR") as of June 30, 2021 of $175.4 million, approximately 72% of which was derived from investment grade credit rated clients, which historically have exhibited a strong track record of making scheduled rental payments and showing resilience during times of economic downturn. As of June 30, 2021, our portfolio had a weighted average lease term of 3.4 years.

Upon completion of the Separation, we expect to receive from Realty Income its equity interests in the Arch Street Joint Venture, which, as of June 30, 2021 owned a portfolio consisting of 5 office properties totaling approximately 0.8 million total leasable square feet located within 5 states. Our unconsolidated joint venture's portfolio was 100% occupied as of June 30, 2021, and generated ABR as of June 30, 2021 of $16.4 million, approximately 34% of which was derived from investment grade credit rated clients. As of

June 30, 2021, Arch Street Joint Venture's portfolio had a weighted average lease term of 8.2 years. The Arch Street Joint Venture is reflected as an unconsolidated joint venture within the combined and consolidated financial statements of VEREIT Office Assets for the historical periods subsequent to its formation in 2020, which are presented in this information statement. As the Arch Street Joint Venture is expected to remain an unconsolidated joint venture for us following the Separation, our financial results generated by the Arch Street Joint Venture will be reported by us in accordance with the applicable equity accounting rules.

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 expect, prior to the Distribution, to enter into an agreement with the Arch Street Joint Venture, whereby we will agree to not acquire any real property within certain investing parameters without first offering the property for purchase to the Arch Street Joint Venture ("ROFO Agreement"), which shall 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. For more information, see "Risk Factors."

Prior to the Distribution, we also anticipate granting a warrant to purchase up to 1,120,000 shares of our common stock (which is expected to represent approximately 2% of the outstanding shares of our common stock at the time of the Distribution) to an affiliate of Arch Street Capital Partners (the "Arch Street Warrant"). The Arch Street Warrant will entitle the holder to purchase shares of our common stock at a price per share equal to (1) the 30-day volume weighted average per share price of common stock for the first 30 trading days following the Distribution, multiplied by (2) 1.15 (as may be adjusted for any stock splits, dividends, combinations or similar transactions), at any time commencing 30 trading days after the completion of the Distribution. The Arch Street Warrant 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 common stock determined according to the formula set forth in the Arch Street Warrant. The Arch Street Warrant is anticipated to expire the earlier of (a) ten years after issuance and (b) if the Arch Street Joint Venture is terminated, the later of (i) seven years after issuance or (ii) the termination of the Arch Street Joint Venture. In connection with issuance of the Arch Street Warrant, we expect to grant the holder certain limited registration rights. For more information, see "Description of Capital Stock — Arch Street Warrant."

We plan to maintain a balance sheet positioned to support a growth-oriented business plan. That growth is expected to initially come from two primary sources: (i) our existing joint venture with Arch Street, which is expected to focus primarily on investment grade credit tenants with long lease terms greater than 13 years, and (ii) acquisitions we will make independent of the Arch Street Joint Venture that that align with our strategy and associated investment criteria including lease duration, tenant type, or other factors. We believe our conservative leverage and strong liquidity will enable us to opportunistically take advantage of high-quality acquisition opportunities. We will seek to generate returns for our shareholders by augmenting earnings growth with a sustainable dividend. We expect our initial dividend to be sized to permit meaningful free cash flow for reinvestment into our current portfolio and accretive investments, and to comply with the requirements to maintain our REIT status.

We are committed to environmental, social, and governance ("ESG") initiatives and being a responsible corporate citizen is integral to our strategy. Our approach has a particular emphasis on environmental stewardship, social responsibility, and corporate governance and compliance. We believe that our ESG initiatives are critical to our success, and we are focused on actions in coordination with our clients that are designed to have a long-term, positive impact for all stakeholders.

We intend to elect and qualify to be taxed as a REIT for U.S. federal income tax purposes commencing with our initial taxable year ending December 31, 2021. For more information, see "Business and Properties — Our Company."

Competitive Strengths

Unique Focus on Single-tenant Suburban Office. We 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. Our expertise, scale and focus will competitively position us to capitalize on the strong growth potential embedded in

suburban markets relative to urban office and other asset classes. We believe that suburban office markets will outperform traditional urban office markets in the future given the ongoing migration trends from urban areas to the suburbs that were accelerated due to the COVID-19 pandemic. Institutional investors' reduced focus on the single-tenant suburban office asset class has led to pricing dislocation, presenting a potentially attractive entry point for a consolidator in the sector.

Primarily Mission-critical Regional and Corporate Headquarters Locations. Our corporate clients depend on regional and corporate headquarters locations to house key management personnel, critical IT infrastructure and essential support functions such as accounting, financial reporting, and human resources. In addition, these locations are important incubators of corporate culture, centers for employee development and education, and foster the idea generation resulting from in-person interaction that drives innovation.

High-quality, Diversified Portfolio with Favorable Exposure to Investment Grade Credit Our portfolio consists of 92 properties diversified by client and geography, including clients operating across a wide range of industries, including financial services, health care, government services, telecommunications and others, located across 29 states and Puerto Rico. None of our clients represents more than 10.1% of our portfolio by ABR as of June 30, 2021. We believe the diversity of our portfolio and the high credit quality nature of our tenancy will provide us with a strong, stable source of recurring cash flow from which to grow our business. Approximately 72% of our ABR is from investment grade credit rated clients, which historically have exhibited a strong track record of making scheduled rental payments, showing resilience during times of economic downturn.

Resilient Portfolio Performance through Economic Cycles. Our portfolio has averaged approximately 99% rent collections on a monthly basis from April 30, 2020 through June 30, 2021. We believe that our portfolio's rent collection rate in the pandemic era is demonstrative of the creditworthiness of our client base and their ability and desire to continue to occupy these key office locations.

Acquisition Strategy Focused on Suburban Office Assets and Primarily Net Leases, with the Ability to Opportunistically Acquire Multi-tenant Office Properties. Our external growth strategy will focus primarily on acquiring net lease office assets with long term leases of approximately 10 years on average. This long-term, net lease structure will allow us to minimize our exposure to the ongoing expenditures required to operate and maintain our properties as well as help us to avoid the costly downtime and leasing costs associated with shorter lease term assets that face more frequent lease rollover. We believe this will result in a portfolio that produces more stable and predictable cash flows and that delivers superior risk-adjusted returns. Additionally, we may seek to utilize our management team's expertise and demonstrated background of success in opportunistically acquiring multi-tenant suburban office properties that can serve to complement our core single-tenant suburban office strategy, allowing us to further diversify cash flows and enhance scale in our core suburban markets.

Proven Ability to Efficiently Deploy Capital Utilizing Proprietary Sourcing Channels to Enhance Scale 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-lease back and build-to-suit investment opportunities through which we have deployed capital. We believe our relationship-based sourcing strategy will continue to generate a sustainable pipeline of opportunities to drive growth and enhance scale.

Balance Sheet Positioned to Support a Growth-oriented Business Plan. We will be capitalized to enable access to multiple forms of capital. As of June 30, 2021, the portfolio had approximately $180.7 million of total combined debt outstanding, consisting of secured mortgage debt, all of which is expected to be repaid by Realty Income in full prior to the Distribution. To provide additional liquidity and facilitate growth, and in connection with the Separation, Orion LP expects to enter into a $175.0 million term loan facility (the "Orion Term Loan") and a $350.0 million revolving credit facility (the "Orion Revolving Credit Facility"), $86.1 million of which is expected to be initially outstanding. In addition, Orion LP expects to enter into a $355.0 million commercial mortgage backed security bridge loan ("CMBS Bridge Loan"), which Orion LP expects to refinance with commercial mortgage-backed security financing prior to the maturity of the CMBS Bridge Loan. Of the proceeds under the Orion Revolving Credit Facility, the Orion Term Loan and the CMBS Bridge Loan, $595.8 million will be distributed to the partners of Orion LP and, in turn, be contributed to Realty Income in accordance with the Separation and Distribution Agreement. The remainder

of the proceeds are anticipated to be used to pay fees and expenses related to the origination of the Orion Credit Facilities and the CMBS Bridge Loan and to finance working capital needs. As a result of these transactions, following the completion of the separation, we expect to have approximately $616.1 million in consolidated outstanding indebtedness, $10.0 million in cash, and $263.9 million of availability under our revolving credit facility. We believe our conservative leverage and strong liquidity will enable us to opportunistically take advantage of high-quality acquisition opportunities.

Active Asset Management Led by Well-regarded, Dedicated Management Team with Significant Experience in Suburban Office and Deep Knowledge of the Portfolio. Our management team has a demonstrated background in the single-tenant suburban office real estate sector, including in the operation, leasing, acquisition, development and disposition of assets through all stages of the real estate cycle, and has a proven track record of execution. We believe that our senior management team's know-how, 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.

Vertically Integrated, Scalable Platform. 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 is comprised of approximately 24 employees, including property managers and leasing professionals who maintain direct relationships and dialogue with our clients 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.

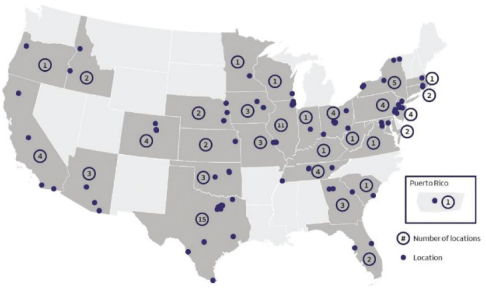
Experienced Management Team with Proven Track Record. Our management team has extensive experience in the single-tenant suburban office real estate sector, including in the operation, leasing, acquisition, development and disposition of assets through all stages of the real estate cycle, and has a proven track record of execution.

For more information, see "Business and Properties — Competitive Strengths."

Our Portfolio

Initially our portfolio will consist of 92 properties, including 86 single-tenant office properties and 6 multi-tenant office properties aggregating 10.5 million total leasable square feet.

Region	Total Square Feet (000s)	% of June 30, 2021 ABR
Northeast	2,487	29.1%
Midwest	3,698	28.7%
Southwest	2,760	24.7%
Southeast	647	6.9%
Mid-Atlantic	510	5.9%
West	274	2.9%
Other	56	1.2%
Northwest	74	0.6%
Totals	**10,507**	**100.0%**



The following table sets forth our occupancy rate and average annual base rent per square foot for our office properties as of June 30, 2021.

As of	Square Feet Owned (000s)	Occupancy Rate	Average Annual Base Rent per Square Foot
June 30, 2021	10,507	94.4%	$ 16.70

Additional information on our portfolio of properties as of June 30, 2021, is provided in the tables below:

#	Client Industry	City	State	Property Square Feet (000s)	IG Rated[1]	Annualized Base Rent (000s)[2]	Annualized Base Rent per SF
1	Financial Services	Hopewell	NJ	482	✓	$ 11,564	$ 24.00
2	Insurance	Buffalo	NY	430		$ 8,090	$ 18.79
3	Telecommunications	Bedford	MA	328		$ 7,221	$ 22.00
4	Government Services	Covington	KY	438	✓	$ 6,227	$ 14.21
5	Energy	Tulsa	OK	329	✓	$ 5,578	$ 16.98
6	Health Care	Malvern	PA	188		$ 5,254	$ 28.00
7	Health Care	Parsippany	NJ	176	✓	$ 4,995	$ 28.37
8	Insurance	Plano	TX	209	✓	$ 4,188	$ 20.07
9	Home Improvement	Denver	CO	262	✓	$ 4,132	$ 15.75
10	Drug Stores	Northbrook	IL	195	✓	$ 3,722	$ 19.08
11	Health Care	Berkeley	MO	227	✓	$ 3,498	$ 15.38
12	Health Care	Irving	TX	172		$ 3,413	$ 19.81
13	Insurance	Urbana	MD	116	✓	$ 3,325	$ 28.72
14	Health Care	Bedford	TX	75		$ 3,303	$ 44.04
15	Aerospace	Sterling	VA	207	✓	$ 3,232	$ 15.60
16	Business Services	Schaumburg	IL	178	✓	$ 2,844	$ 15.99
17	Insurance	Oklahoma City	OK	147		$ 2,791	$ 18.97
18	Manufacturing	Glen Burnie	MD	120		$ 2,728	$ 22.73
19	Transportation Services	Uniontown	OH	267	✓	$ 2,726	$ 10.23
20	Telecommunications	Richardson	TX	203	✓	$ 2,642	$ 13.00
21	Software	The Woodlands	TX	154		$ 2,433	$ 15.82
22	Health Care	St. Louis	MO	181	✓	$ 2,403	$ 13.27
23	Chemicals	The Woodlands	TX	175	✓	$ 2,346	$ 13.40

#	Client Industry	City	State	Property Square Feet (000s)	IG Rated[1]	Annualized Base Rent (000s)[2]	Annualized Base Rent per SF
24	General Merchandise	Providence	RI	136	✓	$ 2,242	$ 16.50
25	Telecommunications	Lincoln	NE	150		$ 2,237	$ 14.91
26	Telecommunications	Amherst	NY	200		$ 2,197	$ 10.98
27	Telecommunications	Milwaukee	WI	155	✓	$ 2,188	$ 14.13
28	Financial Services	Mount Pleasant	SC	68	✓	$ 2,186	$ 32.14
29	Insurance	Fresno	CA	127	✓	$ 2,130	$ 16.77
30	Insurance	Phoenix	AZ	90	✓	$ 2,089	$ 23.11
31	Government Services	Ponce	PR	57	✓	$ 2,023	$ 35.81
32	Food Processing	St. Charles	MO	96	✓	$ 2,022	$ 21.02
33	Aerospace	Columbus	OH	147	✓	$ 1,941	$ 13.24
34	Financial Services	Englewood	CO	95	✓	$ 1,858	$ 19.50
35	Financial Services	Dublin	OH	150	✓	$ 1,800	$ 12.00
36	Home Improvement	Santee	CA	73	✓	$ 1,797	$ 24.66
37	Health Care	San Antonio	TX	96	✓	$ 1,779	$ 18.56
38	Manufacturing	East Windsor	NJ	66		$ 1,754	$ 26.62
39	Transportation Services	Memphis	TN	90	✓	$ 1,744	$ 19.28
40	Diversified Industrial	Annandale	NJ	105		$ 1,707	$ 16.25
41	Telecommunications	Augusta	GA	79	✓	$ 1,645	$ 20.83
42	Diversified Industrial	Buffalo Grove	IL	105	✓	$ 1,629	$ 15.50
43	Health Care	Waukegan	IL	131	✓	$ 1,576	$ 12.00
44	Telecommunications	Brownsville	TX	78	✓	$ 1,570	$ 20.12
45	Diversified Industrial	Longmont	CO	152	✓	$ 1,568	$ 10.30
46	Equipment Services	Duluth	GA	126	✓	$ 1,461	$ 11.61
47	Telecommunications	East Syracuse	NY	109	✓	$ 1,446	$ 13.32
48	Telecommunications	Schaumburg	IL	106	✓	$ 1,383	$ 13.00
49	Diversified Industrial	Cedar Rapids	IA	78	✓	$ 1,375	$ 17.64
50	Government Services	Redding	CA	56	✓	$ 1,233	$ 22.18
51	Manufacturing	Malvern	PA	45		$ 1,231	$ 27.10
52	Home Improvement	Kennesaw	GA	80	✓	$ 1,209	$ 15.11
53	Financial Services	Harleysville	PA	80	✓	$ 1,197	$ 14.91
54	Drug Stores	Deerfield	IL	110	✓	$ 1,165	$ 10.61
55	Telecommunications	Salem	OR	74	✓	$ 1,120	$ 15.17
56	Drug Stores	Deerfield	IL	105	✓	$ 1,119	$ 10.61
57	Drug Stores	Deerfield	IL	105	✓	$ 1,118	$ 10.61
58	Drug Stores	Deerfield	IL	105	✓	$ 1,116	$ 10.61
59	Government Services	Parkersburg	WV	67	✓	$ 1,071	$ 15.94
60	Insurance	Dublin	OH	69		$ 1,044	$ 15.19
61	Government Contractor	Lawrence	KS	106		$ 1,035	$ 9.80
62	Telecommunications	Nashville	TN	69	✓	$ 1,032	$ 14.90
63	Government Services	Malone	NY	31	✓	$ 999	$ 32.47
64	Health Care	Nashville	TN	55		$ 969	$ 17.77
65	Engineering	Tulsa	OK	108		$ 966	$ 8.98
66	Government Contractor	Lawrence	KS	90		$ 887	$ 9.91
67	Drug Stores	Deerfield	IL	82	✓	$ 870	$ 10.61
68	Government Services	New Port Richey	FL	49	✓	$ 866	$ 17.76
69	Government Services	Knoxville	TN	25	✓	$ 821	$ 32.31

#	Client Industry	City	State	Property Square Feet (000s)	IG Rated[1]	Annualized Base Rent (000s)[2]	Annualized Base Rent per SF
70	Government Services	Dallas	TX	18	✓	$ 763	$ 43.27
71	Financial Services	Warwick	RI	70	✓	$ 762	$ 10.93
72	Insurance	Cedar Falls	IA	45	✓	$ 753	$ 16.56
73	Government Services	Grangeville	ID	35	✓	$ 742	$ 21.00
74	Drug Stores	Deerfield	IL	67	✓	$ 707	$ 10.61
75	Health Care	Indianapolis	IN	83		$ 538	$ 6.50
76	Government Services	Minneapolis	MN	39	✓	$ 493	$ 12.55
77	Food Processing	Blair	NE	30	✓	$ 493	$ 16.43
78	Government Services	Sioux City	IA	11	✓	$ 485	$ 43.35
79	Government Services	Eagle Pass	TX	22	✓	$ 454	$ 20.72
80	Government Services	Fort Worth	TX	16	✓	$ 427	$ 26.97
81	Government Services	Paris	TX	11	✓	$ 425	$ 39.35
82	Government Services	Plattsburgh	NY	19	✓	$ 338	$ 18.16
83	Government Services	Brownsville	TX	11	✓	$ 323	$ 30.68
84	Government Services	Caldwell	ID	11	✓	$ 277	$ 25.72
85	Government Services	Eagle Pass	TX	12	✓	$ 203	$ 17.42
86	Government Services	Cocoa	FL	6	✓	$ 176	$ 28.84
87	Vacant	Englewood	CO	61		$ 0	$ 0.00
88	Vacant	Ridley Park	PA	23		$ 0	$ 0.00
89	Vacant	Richardson	TX	116		$ 0	$ 0.00
90	Vacant	El Centro	CA	18		$ 0	$ 0.00
91	Vacant	Sierra Vista	AZ	24		$ 0	$ 0.00
92	Vacant	Tucson	AZ	125		$ 0	$ 0.00
Total				**10,507**		**$ 175,431**	**$ 16.70**

(1) Indicates whether the tenant has a credit rating, or is a subsidiary or affiliate of a company that has a credit rating, of Baa3/BBB- or higher from one of the three major rating agencies (Moody's / S&P / Fitch).

(2) Contractual base rent for the month ending June 30, 2021 annualized.

Debt Information (As of June 30 ,2021)

Interest Rate (as of June 30, 2021)	Fixed or Floating Interest Rate	Contractual or Anticipated Maturity Date	Mortgage Balance ($000s, as of June 30, 2021)
L+325 bps	Floating	8/19/2021	$ 14,884
6.05%	Fixed	5/6/2022	$ 2,600
4.73%	Fixed	6/1/2022	$ 41,000
4.88%	Fixed	6/1/2022	$ 9,625
4.60%	Fixed	6/6/2022	$ 17,270
4.23%	Fixed	3/1/2023	$ 74,250
3.95%	Fixed	4/1/2023	$ 8,558
5.63%	Fixed	6/1/2032	$ 12,572
4.47%			**$ 180,759**

Totals

Top Clients

As of June 30, 2021, our top ten clients measured by Annualized Contractual Base Rent (for the month ending June 30, 2021) are as follows:

Client	Square Feet Leased (000s)	Annualized Base Rent for the month ending June 30, 2021 ($000s)	Percentage of June 30, 2021 ABR
Government Services Administration	868	$ 17,739	10.1%
Merrill Lynch	482	$ 11,564	6.6%
Healthnow Systems	430	$ 8,090	4.6%
RSA Security	328	$ 7,221	4.1%
Cigna	299	$ 6,276	3.6%
Walgreens	575	$ 6,094	3.5%
Express Scripts	409	$ 5,901	3.4%
Cimarex Energy	309	$ 5,554	3.2%
T-Mobile	300	$ 5,367	3.1%
Teva Pharmaceuticals	188	$ 5,254	3.0%

Top Ten Client Industries

As of June 30, 2021, our top ten client industries measured by Annualized Contractual Base Rent (for the month ending June 30, 2021) are as follows:

Industry	Square Feet Leased (000s)	Annualized Base Rent for the month ending June 30, 2021 ($000s)	Percentage of June 30, 2021 ABR
Health Care	1,395	$ 28,000	16.0%
Telecommunications	1,551	$ 24,682	14.1%
Insurance	1,237	$ 24,475	14.0%
Financial Services	948	$ 19,419	11.1%
Government Services	907	$ 18,232	10.4
Drug Stores	770	$ 9,817	5.6%
Home Improvement	301	$ 7,210	4.1%
Diversified Industrial	440	$ 6,279	3.6%
Energy	342	$ 6,202	3.5%
Manufacturing	231	$ 5,712	3.3%

Lease Expirations

The table below sets forth lease expirations for all of our properties as of June 30, 2021 assuming none of the clients exercise renewal options:

Year	Square Feet of Expiring Leases (000s)	Percentage of Property Square Feet	Annualized Base Rent for the month ending June 30, 2021 ($000s)	Percentage of June 30, 2021 ABR
2021	941	9.5%	$ 17,792	10.1%
2022	1,522	15.3%	$ 26,301	15.0%
2023	1,652	16.7%	$ 25,084	14.3%
2024	2,525	25.5%	$ 47,348	27.0%
2025	935	9.4%	$ 16,099	9.2%
2026	642	6.5%	$ 13,207	7.3%
2027	645	6.5%	$ 10,156	5.8%
2028	453	4.6%	$ 7,486	4.3%
2029	211	2.1%	$ 3,256	1.9%

Year	Square Feet of Expiring Leases (000s)	Percentage of Property Square Feet	Annualized Base Rent for the month ending June 30, 2021 ($000s)	Percentage of June 30, 2021 ABR
2030	75	0.8%	$ 3,303	1.9%
Thereafter	319	3.2%	$ 5,827	3.3%

For more information, see "Business and Properties — Our Portfolio."

Market Opportunity

We believe that the combination of market dynamics in each of the suburban office and net lease sectors presents an attractive investment opportunity unique in the public REIT market.

We believe that a suburban office strategy deployed in scale across high quality suburban markets with strong fundamentals is positioned to capture the demographic trends that have been accelerated in the post-COVID environment, including the de-urbanization of millennials.

We also believe that a primarily single-tenant net lease strategy featuring long term leases will benefit from durable, predictable cash flows often supported by investment grade credit tenancy with inflation protection through contractual rent growth.

Suburban Office Market Opportunity

We believe there are a number of macroeconomic and demographic trends that are positive for the outlook of our single-tenant suburban office strategy including:

Substantial Total Addressable Market for Suburban Office Investment.

We believe there is substantial investment opportunity in the suburban office real estate market. According to data from JLL and management's estimates, the suburban office sector comprises an estimated $1.0 trillion to $1.5 trillion of commercial properties across the single tenant and multi-tenant suburban office markets in the U.S.

Shifting Lifestyle Preferences of the Millennial Cohort.

We believe that certain suburban markets are attractive migration targets for millennials leaving the urban core as they age and start families. Millennials are the largest, most diverse, and most educated generation in the U.S., according to Brookings. As they leave the urban core, we believe that they are likely to amplify the "clustering" trend whereby Americans are increasingly sorting by education level and that suburban markets with a high concentration of college-educated workers, a critical mass of innovative industries, direct access to public transportation, community centers, quality education systems, and adequate supply of affordable housing are likely to experience robust growth. With approximately 68 million individuals between the ages of 25 and 39 as of July 1, 2020 according to U.S. Census Bureau projections, the millennials generation is the largest generation in the U.S. and is therefore expected to be the predominant group in the workforce for the foreseeable future. As the majority of millennials mature into their thirties, we believe many have entered or are entering into a stage of life where the confluence of starting a family, continuing to pursue a career and purchasing a home become priorities and, as a result, issues such as employment opportunities, cost of living, quality of life, proximity to work and access to well-regarded schools are becoming increasingly important. We believe these preferences, combined with diminishing single-family home affordability in the major markets, will cause many millennials to pursue opportunities to live and work within suburban markets that can address their evolving career and personal goals.

De-urbanization: Population Shift from Urban to Non-urban Communities.

The net population flow out of U.S. urban neighborhoods and into non-urban neighborhoods doubled in the period between March and September 2020 as compared to the average for the same months in 2017 through 2019, according to the Federal Reserve Bank of Cleveland. We believe our suburban focus positions us well to capture additional growth from these trends.

We believe that the suburbs present meaningful benefits to employers as office space in suburban locations typically costs less than equivalent space in central business districts and many suburban locations offer lower taxes than central business districts. Suburban offices offer compelling benefits to employees as well, including shorter commute time and ample/free parking. In addition to the benefit of close proximity to where a majority of the workforce lives, employers also are attracted to suburban markets due to lower occupancy costs relative to central business district costs. Because millennial talent in recent years had been generally clustered in central cities, employers had been willing to bear the burden of higher central business district rents in order to attract that talent. However, as previously discussed, current demographic trends are now pointing towards a migration to the suburbs. Post-pandemic office space utilization trends suggest a reversal of the previous decade's prevailing trend of densification of employees, with continually decreasing office square footage per employee. New social distancing protocols and the desire for more collaborative space may serve as a catalyst for increasing office square footage per employee — space that is more affordably obtained in a suburban office rather than the urban core.

Additionally, given potential inflationary pressures in the current economic environment, prospects for wage inflation may increase pressure on corporate margins, making the cost advantage of suburban office space all the more attractive.

Corporate Relocation Trends.

Large corporations continue to announce relocations and/or new corporate campuses away from major coastal urban "gateway" ("Gateway" or "GW") hubs and toward inland suburban and "secondary" markets.

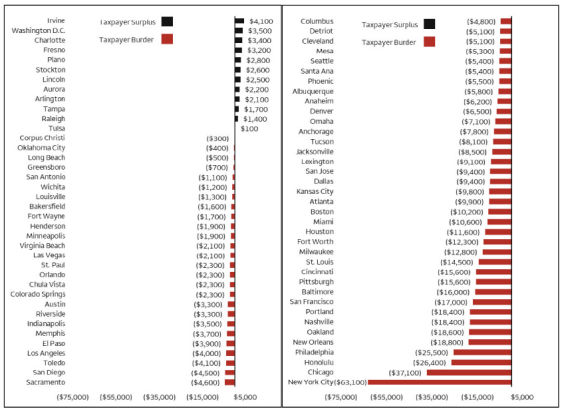
We believe that suburban markets that have been targets of high-profile corporate relocation processes are likely to enjoy a meaningful "halo effect" in the eyes of the millennial workforce and employers alike. We believe that similar suburban secondary markets will continue to be considered for other corporate relocations, and we further believe that announcements by Amazon, Microsoft, Google and others will serve to further raise the profiles of suburban markets among a broader group of employers. Additionally, we believe these announcements will act as a catalyst for public infrastructure projects located in and around denser suburban submarkets, creating additional attractive options for similar corporate relocations.

Office workers in the coastal Gateway cities are increasingly relocating to non-gateway ("Non-Gateway" or "NGW") markets that provide more space, lower cost of living, more advantageous state income tax constructs and warmer weather. As a result, companies continue to follow the migration of talent, either by moving their headquarters or by expanding to cities outside their main Gateway city location(s).

Favorable tax and regulatory environments in Non-Gateway cities with more fiscally stable local governments are enticing companies with lower commercial property taxes, quality public services and infrastructure. Fiscal health is an important factor in the assessment of long-term outlooks across markets.

Taxpayer Burden or Taxpayer Surplus. According to research from the think tank Truth in Accounting in the chart that follows, a Taxpayer Burden is the amount of money each taxpayer would have to contribute if the city were to pay all of its debt accumulated to date. Conversely, a Taxpayer Surplus is the amount of money left over after all of a city's bills are paid, divided by the estimated number of taxpayers in the city. We believe that markets with better fiscal health relative to competing markets are best positioned to continue to benefit from corporate relocation trends.

Fiscal Health of Top 75 U.S. Cities



Source: Financial State of the Cities 2020, TIA.org

The following are examples of recent corporate relocation announcements:

- In May 2021, Credit Karma announced plans to expand in Charlotte with its new East Coast headquarters, adding 600 jobs over the next five years.
- In April 2021, Apple Inc. announced plans to invest $1 billion over 10 years in Raleigh's Research Triangle. The investment will create at least 3,000 new jobs in machine learning, artificial intelligence, software engineering, and other cutting-edge fields.
- In February 2021, Microsoft Corporation announced plans for a new datacenter region with a presence in Douglas and Fulton counties (Atlanta metro). These investments put Atlanta on the path toward becoming one of Microsoft's largest hubs in the U.S.
- In February 2021, Amazon.com, Inc. unveiled the next phase of its $2.5 billion HQ2 in Northern Virginia. The new headquarters will include three towers with 2.8 million square feet of office space.
- In January 2021, Digital Realty Trust Inc., a data center owner/operator used by major technology companies, relocated its global headquarters to Austin from San Francisco.
- In December 2020, Oracle Corporation announced that it is moving its corporate headquarters from Silicon Valley to Austin.
- In December 2020, Hewlett Packard Enterprise announced it will move its headquarters to Houston after nearly a century in Palo Alto.
- In December 2020, Schwab Corporation and TD Ameritrade announced on the heels of their $26 billion merger that the combined company's headquarters would relocate from San Francisco to North Texas.

- In December 2020, Peloton Interactive, Inc. quadrupled its office usage in Plano, allowing the company to hire up to 1,600 employees, making the office the company's largest location.
- In October 2020, CBRE Group, the country's largest commercial real estate services company with over 100,000 employees globally, announced that it is moving its headquarters from Los Angeles to Dallas.
- In December 2018, Indigo Ag, Inc. announced it will establish its headquarters for North American commercial operations in downtown Memphis, where it will create 700 new jobs.
- In September 2018, Chipotle Mexican Grill, Inc. announced it would consolidate offices from New York and Colorado to Columbus.
- In May 2018, AllianceBernstein L.P., a global investment-management and research firm, announced it would be relocating its corporate headquarters to Nashville from New York City.

Increase in Work From Home ("WFH") Initiatives.

We believe the increase in WFH initiatives across the U.S. will increase the attractiveness of the suburbs and lower-cost markets as employment centers. We believe employees have greater flexibility as to where they do their work, and that as employees migrate from urban centers, employers will follow. Given the continued importance of the office as a hub for training and development of corporate culture, employers and employees alike may come to prefer a hybrid work model with some level of flexibility between WFH and office work. When working in the office, employees may prefer an arrangement that is most conducive to their lifestyle (minimal commutes, access to parking, etc.) and as such, employers will continue to react to the decentralization of their employees by locating office facilities in the suburbs. We also believe that changing office space utilization patterns in a post-COVID office environment will serve to reverse the longstanding trend of increased densification of employees that has persisted for much of the past decade in urban offices. As employers react to social distancing protocols and recognize the need for more collaborative group working space, there is likely to be an increase in office square footage per employee, which should serve as a positive tailwind for demand.

Sun Belt States, Home to Many Thriving Suburban Markets, are Increasingly Attractive.

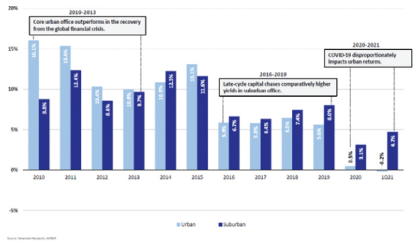
The Sun Belt region has experienced significant growth in population. Between 2000 and 2020, Sun Belt states increased their collective population by 28 million people, which represented 56% of all U.S. population growth, according to the U.S. Census Bureau. Sun Belt states represent 40% of the U.S. population as of 2020, an increase from 37% in 2000. Approximately 25% of our portfolio ABR is located in Sun Belt states. We believe these markets benefit from increased demand resulting from the Sun Belt's increased percentage of the total population.

Office-using jobs continue a recovery to pre-COVID levels. Sun Belt markets are mostly back to pre-COVID office-using employment levels with the exception of oil or tourism-dependent markets (*e.g.*, Orlando, Houston). A loosening of COVID-era restrictions and stronger macroeconomic growth point to a continued recovery.

Source: Green Street Advisors. REIT Office Sector Update May 24, 2021. Based on data from 2010–2020.

Non-Gateway suburban markets benefit from improving prospects and converging fundamentals relative to Gateway urban markets. Demand for office properties has shifted over time, with positive momentum in suburban real estate continuing into 2021 as dense urban markets have experienced higher levels of COVID-related disruption.

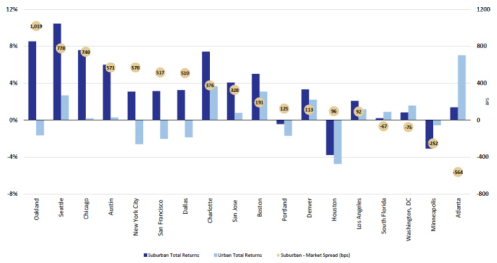
Suburban vs Urban Office Total Returns



Source: Newmark

Suburban office markets continue to outperform by 282 basis points on average, in part due to prevalence of single-tenant buildings with longer term leases which offer an alternative risk profile compared with multi-tenant urban properties.

Suburban vs Urban Office Total Returns by Market
1Q2020 – 1Q2021 (National Council of Real Estate Investment Fiduciaries)

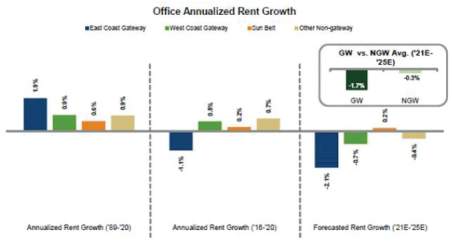


Source: Newmark

Rent Growth Forecast: Non-Gateway market supply growth as a percent of existing stock was considerably higher than Gateway's over the 25+ years ending 2020, helping explain the superior rent growth that the Gateway markets delivered over that time period. However, in the past few years, the delta in supply

growth converged, though it will be slightly wider than historical averages over the next five years. As a result, net effective rent growth expectations have also diverged through 2025.

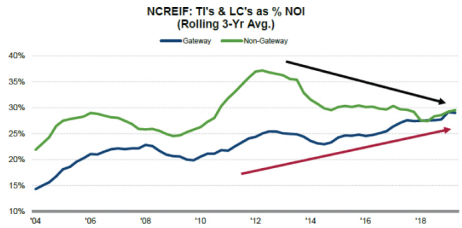
Office Annualized Rent Growth



Source: Green Street Advisors. 2021 U.S. Office Outlook Jan 20, 2021.

Leasing Costs: Gateway markets historically held an advantage over Non-Gateway with regard to leasing costs, which meant that Gateway landlords kept comparatively more net cash flow in their earnings than Non-Gateway landlords. That advantage has compressed in the last decade as landlord pricing power became comparably reduced in Gateway markets and larger tenant improvement packages became the norm. Comparable capital expenditure requirements across markets suggest similar long-term net operating income ("NOI") growth across markets. We expect that when we invest capital to fund leasing costs, it will be done upon determination that the investment is expected to produce an acceptable risk-adjusted return on capital.

Tenant Improvements & Leasing Commissions as Percent of NOI



Source: Green Street Advisors. 2021 U.S. Office Outlook Jan 20, 2021. Based on data from 2004 – 2019.

Net Lease Market Opportunity

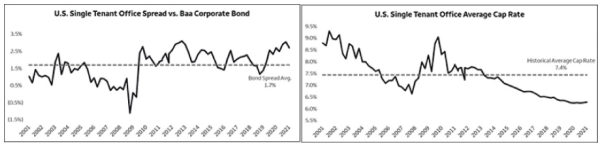
Net Lease Investment Market.

Net lease properties have historically generated consistent and stable rent growth across economic cycles relative to other property types. The long term nature of net leases and their pass-through rent structure can mitigate some risks associated with economic downturns and the effects of inflation on operating expenses.

The net lease real estate market is highly fragmented and undercapitalized, creating significant opportunities for well-capitalized investors with market knowledge, sector expertise and deal-sourcing capabilities. The lack of competition from publicly traded institutional capital and the fragmented nature of the sector provide opportunities for well-capitalized and experienced investors to gain scale, act as consolidators and continue to institutionalize the sector.

While competition for individual assets remains driven mostly by non-institutional buyers, there is growing institutional investor acceptance of the net lease sector as an important piece of the broader real estate investment universe. Over the past decade, the net lease sector public market cap has become a meaningful component of the MSCI REIT index, currently comprising about 12%, up from 4% in 2012, and current total equity capitalization in excess of $160 billion, up from $40 billion in 2012. This translates to greater visibility for the asset class and greater investor demand for exposure.

The strong investment interest in net lease real estate in recent years drove cap rates for single client properties to historic lows. While the single-tenant office property cap rate remained low, the spread to corporate bond yields remained relatively wide. Through March 2020, the single-tenant office cap rate to Baa corporate bond yield spread increased to 271 basis points, compared with the long-term average since 2001 of 172 basis points. In late 2020, with corporate bond yields falling, the spread widened to 306 basis points; however, recent increases in corporate bond yields reduced the spread to 271 basis points in June 2021, yet the spread remained greater than the long-term average. As net lease real estate can offer stable income streams with characteristics similar to those of income yielding bonds, the wide spread between corporate bond yields and the stable cap rate highlights the potential opportunity for attractive risk-adjusted returns relative to corporate bonds.



Characteristics of Net Lease Properties.

Relative to other commercial property types, net lease properties generally feature stable rents with minimal property management responsibilities or operating expenses and inflation mitigation measures embedded in many net lease contracts. Net leases typically have longer lease terms than gross leases. The initial term of a net lease is often more than 10 years. With its predictable cash flows paid at regular intervals, the net lease structure exhibits similar characteristics to interest-bearing corporate bonds.

Importance of Client Credit Underwriting and Real Estate Use.

As net leases generally have longer terms than gross leases, including extension options, many net leases can span multiple economic cycles, reducing re-tenanting risk. If a net lease client vacates, the property reverts to the landlord and should hold residual value depending upon the location, quality and other characteristics of the property. Net lease properties are often key sites that are mission-critical to a client's core business. The mission-critical nature of these sites may also contribute to clients prioritizing the payment of rent during the economic slowdowns or shutdowns. The importance of each building often means that clients are committed for the longer term, improving the likelihood of renewal and helping to minimize some of the vacancy risk associated with commercial real estate.

The financial strength of a client, as well as the long-term outlook for the client's industry, can potentially reduce risks from economic or real estate downturns. Clients with stronger corporate balance sheets may be less likely to default on rent payments or ask for rent relief and rent concessions, helping to minimize vacancy risk or the risk of not collecting rent. Corporate credit ratings for clients can be instrumental in helping owners of net lease properties underwrite the risk of a client, similar to how they help corporate bond investors assess the risk or creditworthiness of an issuer.

ESG Opportunity

Our leadership team is committed to collaborating with our clients to implement ESG initiatives across our portfolio and management will be held accountable for producing results. We intend to utilize a performance framework to track progress on key performance indicators against a measurable baseline and the leadership team's compensation will be tied to progress against benchmarks set by the Nominating and Governance Committee in collaboration with the Compensation Committee of the board of directors. We are committed to making ESG an integral component of our long term strategy for success for our company, our communities and our clients that we serve.

Environmental Stewardship. We are committed to enacting environmentally-friendly policies with regard to energy and water efficiency, alternative power sources, waste management, and other initiatives that will help us and our clients preserve and protect the environment.

Social Responsibility. Our culture will be driven by our team's connection to each other and the communities in which we live and work. Community partnerships give our team opportunities to effect positive change within our company, our industry, and our communities.

Corporate Governance & Compliance. We will have a commitment to conducting business with integrity. This core value is embedded in our predecessors' culture and reflected in our commitment to conducting all of our activities in accordance with the highest ethical standards and in compliance with all legal and regulatory requirements. For more information, see "Business and Properties — Market Opportunity."

Financing

To provide additional liquidity and facilitate growth, and in connection with the Separation, Orion LP expects to enter into the $175.0 million Orion Term Loan and the $350.0 million Orion Revolving Credit Facility, $86.1 million of which is expected to be initially outstanding. In addition, Orion LP expects to enter into the $355.0 million CMBS Bridge Loan, which Orion LP expects to refinance with commercial mortgage-backed security financing prior to the maturity of the CMBS Bridge Loan. Of the proceeds under the Orion Revolving Credit Facility, the Orion Term Loan and the CMBS Bridge Loan, $595.8 million will be distributed to the partners of Orion LP and, in turn, be contributed to Realty Income in accordance with the Separation and Distribution Agreement. The remainder of the proceeds are anticipated to be used to pay fees and expenses related to the origination of the Orion Credit Facilities and the CMBS Bridge Loan and to finance working capital needs. As a result of these transactions, following the completion of the separation, we expect to have approximately $616.1 million in consolidated outstanding indebtedness, $10.0 million in cash, and $263.9 million of availability under our revolving credit facility. We believe our conservative leverage and strong liquidity will enable us to opportunistically take advantage of high-quality acquisition opportunities.

We look at several metrics to assess overall leverage levels, including net debt to total asset value and net debt to EBITDA ratios. We expect that we may, from time to time, re-evaluate our strategy with respect to leverage in light of the current economic conditions; relative costs of debt and equity capital; market values of our properties; acquisition, development, and expansion opportunities; and other factors, including meeting the distribution requirements applicable to REITs under the Internal Revenue Code of 1986, as amended (the "Code") in the event we have taxable income without receipt of cash sufficient to enable us to meet the distribution requirements. For more information, see "Business and Properties — Financing."

The Separation and the Distribution

On April 29, 2021, Realty Income, VEREIT, VEREIT OP, Merger Sub 1 and Merger Sub 2 entered into the Merger Agreement, pursuant to which Merger Sub 2 will merge with and into VEREIT OP, with VEREIT OP continuing as the surviving partnership. Pursuant to the Merger Agreement and immediately following the Partnership Merger, VEREIT will merge with and into Merger Sub 1, with Merger Sub 1 continuing as the surviving corporation and a wholly owned subsidiary of Realty Income. The Merger Agreement also identifies certain material terms of the then contemplated separation of Orion's business from the remainder of Realty Income's business (as combined with VEREIT as a result of the Mergers) in the Separation, which will be consummated after the Merger Effective Time, followed by the Distribution on , 2021. Thereafter, our company and Realty Income will be two independent, publicly traded companies.

The Merger is expected to close on , 2021, upon the satisfaction or waiver of all conditions to closing set forth in the Merger Agreement. The Distribution is expected to occur on , 2021, subject to the satisfaction or waiver of all conditions to the Distribution set forth in the Separation and Distribution Agreement, by way of a special dividend to Realty Income common stockholders, who will include former VEREIT common stockholders and certain former VEREIT OP common unitholders that received Realty Income common stock in the Merger and continue to hold such stock as of the close of business on the record date for the Distribution. In the Distribution, each such Realty Income common stockholder will be entitled to receive one share of Orion common stock for every ten shares of Realty Income common stock held at the close of business on the record date. Realty Income stockholders and former VEREIT stockholders will not be required to make any payment to surrender or exchange their Realty Income common stock or VEREIT common stock, or to take any other action to receive their shares of Orion common stock in the Distribution. The Distribution of Orion common stock as described in this information statement is subject to the satisfaction or waiver of certain conditions, including the Separation.

Following consummation of the Mergers, the Separation and the Distribution, holders of Realty Income common stock (including former holders of VEREIT common stock and certain former holders of VEREIT OP common units that received Realty Income common stock in the Merger and continue to hold such stock as of the close of business on the record date for the Distribution, and including holders of Realty Income common stock immediately prior to the Mergers) who continue to hold such stock as of the close of business on the record date for the Distribution will, as applicable, hold the following:

- each Realty Income common stockholder immediately prior to the Merger Effective Time will hold one share of Realty Income common stock and one share of Orion common stock for every ten shares of Realty Income common stock held immediately prior to the Merger Effective Time;
- each former VEREIT common stockholder immediately prior to the Merger Effective Time will hold 0.705 shares of Realty Income common stock and thus would be entitled to one share of Orion common stock for approximately every fourteen shares of VEREIT common stock held immediately prior to the Merger Effective Time (assuming such shares are held through the record date for the Distribution);
- each former VEREIT OP common unitholder (other than VEREIT OP common units held by Realty Income, VEREIT or their affiliates) immediately prior to the Merger Effective Time will hold 0.705 shares of Realty Income common stock and thus would be entitled to one share of Orion common stock for approximately every fourteen VEREIT OP common units held immediately prior to the Merger Effective Time (assuming such shares are held through the record date for the Distribution); and
- former Realty Income common stockholders will own approximately 70% of the Orion common stock, and former VEREIT common stockholders and certain former VEREIT OP common unitholders will together own approximately 30% of the Orion common stock.

The foregoing assumes that the holder does not transfer any shares prior to the record date for the Distribution. For more information, see "The Separation and Distribution — Trading Before the Distribution Date."

Structure and Formation of Orion Prior to Realty Income's Distribution

We were formed on July 1, 2021 in Maryland as a wholly owned subsidiary of Realty Income. Following the Distribution, we will operate as a self-managed, publicly traded REIT in which our properties will be owned and operated by our subsidiary limited partnerships, limited liability companies or other legal entities. Immediately after the Merger Effective Time, Realty Income and VEREIT will complete the Separation to separate the Office Properties and certain other assets such that these businesses and assets are owned and operated by Orion LP.

The following transactions, among others, are expected to occur following the Merger Effective Time in advance of the Distribution:

- Realty Income and VEREIT will complete the Separation;

- As a result of the Separation, we will own a portfolio of 92 office properties, subject to approximately $180.7 million of existing secured property level indebtedness, based on principal balances as of June 30, 2021, and reduced by $14.9 million in principal repayments in August and all of which is expected to be repaid by Realty Income in full prior to the Distribution;
- To provide additional liquidity and facilitate growth, and in connection with the Separation, Orion LP expects to enter into the $175.0 million Orion Term Loan and the $350.0 million Orion Revolving Credit Facility, $86.1 million of which is expected to be initially outstanding. In addition, Orion LP expects to enter into the $355.0 million CMBS Bridge Loan, which Orion LP expects to refinance with commercial mortgage-backed security financing prior to the maturity of the CMBS Bridge Loan. Of the proceeds under the Orion Revolving Credit Facility, the Orion Term Loan and the CMBS Bridge Loan, $595.8 million will be distributed to the partners of Orion LP and, in turn, be contributed to Realty Income in accordance with the Separation and Distribution Agreement. The remainder of the proceeds are anticipated to be used to pay fees and expenses related to the origination of the Orion Credit Facilities and the CMBS Bridge Loan and to finance working capital needs. As a result of these transactions, following the completion of the separation, we expect to have approximately $616.1 million in consolidated outstanding indebtedness, $10.0 million in cash, and $263.9 million of availability under our revolving credit facility. We believe our conservative leverage and strong liquidity will enable us to opportunistically take advantage of high-quality acquisition opportunities;
- We and Realty Income will separate our respective liabilities as set forth in the Separation and Distribution Agreement; and
- In addition to the Separation and Distribution Agreement, as of or prior to the Merger Effective Time, we and Realty Income will enter into a transition services agreement (the "Transition Services Agreement"), a tax matters agreement (the "Tax Matters Agreement") and an employee matters agreement (the "Employee Matters Agreement").

Ownership Structure

Orion's Post-Distribution Relationship with Realty Income

We will enter into a Separation and Distribution Agreement with Realty Income as of or prior to the Distribution. In addition, as of or prior to the Distribution, we will enter into various other agreements to effect the Separation and the Distribution, which will provide a framework for our post-Distribution relationship with Realty Income, such as the Transition Services Agreement, the Tax Matters Agreement and the Employee Matters Agreement. For more information, see "Certain Relationships and Related Person Transactions." These agreements will provide for the allocation between us and Realty Income of Realty Income's assets, liabilities and obligations (including its investments, property, employee, benefits and tax-related assets and liabilities), in each case after giving effect to the Merger, attributable to periods prior to, at and after the Distribution, and will govern certain relationships between us and Realty Income after the Distribution.

In advance of the Distribution, each party to the Separation and Distribution Agreement will use commercially reasonable efforts to obtain any third-party consents required to effect the separation of liabilities contemplated by the Separation and Distribution Agreement. To the extent that a party is unable to obtain a release from a guarantee or other obligation that is contemplated to be assigned to the other party, the party benefitting from the guarantee or obligation will indemnify and hold harmless the other party from any liability arising from such guarantee or obligation, and will not renew or extend the term of, increase obligations under, or transfer, the applicable obligation or liability.

For additional information regarding the Separation and Distribution Agreement and other transaction agreements, please refer to the sections entitled "Risk Factors — Risks Related to the Separation and the Distribution," beginning on page 53 and "Certain Relationships and Related Person Transactions."

Reasons for the Separation and Distribution

The Realty Income board of directors believes that the Separation and the Distribution are in the best interests of Realty Income and its stockholders for a number of reasons, including the following:

- ***Allow Realty Income's management to focus on its core portfolio and strategy, while enabling our management to focus on enhancing the value of our portfolio.*** The Separation and the Distribution will allow Realty Income's management to focus on its core portfolio and strategy. We believe that our focus on our portfolio and strategy will allow us to more effectively create value for our shareholders.
- ***Create two separate, focused companies executing distinct business strategies.*** Historically, Realty Income and VEREIT have both focused on a diversified net lease strategy. By separating the Orion Business into a stand alone REIT, investors will have the opportunity to invest into separate companies, each with dedicated management teams focusing on distinct business strategies.
- ***Provide an opportunity for our dedicated and experienced management team to implement and execute our growth strategy.*** Separating the Orion Business from the remainder of Realty Income's business, and providing a dedicated and experienced management team and other key personnel to operate the Orion Business will allow our management team to devote their full focus and attention to our assets, which will allow these assets to realize their full potential.
- ***Enhance investor transparency and better highlight Realty Income's and our attributes.*** The Separation and the Distribution will enable current and potential investors and the financial community to evaluate us and Realty Income separately and better assess the distinctive merits, performance and future prospects of each business. Additionally, the Separation and the Distribution will allow individual investors to better control their asset allocation decisions, providing investors the opportunity to invest in a well-capitalized REIT that is positioned to take advantage of a recovery in the office sector.

The Realty Income board of directors also considered a number of potentially negative factors in evaluating the Separation and the Distribution, and concluded that the potential benefits of the Separation and the Distribution outweighed these factors. For more information, see "The Separation and the Distribution — Reasons for the Separation and the Distribution."

Agreements to be Entered into in Connection with the Merger, the Separation and the Distribution

Separation and Distribution Agreement with Realty Income

As of or prior to the Distribution, we and Realty Income will enter into the Separation and Distribution Agreement, which sets forth, among other things, our agreements with Realty Income regarding the principal transactions necessary to separate us from Realty Income. It also sets forth other agreements that govern certain aspects of our relationship with Realty Income after the Distribution Date. For more information, see "The Separation and the Distribution — The Separation and Distribution Agreement" and "Certain Relationships and Related Person Transactions — Agreements with the Realty Income."

Transition Services Agreement with Realty Income

As of or prior to the Distribution, we and Realty Income will enter into a Transition Services Agreement, pursuant to which Realty Income will provide to us and our subsidiaries various services for a transitional period. The services to be provided include information technology, accounts payable, and other financial and administrative functions. For more information, see "Certain Relationships and Related Person Transactions — Agreements with the Realty Income."

Tax Matters Agreement with Realty Income

As of or prior to the Distribution, we will enter into a Tax Matters Agreement with Realty Income that will govern the respective rights, responsibilities and obligations of Realty Income and us after the Distribution with respect to tax liabilities and benefits, tax attributes, the preparation and filing of tax returns, the control of audits and other tax proceedings, and certain other tax matters. For more information, see "Certain Relationships and Related Person Transactions — Agreements with Realty Income."

Employee Matters Agreement with Realty Income

As of or prior to the Distribution, we and Realty Income will enter into an Employee Matters Agreement in connection with the Separation to allocate liabilities and responsibilities relating to employment matters,

employee compensation and benefits plans and programs, and other related matters. For more information, see "Certain Relationships and Related Person Transactions — Agreements with Realty Income."

Subleases with Realty Income

As of or prior to the Distribution, we intend to enter into subleases with respect to office space at 2325 E. Camelback Road, in Phoenix, Arizona, and 19 West 44th Street in New York, New York, which we expect will serve as our corporate offices following the Distribution. For more information, see "Certain Relationships and Related Person Transactions — Agreements with Realty Income."

Corporate Information

We were formed on July 1, 2021 in Maryland as a wholly owned subsidiary of Realty Income. Prior to the contribution of Orion's business to us, which will occur in connection with the Separation following the Merger Effective Time, we will have no operations and no assets other than nominal cash from our initial capitalization. The address of our principal executive office is 2325 E. Camelback Road, Floor 8, Phoenix, AZ 85016. Our telephone number is (602) 698-1002.

Commencing shortly prior to the Distribution, we will also maintain an Internet website at www.ONLREIT.com. Our website and the information contained therein or connected thereto will not be deemed to be incorporated by reference herein, and you should not rely on any such information in making an investment decision.

Reason for Furnishing this Information Statement

This information statement is being furnished solely to provide information to stockholders of Realty Income (including former VEREIT stockholders and certain former VEREIT OP common unitholders) who will receive Orion stock in the Distribution. It is not and should not be construed as an inducement or encouragement to buy or sell any of Orion's securities. The information contained in this information statement is believed by us to be accurate as of the date set forth on its cover. Changes may occur after that date and neither we nor Realty Income will update the information except in the normal course of our and its respective disclosure obligations and practices.

Risks Associated with Orion's Business and the Separation and the Distribution

An investment in Orion common stock is subject to a number of risks, including risks relating to the Separation and the Distribution. The following list of risk factors is not exhaustive. Please read the information in the section captioned "Risk Factors," beginning on page 43 for a more thorough description of these and other risks:

- the conditions of the global markets may adversely affect our operations. Our properties are affected by macroeconomic cycles and risks inherent in various markets, including a tightening of credit markets, business layoffs, industry slowdowns and other similar factors that affect our clients;
- the COVID-19 pandemic has had significant impacts on workplace usages and practices which may impact our business;
- we face risks associated with the acquisition of commercial properties;
- we face a wide range of competition, including competition for acquisitions and competition in the leasing market, that could affect our ability to operate profitably;
- our performance is subject to risks inherent in owning real estate;
- if we lose our key management personnel, we may not be able to successfully manage our business and achieve our objectives;
- some of our leases provide clients with the right to terminate their leases early, which could have an adverse effect on our cash flow and results of operations;
- we will have a debt burden that could materially adversely affect our future operations, and we may incur additional indebtedness in the future;

- covenants in our debt agreements may limit our operational flexibility, and a covenant breach or default could materially and adversely affect our business, financial position or results of operations;
- we have no operating history as an independent company, and our historical and pro forma financial information is not necessarily representative of the results that we would have achieved as a separate, publicly traded company and may not be a reliable indicator of our future results;
- the Arch Street Joint Venture, including the limitation it places on our ability to acquire new properties, may adversely affect our ability to acquire wholly-owned properties in accordance with our business plan;
- the Distribution is expected to be treated as a taxable distribution to holders of Realty Income common stock for U.S. federal income tax purposes;
- after the Separation, certain of our directors and executive officers may have actual or potential conflicts of interest because of their previous or continuing equity interest in, or positions at, Realty Income;
- we may not achieve some or all of the expected benefits of the Separation, and the Separation may adversely affect our business; and
- if we do not qualify as a REIT, or if we fail to remain qualified as a REIT, we will be subject to U.S. federal income tax as a regular corporation and could face substantial tax liability, which would substantially reduce funds available for distribution to our stockholders.

QUESTIONS AND ANSWERS ABOUT THE DISTRIBUTION

What is Orion, and why is Realty Income separating the Orion Business and distributing Orion common stock?

Orion was formed primarily to hold the combined Office Properties of Realty Income and VEREIT after the Merger and the Distribution. The Separation of the Orion Business from Realty Income and the Distribution of shares of Orion common stock will enable Orion and Realty Income to focus on their respective operations. Orion and Realty Income expect that the Separation and the Distribution will result in the enhanced long-term performance of each business. For more information, see "The Separation and the Distribution — Background" and "The Separation and the Distribution — Reasons for the Separation and the Distribution."

Why am I receiving this document?

You are receiving this document because you are a holder of shares of Realty Income common stock. If you are a holder of Realty Income common stock as of the close of business on , 2021, the expected record date for the Distribution, or you will become a Realty Income Shareholder if you hold shares of VEREIT common stock as of immediately prior to closing, you will be entitled to receive one share of Orion common stock for every ten shares of Realty Income common stock that you hold at the close of business on such date (and cash in lieu of any fractional shares). The Distribution is expected to occur on , 2021.

What is the Separation of the Orion Business from Realty Income?

Following the Merger Effective Time, Realty Income will effect a reorganization, subject to the terms and subject to the conditions of the Merger Agreement and the Separation and Distribution Agreement, pursuant to which Realty Income will contribute certain office assets to Orion. Following the Separation, Orion will own the Office Properties and certain other assets previously owned by Realty Income and VEREIT. Orion's portfolio will consist of 92 office properties, totaling approximately 10.5 million total leasable square feet.

By separating the Orion Business into a stand-alone REIT, investors will have the opportunity to invest in two separate companies, each with dedicated management teams focused on distinct business strategies.

What assets will Orion own following the Separation?	Orion will own the Office Properties, consisting of certain office assets of Realty Income and VEREIT combined in the Merger, including 92 office properties, totaling approximately 10.5 million total leasable square feet and VEREIT's legacy interest in the Arch Street Joint Venture.
What is the Distribution and how will the Distribution work?	To accomplish the Distribution, Realty Income will distribute all of the outstanding shares of Orion common stock to Realty Income common stockholders on a pro rata basis. Each Realty Income common stockholder, including former VEREIT stockholders and certain former VEREIT OP common unitholders, will be entitled to receive one share of Orion common stock for every ten shares of Realty Income common stock held at the close of business on the record date. Each former VEREIT common stockholder and each former VEREIT OP common unitholder (other than VEREIT OP common units held by Realty Income, VEREIT or their affiliates) immediately prior to the Merger Effective Time will hold 0.705 shares of Realty Income common stock following the Merger, and thus would be entitled to approximately one share of Orion common stock for approximately every fourteen shares of VEREIT common stock and approximately one share of Orion common stock for approximately every fourteen VEREIT OP common units held immediately prior to the Merger Effective Time (assuming such shares and/or units are held through the record date for the Distribution).
What is the record date for the Distribution?	The record date for the Distribution is , 2021. The record date for the Distribution assumes the closing of the Mergers occurs at least one business day prior to the record date for the Distribution. If the closing is delayed past such date, the Realty Income board of directors intends to change the record date to a date that is at least one business day after the closing.
When will the Distribution occur?	It is expected that the shares of Orion common stock will be distributed by Realty Income on , 2021, to holders of record of Realty Income common stock at the close of business on the record date, subject to the satisfaction or waiver of all conditions to the Distribution set forth in the Separation and Distribution Agreement.

What do Realty Income stockholders need to do to participate in the Distribution?	Stockholders of Realty Income as of the record date will not be required to take any action to receive shares of Orion common stock in the Distribution. No stockholder approval of the Distribution is required and you are not being asked for a proxy. You do not need to pay any consideration, exchange or surrender your existing shares of Realty Income common stock or take any other action to receive your shares of Orion common stock. Please do not send in your Realty Income stock certificates until after the Merger is completed. The Distribution will not affect the number of outstanding shares of Realty Income common stock or any rights of Realty Income stockholders, although it will affect the market value of each outstanding share of Realty Income common stock.
What do former VEREIT common stockholders or VEREIT OP common unitholders need to do to participate in the Distribution?	Holders of shares of VEREIT common stock and VEREIT OP common units in book-entry form immediately prior to the Merger Effective Time who continue to hold shares of Realty Income common stock as of the record date for the Distribution will not be required to take any action to receive shares of Orion common stock in the Distribution.
How will shares of Orion common stock be issued?	You will receive shares of Orion common stock through the same channels that you currently use, or will use after the Merger, to hold or trade shares of Realty Income common stock, whether through a brokerage account, 401(k) plan or other channels. Receipt of shares of Orion common stock will be documented for you in the same manner that you typically receive stockholder updates, such as monthly broker statements and 401(k) statements. If you own shares of Realty Income common stock as of the close of business on the record date, including shares in certificated form, Realty Income, with the assistance of CTC, the settlement and distribution agent, will electronically distribute shares of Orion common stock to you or to your brokerage firm on your behalf in book-entry form. CTC will mail to you a book-entry account statement that reflects your shares of Orion common stock, or your bank or brokerage firm will credit your account for the shares. CTC will also mail you or your brokerage firm a check for any cash in lieu of fractional shares you are entitled to receive.

How many Orion shares will I receive in the Distribution?	For every ten shares of Realty Income common stock held of record by you as of the close of business on the record date you will receive one share of Orion common stock. As a result, each former VEREIT common stockholder or certain former VEREIT OP common unitholder who continues to hold the Realty Income common stock received in the Merger will receive approximately one share of Orion common stock for each every fourteen shares of VEREIT common stock or VEREIT OP common units held immediately prior to the Merger Effective Time. Based on approximately 380,174,042 shares of Realty Income common stock and 229,149,616 shares of VEREIT common stock outstanding as of June 30, 2021, a total of approximately 54,172,452 shares of Orion common stock will be distributed. The foregoing amounts do not reflect any equity issued by either Realty Income or VEREIT after June 30, 2021, including the 9,200,000 shares of Realty Income common stock issued in an underwritten offering in July 2021, nor subsequent issuances pursuant to Realty Income's "at-the-market" program related to the sale of up to an additional 60,000,000 shares of Realty Income common stock. You will receive cash in lieu of any fractional shares of Orion common stock that you would have otherwise received as a result of the Distribution.
Will Orion issue fractional shares in the Distribution?	Orion will not distribute fractional shares of its common stock in the Distribution. Instead, all fractional shares that Realty Income stockholders would otherwise have been entitled to receive will be aggregated into whole shares and sold in the open market by CTC. We expect CTC, acting on behalf of Realty Income, to take several weeks after the Distribution Date to fully distribute the aggregate net cash proceeds of these sales on a pro rata basis (based on the fractional share such holder would otherwise be entitled to receive) to those stockholders who would otherwise have been entitled to receive fractional shares. Recipients of cash in lieu of fractional shares will not be entitled to any interest on the amounts of payment made in lieu of fractional shares.
What are the material U.S. federal income tax consequences of the Distribution to U.S. holders of Realty Income common stock?	The distribution of shares of Orion common stock in the Distribution is expected to be treated as a taxable distribution to Realty Income

	common stockholders (which will include the former VEREIT common stockholders or VEREIT OP common unitholders that received Realty Income common stock in the Merger and continue to hold such stock as of the close of business on the record date for the Distribution) for U.S. federal income tax purposes. An amount equal to the fair market value of the shares of Orion common stock received by a U.S. holder (as defined in "Material U.S. Federal Income Tax Consequences") of Realty Income common stock in the Distribution will generally be treated as a taxable dividend to the extent of the U.S. holder's ratable share of any current or accumulated earnings and profits of Realty Income allocable to the Distribution, with the excess treated first as a non-taxable return of capital to the extent of the U.S. holder's tax basis in Realty Income common stock and any remaining excess treated as capital gain. The particular consequences of the Distribution to each Realty Income stockholder (including stockholders who received shares of Realty Income stock in exchange for shares of VEREIT stock or VEREIT OP units pursuant to the Merger) depend on such holder's particular facts and circumstances, and you are urged to consult your tax advisor regarding the consequences of the Distribution to you in light of your specific circumstances. For more information, see "Material U.S. Federal Income Tax Consequences — Material U.S. Federal Income Tax Consequences of the Distribution."
How will the Distribution affect my tax basis and holding period in my shares of Realty Income common stock for U.S. federal income tax purposes?	The tax basis of Realty Income common stock held by a Realty Income stockholder (which will include a former VEREIT stockholder or VEREIT OP unitholder that received Realty Income common stock in the Merger and continues to hold such stock as of the close of business on the record date for the Distribution) at the time of the Distribution is expected to be reduced (but not below zero) to the extent the fair market value of the Orion common stock distributed to such Realty Income stockholder exceeds Realty Income's current and accumulated earnings and profits allocable to such holder's shares. The holding period of Realty Income stockholders in their Realty Income shares will not be affected by the Distribution. See "Material U.S. Federal Income Tax Consequences — Material U.S. Federal Income Tax Consequences of the Distribution."

What will my tax basis and holding period be for shares of Orion common stock I receive in the Distribution for U.S. federal income tax purposes?	The tax basis of a Realty Income stockholder (which will include a former VEREIT stockholder or VEREIT OP unitholder that received Realty Income common stock in the Merger and continues to hold such stock as of the close of business on the record date for the Distribution) in shares of Orion common stock received by such holder in the Distribution is expected to equal the fair market value of such shares on the Distribution Date. The holding period for such shares is expected to begin the day after the Distribution Date. See "Material U.S. Federal Income Tax Consequences — Material U.S. Federal Income Tax Consequences of the Distribution."
What are the conditions to the Distribution?	The Distribution is subject to a number of conditions, including, among others: • the consummation of the Mergers; • the consummation of the Separation; • the SEC declaring effective the registration statement of which this information statement forms a part, with no stop order in effect with respect thereto, and no proceeding for such purpose pending before, or threatened by, the SEC; • no order, injunction, or decree issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Separation, the Distribution or any of the related transactions shall be in effect; • the acceptance for listing on the NYSE of the Orion common stock to be distributed, subject to official notice of distribution; and • the execution of ancillary agreements, including the Transition Services Agreement, a Tax Matters Agreement and an Employee Matters Agreement. Realty Income and Orion cannot assure you that any or all of these conditions will be met. For a complete discussion of all of the conditions to the Distribution, please refer to "The Separation and the Distribution — The Separation and Distribution Agreement — Conditions to the Distribution."

What is the expected date of completion of the Distribution?	The completion and timing of the Distribution are dependent upon a number of conditions, including the conditions listed above. It is expected that the shares of Orion common stock will be distributed by Realty Income on , 2021, to the holders of record of shares of Realty Income common stock at the close of business on the record date. However, no assurance can be provided as to the timing of the Distribution or that all conditions to the Distribution will be met.
What if I want to sell my Realty Income common stock or my Orion common stock?	If you would like to sell your Realty Income common stock or Orion common stock, you should consult with your financial advisors, such as your stockbroker, bank or tax advisor.
What is "regular-way" and "ex distribution" trading of Realty Income stock?	Beginning shortly before the record date and continuing up to and through the Distribution Date, it is expected that there will be two markets in Realty Income common stock: a "regular-way" market and an "ex-distribution" market. Shares of Realty Income common stock that trade on the "regular-way" market will trade with an entitlement to shares of Orion common stock distributed in the Distribution. Shares of Realty Income common stock that trade on the "ex-distribution" market will trade without an entitlement to shares of Orion common stock distributed pursuant to the Distribution. If you decide to sell any Realty Income common stock before the Distribution Date, you should make sure your stockbroker, bank or other nominee understands whether you want to sell your Realty Income common stock with or without your entitlement to shares of Orion common stock in the Distribution.
Will the shares of Orion common stock be listed on an exchange?	Orion expects its common stock to be listed on the NYSE under the symbol "ONL." Orion anticipates that trading in shares of its common sto

	trading prices for its common stock before, on or after the Distribution Date.
What will happen to the listing of Realty Income common stock?	Realty Income common stock will continue to trade on the NYSE after the Distribution.
Will the number of shares of Realty Income common stock that I own change as a result of the Distribution?	No. The number of shares of Realty Income common stock that you own will not change as a result of the Distribution.
Will the Distribution affect the market price of my shares of Realty Income stock?	Yes. As a result of the Distribution, Realty Income expects the trading price of shares of Realty Income common stock immediately following the Distribution to be lower than the "regular-way" trading price of such shares immediately prior to the Distribution because the trading price of shares of Realty Income common stock will no longer reflect the value of the Orion Business. Realty Income believes that, over time following the Distribution, assuming the same market conditions and the realization of the expected benefits of the Separation and the Distribution, shares of Realty Income common stock and Orion common stock should have a higher aggregate market value as compared to the market value of shares of Realty Income common stock if the Separation and the Distribution did not occur. There can be no assurance, however, that such a higher aggregate market value will be achieved. This means, for example, that the combined trading prices of one share of Realty Income common stock and one share of Orion common stock after the Distribution may be equal to, greater than, or less than the trading price of one share of Realty Income common stock before the Distribution.
What is a REIT?	Orion intends to qualify and elect to be taxed as a REIT under Sections 856 through 860 of the Code, commencing with Orion's initial taxable

	conformity with the requirements for qualification and taxation as a REIT under the Code, and that its intended manner of operation will enable it to meet the requirements for qualification and taxation as a REIT. For a discussion of the U.S. federal income taxation of REITs and the tax treatment of distributions to stockholders of Orion, please refer to "Material U.S. Federal Income Tax Consequences — Material U.S. Federal Income Tax Considerations Regarding Orion's Taxation as a REIT."
What debt will Orion have after the Separation?	Immediately following the Separation, Orion expects to have approximately $615.0 million of indebtedness. In the Separation, Orion will acquire its properties subject to approximately $180.7 million of existing secured property-level indebtedness, based on principal balances as of June 30, 2021, and reduced by $14.9 million in principal repayments in August and all of which is expected to be repaid by Realty Income in full prior to the Distribution. To provide additional liquidity and facilitate growth, and in connection with the Separation, Orion LP expects to enter into a $175.0 million term loan facility (the "Orion Term Loan") and a $350.0 million revolving credit facility (the "Orion Revolving Credit Facility), $86.1 million of which is expected to be initially outstanding. In addition, Orion LP expects to enter into a $355.0 million commercial mortgage backed security bridge loan ("CMBS Bridge Loan"), which Orion LP expects to refinance with commercial mortgage-backed security financing prior to the maturity of the CMBS Bridge Loan. Of the proceeds under the Orion Revolving Credit Facility, the Orion Term Loan and the CMBS Bridge Loan, $595.8 million will be distributed to the partners of Orion LP and, in turn, be contributed to Realty Income in accordance with the Separation and Distribution Agreement. The remainder of the proceeds are anticipated to be used to pay fees and expenses related to the origination of the Orion Credit Facilities and the CMBS Bridge Loan and to finance working capital needs. As a result of these transactions, following the completion of the separation, we expect to have approximately $616.1 million in consolidated outstanding indebtedness, $10.0 million in cash, and $263.9 million of availability under our revolving credit facility.
What will Orion's relationship be with Realty Income following the Distribution?	Orion and Realty Income will be independent companies following the Distribution. As of or

	prior to the Distribution, Orion will enter into the Separation and Distribution Agreement with Realty Income. In addition, as of or prior to the Distribution, Orion will enter into various other agreements to effect the Separation and the Distribution and provide a framework for its relationship with Realty Income after the Separation, such as the Transition Services Agreement, the Tax Matters Agreement and the Employee Matters Agreement. For additional information regarding the Separation and Distribution Agreement and other transaction agreements, please refer to the sections entitled "Risk Factors — Risks Related to the Separation and the Distribution" and "Certain Relationships and Related Person Transactions."
Who will manage Orion after the Distribution?	Orion's management team will include experienced REIT professionals who have a detailed understanding of Orion's properties and assets. After the Distribution, Paul H. McDowell will be Orion's Chief Executive Officer and also a member of Orion's board of directors, and Gavin Brandon, Gary Landriau and Chris Day, current senior management of VEREIT, will serve as Orion's other executive officers. None of Orion's management team will hold positions with Realty Income or VEREIT following the Distribution. For more information regarding Orion's management, please refer to "Management."
Are there risks associated with owning shares of Orion common stock?	Yes. Ownership of shares of Orion common stock is subject to both general and specific risks related to Orion's business, the industry in which it operates, its ongoing contractual relationships with Realty Income and its status as a separate, publicly traded company. Ownership of Orion common stock is also subject to risks relating to the Separation. These risks are described in the "Risk Factors" section of this information statement beginning on page 43. You are encouraged to read that section carefully.
Does Orion plan to pay dividends?	Orion generally intends to pay dividends in an amount at least equal to the amount that will be required for Orion to qualify as a REIT and to a

	Tax Considerations Regarding Orion's Taxation as a REIT." Dividends paid by Orion will be authorized and determined by Orion's board of directors, in its sole discretion, out of legally available funds, and will be dependent upon a number of factors, including restrictions under applicable law and other factors described under "Dividend Policy." Orion may pay dividends from sources other than cash flow from operations or funds from operations ("FFO"), which may reduce the amount of capital available for operations, may have negative tax implications, and may have a negative effect on the value of your shares under certain conditions. Orion cannot assure you that its dividend policy will remain the same in the future, or that any estimated dividends will be paid or sustained.
Who will be the distribution agent for the Orion common stock?	The distribution agent for the Orion common stock will be CTC. For questions relating to the transfer or mechanics of the Distribution, you should contact: Computershare, Inc. and Computershare Trust Company, N.A. c/o Computershare Investor Services P.O. Box 505005 Louisville, KY 30233-5005 Toll Free: (877) 218-2434 International: (781) 575-3017 If your shares of Realty Income or VEREIT are held by a bank, broker or other nominee, you may call the information agent for the Distribution, Computershare Trust Company, N.A., toll free at (877) 218-2434 or (781) 575-3017 if located outside the United States. Banks and brokers should call .
Who will be the transfer agent for Orion common stock?	The transfer agent for the Orion common stock will be Computershare Trust Company, N.A.
Where can I find more information about Realty Income and Orion?	Before the Distribution, if you have any questions relating to Realty Income's business performance, you should contact: Realty Income Corporation 11995 El Camino Real San Diego, California 92130 Attention: Investor Relations (858) 284-5000 www.realtyincome.com

After the Distribution, Orion stockholders who have any questions relating to Orion's business performance should contact Orion at:

Orion Office REIT Inc.
2325 E. Camelback Road, Floor 8
Phoenix, AZ 85016
Attention: Investor Relations
www.ONLREIT.com

The Orion investor website is expected to be operational as of , 2021.

The websites of Realty Income and Orion are not incorporated by reference into this information statement.

SUMMARY HISTORICAL COMBINED FINANCIAL DATA — REALTY INCOME OFFICE ASSETS

The following tables set forth the summary historical combined financial data of the portion of the Orion Business currently owned by Realty Income, and certain other assets owned by subsidiaries of Realty Income (collectively, "Realty Income Office Assets"), which was carved out from the financial information of Realty Income. The summary historical financial data set forth below as of December 31, 2020 and 2019, and for the years ended December 31, 2020, 2019 and 2018 has been derived from Realty Income Office Assets' audited combined financial statements, which are included elsewhere in this information statement. The summary historical financial data set forth below as of June 30, 2021, and for the six months ended June 30, 2021 and 2020 has been derived from Realty Income Office Assets' unaudited combined financial statements, which are included elsewhere in this information statement.

The summary historical combined financial data set forth below does not indicate results expected for any future periods. The summary historical combined financial data is qualified in its entirety by, and should be read in conjunction with, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Realty Income Office Assets' combined financial statements and related notes thereto included elsewhere in this information statement.

	Six Months Ended June 30,		Year Ended December 31,		
(in millions)	2021	2020	2020	2019	2018
Income Statement Data					
Total revenues	$ 25.6	$ 26.9	$ 53.5	$ 53.5	$ 54.7
Total expenses	16.8	18.8	55.4	38.2	39.9
Total net income (loss)	$ 8.8	$ 8.1	$ (1.9)	$ 15.3	$ 14.8
Cash Flow Provided By (Used In)					
Operating Activities	$ 21.3	$ 22.0	$ 42.3	$ 40.0	$ 42.0
Investing Activities	(0.1)	(0.3)	(0.5)	(0.5)	(2.4)
Financing Activities	(24.7)	(21.2)	(41.7)	(38.6)	(49.6)

	As of June 30,	As of December 31,	
(in millions)	2021	2020	2019
Balance Sheet Data			
Total real estate, net	$ 489.2	$497.9	$534.1
Total assets	531.0	546.4	592.2
Mortgage payable, net	22.7	37.1	70.1
Total liabilities	35.4	49.3	84.2
Total equity	495.6	497.1	508.0

Funds From Operations ("FFO")

Realty Income Office Assets defines FFO, a non-GAAP financial measure, consistent with the National Association of Real Estate Investment Trusts' ("Nareit") definition, as net income or loss, plus depreciation and amortization of real estate assets, plus provisions for impairments of depreciable real estate assets.

Realty Income Office Assets considers FFO to be an appropriate supplemental measure of the operating performance of a real estate company as it is based on a net income analysis of property portfolio performance that adds back items such as depreciation and impairments for FFO. The historical accounting convention used for real estate assets requires straight-line depreciation of buildings and improvements, which implies that the value of real estate assets diminishes predictably over time. Since real estate values historically rise and fall with market conditions, presentations of operating results for a real estate company, using historical accounting for depreciation, could be less informative. The use of FFO is recommended by the real estate industry as a supplemental performance measure.

Adjusted Funds From Operations ("AFFO")

Realty Income Office Assets believes the non-GAAP financial measure AFFO provides useful information to investors because it is a widely accepted industry measure of the operating performance of real estate companies that is used by industry analysts and investors who look at and compare those companies. In particular, AFFO provides an additional measure to compare the operating performance of different real estate companies without having to account for differing depreciation assumptions and other unique revenue and expense items which are not pertinent to measuring a particular company's on-going operating performance. Therefore, Realty Income Office Assets believes that AFFO is an appropriate supplemental performance metric, and that the most appropriate GAAP performance metric to which AFFO should be reconciled is net (loss) income.

Other companies in our industry use a similar measurement, but they may use the term "CAD" (for Cash Available for Distribution), "FAD" (for Funds Available for Distribution) or other terms. Our AFFO calculations may not be comparable to AFFO, CAD or FAD reported by other companies, and other companies may interpret or define such terms differently.

Presentation of the information regarding FFO and AFFO is intended to assist the reader in comparing the operating performance of different real estate companies, although it should be noted that not all real estate companies calculate FFO and AFFO in the same way, so comparisons with other real estate companies may not be meaningful. Furthermore, FFO and AFFO are not necessarily indicative of cash flow available to fund cash needs and should not be considered as alternatives to net (loss) income as an indication of our performance. FFO and AFFO should not be considered as alternatives to reviewing our cash flows from operating, investing, and financing activities. In addition, FFO and AFFO should not be considered as measures of liquidity or of the ability to pay interest payments.

See the Non-GAAP Measures section below for descriptions of Realty Income Office Assets' non-GAAP measures and reconciliations to the most comparable measure in accordance with generally accepted accounting principles in the United States.

	Six Months Ended June 30,		Year Ended December 31,		
(in millions)	2021	2020	2020	2019	2018
Funds from operations (FFO)	$ 20.7	$ 21.2	$42.8	$42.2	$42.8
Adjusted funds from operations (AFFO)	$ 20.2	$ 20.8	$42.0	$40.8	$40.2

SUMMARY HISTORICAL COMBINED FINANCIAL DATA — VEREIT OFFICE ASSETS

The following tables set forth the summary historical combined financial data of the portion of the Orion Business currently owned by VEREIT, and certain other assets owned by subsidiaries of VEREIT (collectively, "VEREIT Office Assets"), which was carved out from the financial information of VEREIT. The summary historical financial data set forth below as of December 31, 2020 and 2019, and for the years ended December 31, 2020, 2019 and 2018 has been derived from VEREIT Office Assets' audited combined financial statements, which are included elsewhere in this information statement. The summary historical financial data set forth below as of June 30, 2021, and for the six months ended June 30, 2021 and 2020 has been derived from VEREIT Office Assets' unaudited combined and consolidated financial statements, which are included elsewhere in this information statement.

The summary historical combined and consolidated financial data set forth below does not indicate results expected for any future periods. The summary historical combined financial data is qualified in its entirety by, and should be read in conjunction with, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and VEREIT Office Assets' combined and consolidated financial statements and related notes thereto included elsewhere in this information statement.

	Six Months Ended June 30,		Year Ended December 31,		
(in millions)	2021	2020	2020	2019	2018
Income Statement Data:					
Total revenues	$ 81.3	$ 86.6	$ 170.9	$182.1	$180.0
Total expenses, net of other income and gains[1]	79.2	54.0	127.4	141.5	154.4
Total net income	2.1	32.6	43.5	40.6	25.6
Total net loss attributable to non-controlling interest	0.1	—	0.1	0.1	0.2
Total net income attributable to VEREIT Office Assets	$ 2.2	$ 32.6	$ 43.6	$ 40.7	$ 25.8
Cash Flow Provided By (Used In):					
Operating activities	$ 50.8	$ 56.1	$ 108.5	$112.6	$103.9
Investing activities	(5.4)	70.8	111.4	(17.1)	(16.5)
Financing activities	(44.7)	(127.0)	(219.4)	(94.5)	(90.5)

	As of June 30,	As of December 31,	
Balance Sheet Data:	2021	2020	2019
Total real estate, net	$ 1,147.4	$1,196.0	$1,375.1
Total assets	1,364.5	1,412.4	1,589.0
Mortgages payable, net	158.3	217.6	243.9
Total liabilities	186.4	250.9	278.9
Total equity	1,178.1	1,161.4	1,310.1

(1) Includes gain on disposition of real estate assets, net, of $11.4 million for the six months ended June 30, 2020 and $9.8 million for the year ended December 31, 2020, respectively. No such gain was recorded for the six months ended June 30, 2021 or years ended December 31, 2019 or 2018.

Funds From Operations ("FFO")

VEREIT Office Assets defines FFO, a non-GAAP financial measure, consistent with the Nareit definition, as net income or loss, plus depreciation and amortization of real estate assets, plus provisions for impairments of depreciable real estate assets.

VEREIT Office Assets considers FFO to be an appropriate supplemental measure of the operating performance of a real estate company as it is based on a net income analysis of property portfolio performance that adds back items such as gains or losses from disposition of property, depreciation and impairments for FFO. The historical accounting convention used for real estate assets requires straight-line depreciation of

buildings and improvements, which implies that the value of real estate assets diminishes predictably over time. Since real estate values historically rise and fall with market conditions, presentations of operating results for a real estate company, using historical accounting for depreciation, could be less informative. The use of FFO is recommended by the real estate industry as a supplemental performance measure.

Adjusted Funds from Operations ("AFFO")

VEREIT Office Assets uses adjusted funds from operations ("AFFO") as a non-GAAP supplemental financial performance measure to evaluate the operating performance of VEREIT Office Assets. AFFO, as defined by VEREIT Office Assets, excludes certain noncash items such as impairments of goodwill, intangible and right of use assets, straight-line rent, net direct financing lease adjustments, gains or losses on derivatives, reserves for loan loss, gains or losses on the extinguishment or forgiveness of debt and amortization of intangible assets, deferred financing costs, premiums and discounts on debt and investments, above-market lease assets and below-market lease liabilities. Management believes that excluding these costs from FFO provides investors with supplemental performance information that is consistent with the performance models and analysis used by management, and provides investors a view of the performance of our portfolio over time. AFFO allows for a comparison of the performance of our operations with other real estate companies, as AFFO, or an equivalent measure, is routinely reported by publicly-traded REITs, and VEREIT Office Assets believes often used by analysts and investors for comparison purposes.

VEREIT Office Assets believes FFO and AFFO, in addition to net income, 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 VEREIT Office Assets over time. However, not all real estate companies calculate FFO and AFFO the same way, so comparisons with other real estate companies may not be meaningful. FFO and AFFO should not be considered as alternatives to net income 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 AFFO and its use as a non-GAAP financial performance measure.

See the Non-GAAP Measures section below for descriptions of VEREIT Office Assets' non-GAAP measures and reconciliations to the most comparable measure in accordance with generally accepted accounting principles in the United States.

	Six Months Ended June 30,		Year Ended December 31,		
(in millions)	**2021**	**2020**	**2020**	**2019**	**2018**
Funds from operations (FFO)	$ 53.8	$ 54.1	$106.8	$115.0	$111.9
Adjusted funds from operations (AFFO)	55.4	55.5	109.0	114.4	103.6

RISK FACTORS

You should carefully consider the following risks and other information in this information statement 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 clients 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 clients, causing them to fail to meet their obligations to us. No assurances can be given regarding such macroeconomic factors or conditions, and our ability to lease our properties and increase or maintain rental rates 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 pandemic 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, and the recent increase in clients seeking to sublease their leased space, could result in decreased demand for office space. If this trend was to continue or accelerate, our clients may elect to not renew their leases, or to renew them for less space than they currently occupy, which could increase the vacancy 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, clients' needs may impact space requirements and also may require us to spend increased amounts for client improvements. If substantial office space reconfiguration is required, the client 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 a significant portion of our net income from rent received from our clients, and our profitability is significantly dependent upon ability to minimize vacancies in our properties and ensure our clients timely pay rent at an attractive rate. If a client 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 June 30, 2021, our portfolio had a weighted average lease term of 3.5 years, and six properties, with an aggregate 367,000 square feet, were vacant, including three properties, with an aggregate of 156,000 square feet, that have remained vacant for over one year. 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 one of our properties cannot be leased on terms and conditions favorable to us, the 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.

Some of our properties depend upon a single client 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 client.

As of June 30, 2021, a significant portion of our annualized rental revenue was from our properties leased to single clients. The value of our single client properties is materially dependent on the performance of those clients under their respective leases. These clients face competition within their industries and other factors that could reduce their ability to pay us rent. Lease payment defaults by such clients could cause us to reduce the amount of distributions that we pay to our shareholders. A default by a single or major client, the failure of a guarantor to fulfill its obligations or other premature termination of a lease to such a client or such client'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 clients have reduced their space utilization per employee and consolidated government clients 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 clients has been that government clients 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 clients' desire to reconfigure leased office space to manage utilization per employee may require us to spend significant amounts for client improvements, and client relocations are often more prevalent in those circumstances. Increasing uncertainty with respect to government agency budgets and funding to implement relocations, consolidations and reconfigurations has resulted in delayed decisions by some of our government clients and their reliance on short term lease renewals; however, recent activity prior to the outbreak of the COVID-19 pandemic suggested that the U.S. government had begun to shift its leasing strategy to include longer term leases and was actively exploring 10 to 20 year lease terms at renewal, in some instances. It is also possible that as a result of the COVID-19 pandemic, government clients 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 client 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 noncontrolling interests in, or share responsibility for, managing the affairs of a property, partnership, co-tenancy or other entity. We, VEREIT and Realty Income may market minority interests in certain of our properties prior to the Merger Effective Time.

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 expect, prior to the Distribution, to enter 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.

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 will be 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.

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 client 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 clients.

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 clients, 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;
- competition for clients 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 and real estate taxes, due to inflation and other factors;
- changes in tax, real estate and zoning laws;
- changes in governmental rules and fiscal policies;
- inability of clients 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, 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 clients and to attract new clients. 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 clients, heightened competition may require us to give rent concessions or provide client 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 clients, we may lose potential clients, 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 clients upon expiration of their existing leases. Even if our clients 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 client improvement allowances, leasing commissions, declining rental rates, and 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 client improvement, leasing commissions, or other costs may have a material adverse effect on our business, financial condition and results of operations.

Client 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 clients 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 client becomes insolvent or bankrupt, we cannot be sure that we could recover the premises from the client promptly or from a trustee or debtor-in-possession in any bankruptcy proceeding relating to that client. 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 client becomes bankrupt, the federal bankruptcy code will apply and, in some instances, may restrict the amount and recoverability of our claims against the client. A client'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 clients 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 clients 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 clients 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 clients. If our clients elect to terminate their leases early, it 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 client 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 clients. 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 that are acceptable to us, for any property that we are required to sell for liquidity reasons. 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:

- 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 following the Distribution, 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 clients 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.

We, our clients 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.

We, our clients 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.

Failure to comply with these requirements could subject us, or our clients, 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 clients, 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 client'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 clients 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 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.

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. 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, clients 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 clients, among other things. There can be no assurance that our efforts to maintain 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.

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 will become 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 will be 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. Although management will continue to review the effectiveness of our disclosure controls and procedures and internal controls over financial reporting, there can be no guarantee that our internal controls over financial reporting will be effective in accomplishing all of our control objectives. If we are not able to comply with these and other requirements in a timely manner, or if we or our independent registered public accounting firm identify deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses, the market price of shares of our common stock could decline and we could be subject to sanctions or investigations by the NYSE, the SEC or other regulatory authorities, which may have a material adverse effect on our business, financial condition and results of operations.

The success of our business following the Distribution 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.

Additionally, our success after the Distribution will depend in part upon our ability to retain key former employees of VEREIT. Key employees may depart either before or after the Distribution because of issues relating to the uncertainty and difficulty of the Mergers, the Separation or a desire not to remain with us following the Distribution. Accordingly, no assurance can be given that following the Distribution, we will be able to retain key employees, which 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.

Immediately following the Distribution, we expect to have approximately $615.0 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 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, our credit ratings could be further adversely affected, which 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.

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

Following the Distribution, we may 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.

We are highly leveraged. Our governing documents do not limit the amount of indebtedness we may incur and we may become more highly leveraged.

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.

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

Certain lenders have agreed to provide us the Orion Credit Facilities. The credit agreement governing the Orion Credit Facilities is expected to contain restrictions on the amount of debt we may incur and other restrictions and requirements on its operations. 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 are expected to 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.

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.

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.

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. For more information, see "Certain Relationships and Related Person Transactions — Agreement with Realty Income."

Risks Related to the Separation and the Distribution

Following the Distribution, our business and operating results could be negatively affected if Realty Income is unable to successfully integrate the office businesses of Realty Income and VEREIT.

The Merger involves the combination of two companies which currently operate as independent public companies. The Separation and the Distribution involve the separation, reorganization and distribution of the assets of two companies that currently operate as independent public companies. Each of Realty Income (including Merger Sub 1 and VEREIT OP as successors in the Mergers) and VEREIT will be required to devote significant management attention and resources to the Separation and the Distribution. Potential difficulties we, Realty Income or VEREIT may encounter in the overall integration process following the Merger, or in the Separation and the Distribution specifically, include the following:

- lost revenue and clients as a result of certain clients of either of Realty Income or VEREIT deciding not to do business with us;
- 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, Realty Income or VEREIT to retain key former employees of either of Realty Income or VEREIT;
- the complexities of combining two companies with different histories, cultures, regulatory restrictions, markets and client 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 associated with the Mergers, the Separation and the Distribution;
- challenges in retaining the clients of each of Realty Income and VEREIT prior to the Distribution; and
- the effect of any or all of the above on the successful consummation of the Separation and Distribution.

For all these reasons, you should be aware that it is possible that the integration process or the Separation and the Distribution 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 clients, 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.

We have no operating history as an independent company, and our historical and pro forma financial information is not necessarily representative of the results that we would have achieved as a separate, publicly traded company and may not be a reliable indicator of our future results.

The historical information about our business in this information statement refers to the legacy Realty Income portion of the Orion Business as operated and integrated with the legacy VEREIT portion of the Orion Business. Our historical and pro forma financial information included in this information statement is derived from the consolidated financial statements and accounting records of Realty Income and VEREIT, prior to the Merger. Accordingly, the historical and pro forma financial information included in this information statement does not necessarily reflect the financial condition, results of operations or cash flows that we would have achieved as a separate, publicly traded company during the periods presented, or those that we will achieve in the future. Factors which could cause our results to materially differ from those reflected in such historical and pro forma financial information and which may adversely impact our ability to achieve similar results in the future may include, but are not limited to, the following:

- the financial results in this information statement do not reflect all of the expenses we will incur as a public company;
- prior to the Separation and the Distribution, portions of our business have been operated by VEREIT and Realty Income, as applicable, and as part of their respective corporate organizations. We will need to make investments to replicate or outsource from other providers certain facilities, systems, infrastructure, and personnel to which we will no longer have access after the Distribution, which will be costly;
- after the Distribution, we will be 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 client relationships. Although we will enter 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 the assets we will acquire in the Separation were satisfied as part of the corporation-wide cash management policies of Realty Income and VEREIT, respectively. Following the Distribution, while we have secured commitments for the Orion Credit Facilities, we may need to obtain additional financing from banks, through public 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 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. For additional information about the past financial performance of our business assets and the basis of presentation of the historical combined financial statements and the unaudited pro forma condensed combined financial statements of our business, please see "Unaudited Pro Forma Condensed Combined Financial Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical financial statements and accompanying notes included elsewhere in this information statement.

Realty Income may fail to perform under various transaction agreements that will be 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.

As of or prior to the Distribution, we will enter 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 will 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. For more information, see "Certain Relationships and Related Person Transactions."

The distribution of shares of Orion common stock in the Distribution is expected to be treated as a taxable distribution to Realty Income common stockholders for U.S. federal income tax purposes.

The distribution of shares of Orion common stock in the Distribution is expected to be treated as a taxable distribution to Realty Income common stockholders (which will include the former VEREIT stockholders that received Realty Income common stock in the Merger and continue to hold such stock as of the close of business on the record date for the Distribution) for U.S. federal income tax purposes. Accordingly, an amount equal to the fair market value of the shares of Orion common stock received by a U.S. holder (as defined in "Material U.S. Federal Income Tax Consequences") of Realty Income common stock in the Distribution is expected to generally be treated as a taxable dividend to the extent of the U.S. holder's ratable share of any current or accumulated earnings and profits of Realty Income allocable to the Distribution, with the excess treated first as a non-taxable return of capital to the extent of the U.S. holder's tax basis in Realty Income common stock and any remaining excess treated as capital gain. A U.S. holder's tax basis in shares of Realty Income common stock held at the time of the Distribution is expected to be reduced (but not below zero) to the extent the fair market value of shares of Orion common stock distributed by Realty Income to such holder in the Distribution exceeds such holder's ratable share of Realty Income's current and accumulated

earnings and profits allocable to the Distribution. The U.S. holder's holding period for such Realty Income shares for U.S. federal income tax purposes will not be affected by the Distribution. Realty Income will not be able to advise you of the amount of earnings and profits of Realty Income until after the end of the calendar year in which the Distribution occurs. Realty Income or other applicable withholding agents may be required or permitted to withhold at the applicable rate on all or a portion of the Distribution payable to non-U.S. holders (as defined in "Material U.S. Federal Income Tax Consequences") of Realty Income common stock, and any such withholding would be satisfied by Realty Income or such agent by withholding and selling a portion of the shares of Orion common stock that otherwise would be distributable to non-U.S. holders or by withholding from other property held in the non-U.S. holder's account with the withholding agent.

Although Realty Income will be ascribing a value to the shares of Orion common stock in the Distribution for tax purposes, this valuation is not binding on the United States Internal Revenue Service (the "IRS") or any other taxing authority. These taxing authorities could ascribe a higher valuation to those shares, particularly if shares of Orion common stock trade at prices significantly above the value ascribed to those shares by Realty Income in the period following the Distribution. Such a higher valuation may cause a larger reduction in the tax basis of Realty Income common stock held by its common stockholders or may cause such stockholders to recognize additional dividend or capital gain income. You should consult your tax advisor as to the particular tax consequences of the Distribution to you, including the applicability of any U.S. federal, state, local and non-U.S. tax laws.

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, the principal corporate transactions required to effect the Separation and the Distribution, certain conditions to the Separation and the Distribution and provisions governing our relationship with Realty Income with respect to and following the Distribution. Among other things, the Separation and Distribution Agreement provides for 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 will assume 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.

Realty Income or VEREIT may not be able to transfer their interests in certain properties in the Separation pursuant to certain agreements, due to the need to obtain the consent of third parties.

The co-owned nature of some of Realty Income's and VEREIT's properties, along with certain covenants and other restrictions contained in debt agreements secured by certain of the legacy Realty Income and VEREIT properties, may require Realty Income or VEREIT to obtain co-venturer or lender consent in order for such properties to be transferred to us in the Separation. There is no assurance that Realty Income or VEREIT, as applicable will be able to obtain such consents on terms that it determines to be reasonable, or at all. Failure to obtain such consents could require Realty Income to retain properties subject to these consents, which may have a material adverse effect on our business, financial condition and results of operations.

After the Distribution, 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.

We expect that certain of our directors will be persons who are or have served as directors of Realty Income or who may own Realty Income common stock or other equity awards. Following the Distribution, even though our board of directors will consist of a majority of independent directors, we expect that 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.

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 clients; (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.

Because the Separation and the Distribution involve the combination and division of certain of VEREIT's and Realty Income's existing businesses into an independent company, we expect to enter 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 will be determined while portions of our business are still owned by Realty Income and VEREIT and will be negotiated by persons who are at the time employees, officers or directors of VEREIT, Realty Income or their subsidiaries, or who expect to be 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 will be negotiated, we will not have a board of directors that will be 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.

No vote of the VEREIT or Realty Income stockholders is required in connection with the Separation or the Distribution, so stockholder recourse is limited to divestiture.

No vote of the VEREIT or Realty Income stockholders is required in connection with the Separation and the Distribution. Accordingly, if the Distribution occurs and you do not want to receive Orion common stock in the Distribution, your only recourse will be to divest your shares of VEREIT or Realty Income common stock either prior to the Merger Effective Time or, with respect to Realty Income stockholders only, the record date for the Distribution.

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.

Substantial sales of our common stock may occur in connection with the Distribution, which could cause our share price to decline.

The common stock that Realty Income intends to distribute to its stockholders generally may be sold immediately in the public market. Upon completion of the Distribution, we expect that we will have an aggregate of approximately 6,023 million shares of common stock issued and outstanding, based on the number of issued and outstanding shares of Realty Income common stock as of the record date. Shares of Orion common stock following the Distribution will be freely tradable without restriction or further registration under the U.S. Securities Act of 1933, as amended, (the "Securities Act") unless the shares are owned by one of our "affiliates," as that term is defined in Rule 405 under the Securities Act.

Although we have no actual knowledge of any plan or intention on the part of any of our 5% or greater stockholders to sell their shares of Orion common stock following the Distribution, it is possible that some of our large stockholders will sell our common stock that they receive in the Distribution. For example, our stockholders may sell our common stock because our concentration in office real properties, our business profile or our market capitalization as an independent company does not fit their investment objectives, or because shares of our common stock are not included in certain indices after the Distribution. A portion of Realty Income common stock is held by index funds, and if we are not included in these indices at the time of the Distribution, these index funds may be required to sell our shares. The sales of significant amounts of our common stock, or the perception in the market that this may occur, may result in the lowering of the market price of our shares, 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) 90% of our funds from operations, and (2) the amount required for us to qualify and maintain our status as a REIT and to avoid the payment of any income or excise taxes. Other permitted dividends include, among other things, the amount required for us to avoid the imposition of income and excise taxes. Any inability to pay dividends may 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.

No market currently exists for the Orion common stock and we cannot be certain that an active trading market for our common stock will develop or be sustained after the Distribution. The combined post-Distribution value of Realty Income common stock and our common stock may not equal or exceed the value of Realty Income common stock prior to the Distribution, and the price of our common stock may be volatile or may decline.

A public market for our common stock does not currently exist. We anticipate that beginning as early as two trading days before the record date, trading of our common stock will begin on a "when-issued" basis and will continue through the Distribution Date. However, we cannot guarantee that an active trading market will develop or be sustained for our common stock after the Distribution. Nor can we predict the prices at which our common stock may trade after the Distribution. 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 clients 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 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.

Additionally, we cannot assure you that the combined trading prices of Realty Income common stock and our common stock after the Distribution will be equal to or greater than the trading price of Realty Income common stock prior to the Distribution. Until the market has fully evaluated the combined businesses of Realty Income and VEREIT without the Orion Business, the price at which Realty Income common stock trades may fluctuate more significantly than might otherwise be typical, even with other market conditions, including general volatility, held constant. Similarly, until the market has fully evaluated our business as a stand-alone entity, the prices at which shares of our common stock trade may fluctuate more significantly than might otherwise be typical, even with other market conditions, including general volatility, held constant. The increased volatility of our stock price following the Distribution may have a material adverse effect on our business, financial condition and results of operations.

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 will be organized and operate in a manner that will allow us to qualify and to remain qualified as a REIT for U.S. federal income tax purposes commencing with our initial taxable year ending 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 information statement are not binding on the IRS or any court. Therefore, we cannot guarantee that we will qualify 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.

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. See “Material U.S. Federal Income Tax Consequences — Material U.S. Federal Income Tax Considerations Regarding Orion’s Taxation as a REIT — Taxation of Orion.” In addition, 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 qualify 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 (each a "TRS") 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, or fails, 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 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 member, 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.

We may pay dividends 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. Taxable

stockholders receiving such distributions will be required to report dividend income as a result of such distribution for both the cash and stock components of the distribution and even if we distributed no cash or only nominal amounts of cash to such shareholder.

If we make any taxable dividend payable in cash and common stock, taxable stockholders receiving such dividends will be required to include the full amount of the dividend as ordinary income 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 dividends received. If a stockholder sells shares of our stock that it receives as a dividend in order 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. Furthermore, with respect to certain non-U.S. stockholders, we may be required to withhold federal income tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in our stock. If, in any taxable dividend payable in cash and stock, a significant number of our stockholders determine to sell shares of our stock in order to pay taxes owed on dividends, it may be viewed as economically equivalent to a dividend reduction and put downward pressure on the market price of 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 client if the income derived by us from that client 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 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 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.

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

One of the factors that will influence the price of our common stock following the Distribution 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, prior to the completion of the Distribution, we intend to adopt an equity compensation plan, and we may 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 LP 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.

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 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.

Following the Distribution, we will be 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 . Our financial results historically were included within the consolidated results of Realty Income and VEREIT, and until the Distribution occurs, we have not been and will not be directly subject to reporting and other requirements of the Exchange Act and Section 404 of the Sarbanes-Oxley Act. After the Distribution, we will 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 may 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 will, however, be immediately subject to Section 404(a) of the Sarbanes-Oxley Act and, as of the expiration of our emerging growth company status, 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 beginning in our second annual report filed after the distribution 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 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.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This information statement and other materials we and Realty Income have filed or will file with the SEC contain, or will contain, forward-looking statements. Certain statements that are not in the present or past tense or that discuss our expectations (including any use of the words "anticipate," "assume," "believe," "estimate," "expect," "forecast," "guidance," "intend," "may," "might," "outlook," "project," "should" or similar expressions) are intended to identify such forward-looking statements, which generally are not historical in nature. The matters discussed in these forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those projected, anticipated or implied in the forward-looking statements.

Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained, and it is possible that our actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks and uncertainties. Such factors include, but are not limited to:

- Realty Income's inability or failure to perform under the various transaction agreements effecting the Separation and the Distribution;
- our lack of operating history as an independent company;
- conditions associated with the global market, including an oversupply of office space, client financial difficulties and general economic conditions;
- that the Distribution will not qualify for tax-free treatment;
- our ability to meet mortgage debt obligations on certain of our properties;
- the availability of refinancing current debt obligations;
- existing and potential co-investments with third-parties;
- changes in any credit rating we may subsequently obtain;
- 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 actual or perceived impact of global and economic conditions;
- our ability to enter into new leases or renewal leases on favorable terms;
- the potential for termination of existing leases pursuant to client termination rights;
- the amount, growth and relative inelasticity of our expenses;
- risks associated with the ownership and development of real property;
- risks associated with the Arch Street Joint Venture and any potential future equity investments;
- the outcome of claims and litigation involving or affecting the company;
- the ability to satisfy conditions necessary to close pending transactions and the ability to successfully integrate pending transactions;
- applicable regulatory changes;
- risks associated with acquisitions, including the integration of the combined businesses of VEREIT and Realty Income;
- risks associated with the fact that our historical and pro forma financial information may not be a reliable indicator of our future results;
- risks associated with achieving expected synergies or cost savings;
- risks associated with the potential volatility of our common stock; and
- other risks and uncertainties detailed from time to time in our SEC filings.

Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, of new information, data or methods, future events or other changes.

Other factors that could cause actual results or events to differ materially from those anticipated include the matters described under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." In particular, information included under "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business and Properties," and "The Separation and the Distribution" contain forward-looking statements.

THE SEPARATION AND THE DISTRIBUTION

Background

On April 29, 2021, Realty Income, VEREIT, VEREIT OP, Merger Sub 1, and Merger Sub 2 entered into the Merger Agreement, pursuant to which Merger Sub 2 will merge with and into VEREIT OP, with VEREIT OP continuing as the surviving partnership. Pursuant to the Merger Agreement and immediately following the Partnership Merger, VEREIT will merge with and into Merger Sub 1, with Merger Sub 1 continuing as the surviving corporation. In connection with the Merger, each VEREIT common stockholder will have the right to receive 0.705 newly issued shares of Realty Income common stock, par value $0.01 per share ("Realty Income common stock"), for each share of VEREIT common stock, par value $0.01 per share ("VEREIT common stock") that they own immediately prior to the Merger Effective Time (and such ratio, the "Exchange Ratio"). In connection with the Partnership Merger, each VEREIT OP common unit (other than those held by VEREIT or Realty Income and their respective affiliates) will be converted into the right to receive 0.705 newly issued shares of Realty Income common stock.

Upon consummation of the Merger, we will initially be a wholly owned subsidiary of Realty Income. Immediately after the Merger Effective Time, 92 office properties will be separated from the remainder of Realty Income's business through the Separation. Subject to the satisfaction or waiver of the conditions to the Distribution, all of the outstanding shares of Orion common stock will be distributed pro rata to the holders of Realty Income common stock, including former VEREIT common stockholders and certain former VEREIT OP common unitholders.

On August 12, 2021, the VEREIT stockholders voted affirmatively to approve the Merger. On August 12, 2021, the Realty Income stockholders voted affirmatively to approve the issuance of shares of Realty Income common stock in connection with the transactions contemplated by the Merger Agreement. On , 2021, the Realty Income board of directors approved the distribution of all of the issued and outstanding shares of Orion common stock at a ratio of share of one share of common stock for every ten shares of Realty Income common stock held as of the close of business on the record date of , 2021. Following the Distribution, we and Realty Income will be two independent, publicly traded REITs.

The Merger is expected to close on , 2021, subject to the satisfaction or waiver of all conditions to closing set forth in the Merger Agreement. The record date for the Distribution assumes the closing of the Mergers occurs at least one business day prior to the record date for the Distribution. If the closing is delayed past such date, the Realty Income board of directors intends to change the record date to a date that is at least one business day after the Closing. It is expected that, on , 2021, subject to the satisfaction or waiver of all conditions to the Distribution set forth in the Separation and Distribution Agreement, each Realty Income common stockholder (including former VEREIT common stockholders and certain former VEREIT OP common unitholders) will be entitled to receive one share of Orion common stock for every ten shares of Realty Income common stock held at the close of business on the record date.

Orion will not distribute fractional shares of its common stock in the Distribution. Instead, all fractional shares that Realty Income stockholders would otherwise have been entitled to receive will be aggregated into whole shares and sold in the open market by CTC. We expect CTC, acting on behalf of Realty Income, to take about several weeks after the Distribution Date to fully distribute the aggregate net cash proceeds of these sales on a pro rata basis (based on the fractional share such holder would otherwise be entitled to receive) to those stockholders who would otherwise have been entitled to receive fractional shares. Recipients of cash in lieu of fractional shares will not be entitled to any interest on the amounts of payment made in lieu of fractional shares.

Realty Income and VEREIT stockholders will not be required to make any payment, surrender or exchange their Realty Income common stock or VEREIT common stock, or take any other action to receive their shares of Orion common stock in the Distribution. The Distribution of Orion common stock as described in this information statement is subject to the satisfaction or waiver of certain conditions, including consummation of the Separation. For a more detailed description of these conditions, please refer to the section entitled "The Separation and Distribution Agreement — Conditions to the Distribution." Upon completion of the Merger and the Distribution, we estimate that former Realty Income common stockholders will own approximately 70% of the common stock of each of Realty Income and Orion, and former VEREIT

common stockholders and certain former VEREIT OP common unitholders will collectively own approximately 30% of the common stock of each of Realty Income and Orion.

Reasons for the Separation and the Distribution

The Realty Income board of directors believes that the Separation and the Distribution are in the best interests of Realty Income and its stockholders for a number of reasons, including the following:

- ***Allow Realty Income's management to focus on its core portfolio and strategy, while enabling our management to focus on enhancing the value of our portfolio.*** The Separation and the Distribution will allow Realty Income's management to focus on its core portfolio and strategy. We believe that our focus on our portfolio and strategy will allow us to more effectively create value for our shareholders.
- ***Create two separate, focused companies executing distinct business strategies.*** Historically, Realty Income and VEREIT have both focused on a diversified net lease strategy. By separating the Orion Business into a stand-alone REIT, investors will have the opportunity to invest into separate companies, each with dedicated management teams focusing on distinct business strategies.
- ***Provide an opportunity for our dedicated and experienced management team to implement and execute our growth strategy.*** Separating the Orion Business from the remainder of Realty Income's business, and providing a dedicated and experienced management team and other key personnel to operate the Orion Business will allow our management team to devote their full focus and attention to our assets, which will allow these assets to realize their full potential.
- ***Enhance investor transparency and better highlight Realty Income's and our attributes.*** The Separation and the Distribution will enable potential investors and the financial community to evaluate us and Realty Income separately and better assess the distinctive merits, performance and future prospects of each business. Additionally, the Separation and the Distribution will allow individual investors to better control their asset allocation decisions, providing investors the opportunity to invest in a well-capitalized REIT that is positioned to take advantage of a recovery in the office sector.

The Realty Income board of directors also considered a number of potentially negative factors in evaluating the Separation and the Distribution, including the following:

- ***Assumption of certain costs and liabilities.*** Certain costs and liabilities of Realty Income will have an increased impact on us as a stand-alone company, and we and Realty Income will separately bear certain costs, such as the costs associated with being a public company.
- ***One-time costs of the Separation.*** Each of Realty Income and us will incur costs in connection with our transition to being a separate, stand-alone public company, that may include accounting, tax, legal and other professional services costs and costs to separate information systems.
- ***Inability to realize anticipated benefits of the Separation.*** We may not achieve the anticipated benefits of the Separation for a variety of reasons, including: (i) following the Separation, we may be more susceptible to market fluctuations and other adverse events than if we were still a part of Realty Income or VEREIT; and (ii) following the Separation, Orion's business will be less diversified than Realty Income's and VEREIT's businesses prior to the Separation.
- ***Taxability of the Distribution***. The Distribution is expected to be treated as a taxable distribution to Realty Income common stockholders for U.S. federal income tax purposes.

The Realty Income board of directors concluded that the potential benefits of the Separation outweighed these factors. For more information, see "Risk Factors" beginning on page 43.

Ownership Structure

Structure and Formation of Orion Prior to Realty Income's Distribution

We were formed as a Maryland corporation on July 1, 2021, and, until the Distribution, will be a wholly owned subsidiary of Realty Income. Following the Merger Effective Time, we, Realty Income and VEREIT will complete the Separation to separate the Office Properties of Realty Income and VEREIT, such that

ownership of Realty Income and VEREIT's office real properties will be consolidated within us and our subsidiaries. Following the Distribution, we, through our operating partnership, Orion LP, will own and operate the Orion Business and certain other assets previously owned by Realty Income and VEREIT.

Following the Separation, Orion LP will function as our operating partnership. The assets and liabilities associated with the Orion Business will be held by our operating partnership, of which we will be the general partner and hold a 100% direct general partner interest, and we will hold an indirect 100% limited partner interest.

Prior to the Separation, each of Realty Income and VEREIT will use commercially reasonable efforts to obtain any third-party consents required to effect the separation of assets and liabilities contemplated by the Separation and Distribution Agreement. To the extent that a party is unable to obtain a release from a guarantee or other obligation that is contemplated to be assigned to the other party, the party benefitting from the guarantee or obligation will indemnify and hold harmless the other party from any liability arising from such guarantee or obligation, and will not renew or extend the term of, increase obligations under, or transfer, the applicable obligation or liability.

The following transactions, among others, are expected to occur following the Merger Effective Time, in advance of the Distribution:

- Realty Income and VEREIT will have taken all actions necessary to complete the Separation, including but not limited to the following steps:
  - We will have organized a new Maryland limited partnership, Orion LP, which initially is wholly owned by us as the initial general partner and Orion Office REIT LP LLC, a Maryland limited liability company and wholly owned subsidiary of Orion, as the initial limited partner and have partnership agreements with provisions that are customary for REIT partnerships.
  - Following the Merger Effective Time, VEREIT OP will contribute its office properties and certain other assets specified in the Separation and Distribution Agreement (as hereinafter defined) to Orion LP, and retain its interest in all other assets.
  - Orion LP will enter into the Orion Credit Facilities.
- as a result of the Merger and the Separation, we will own 92 office properties, subject to approximately $180.7 million of existing secured property level indebtedness, based on principal balances as of June 30, 2021, and reduced by $14.9 million in principal repayments in August and all of which is expected to be repaid by Realty Income in full prior to the Distribution;
- immediately following the Merger Effective Time, we are expected to hold, directly through our 100% general partner interests or indirectly through our ownership of the limited partner, Orion Office REIT LP LLC; and
- in addition to the Separation and Distribution Agreement, as of or prior to the Distribution, we and Realty Income will enter into the Transition Services Agreement, the Tax Matters Agreement and the Employee Matters Agreement.

The Orion Charter provides for two classes of stock: common stock and preferred stock. Subject to satisfaction of the conditions to the Distribution, Realty Income will effect the distribution of Orion common stock to Realty Income common stockholders as of the close of business on the record date as described above under "—Background."

The Separation and Distribution Agreement

The following discussion summarizes the material provisions of the Separation and Distribution Agreement. The Separation and Distribution Agreement sets forth, among other things, our agreements with Realty Income regarding the principal transactions necessary to separate us from Realty Income. It also sets forth other agreements that govern certain aspects of our relationship with Realty Income after the Distribution Date. The form of this agreement will be filed as an exhibit to the registration statement on Form 10 of which this information statement is a part.

Assumption of Liabilities

The Separation and Distribution Agreement identifies the assets to be transferred, the liabilities to be assumed and the contracts to be assigned to each of us and Realty Income as part of the Separation, and it provides for when and how these transfers, assumptions and assignments will occur. In particular, the Separation and Distribution Agreement provides, among other things, that subject to the terms and conditions contained therein:

- certain assets related to our businesses (the "Orion Assets") will be retained by Orion or one of Orion's subsidiaries or transferred to Orion or one of Orion's subsidiaries, including:
  - all issued capital stock or other equity interests in subsidiaries, partnerships or similar entities that primarily relate to the Orion Business, including certain subsidiaries that currently own or shall own, prior to the Distribution, Office Properties;
  - all right, title and interest (whether as owner, mortgagee or holder of a security interest) of the properties described in the section "Our Portfolio", which shall be achieved through a combination of direct transfers of the property, or the equity interests of certain subsidiaries, partnerships or similar entities that own such properties;
  - all equity interests held by VEREIT and its subsidiaries in the Arch Street Joint Venture;
  - all of the intellectual property relating to Orion's business;
  - all contracts entered into in the name of, or expressly on behalf of, any of Orion's business;
  - all permits used primarily in Orion's business;
  - all books and records, wherever located, primarily related to Orion's business;
  - all accounts receivable, rights, claims, demands, causes of action, judgments, decrees and rights to indemnify or contribution in favor of Realty Income that are primarily related to Orion's business; and
  - other assets mutually agreed by the parties prior to the Distribution;
- certain liabilities related to Orion's business or the Orion Assets (collectively, the "Orion Liabilities") will be retained by or transferred to Orion or one of Orion's subsidiaries, including:
  - the Orion Credit Facilities;
  - all liabilities relating to Orion's business;
  - all liabilities (including environmental liabilities) relating to underlying circumstances or facts existing, or events occurring, prior to the Distribution, to the extent relating to us or the Orion Assets;
  - all guarantees and indemnitees in respect of any of the Orion Assets or Orion Liabilities;
  - all third-party claims to the extent relating to Orion's business and the Orion Assets;
  - all insurance charges related to the Office Property Business and Orion Assets;
  - other liabilities mutually agreed upon by the parties prior to the Distribution; and
  - except all of the assets and liabilities (including whether accrued, contingent, or otherwise) other than the Orion Assets and Orion Liabilities, including such assets other than the Orion Assets (the "Realty Income Assets") and such liabilities other than the Orion Liabilities (the "Realty Income Liabilities"), will be retained by or transferred to Realty Income or one of its subsidiaries.

Information in this information statement with respect to the assets and liabilities of the parties following the Distribution is presented based on the allocation of such assets and liabilities pursuant to the Separation and Distribution Agreement, unless the context otherwise indicates. The Separation and Distribution Agreement provides that, in the event that the transfer or assignment of certain assets and liabilities to us or Realty Income, as applicable, does not occur prior to the Separation, then until such assets or liabilities can be transferred or assigned, we or Realty Income, as applicable, will hold such assets on behalf of and for the

benefit of the other party and will pay, perform and discharge such liabilities, for which the other party will reimburse us or Realty Income, as applicable, for all commercially reasonable payments made in connection with the performance and discharge of such liabilities.

The Distribution

The Separation and Distribution Agreement governs the rights and obligations of the parties regarding the Distribution following the completion of the Separation. On the Distribution Date, Realty Income will distribute to its common stockholders (including former VEREIT common stockholders) that held shares of Realty Income common stock as of the record date all of the issued and outstanding shares of Orion common stock on a pro rata basis. No holders of units or other interests of Realty Income, L.P. will be entitled to receive any Orion LP units or any other form of compensation from us in connection with the Distribution (other than the $595.8 million contribution of funds borrowed under the Orion Term Loan, Orion Revolving Credit Facility and CMBS Bridge Loan described below).

Conditions to the Distribution

The Separation and Distribution Agreement provides that the Distribution is subject to the satisfaction (or waiver by Realty Income) of certain conditions, including:

- the consummation of the Mergers;
- the consummation of the Separation;
- the execution of a credit agreement by us and the Lenders (as defined below) for, and the satisfaction of conditions to, borrowing under the Orion Credit Facilities,
- the distribution of $595.8 million of funds borrowed under the Orion Term Loan, Orion Revolving Credit Facility and CMBS Bridge Loan to the partners of Orion LP, which in turn will, directly or indirectly, contribute such funds to Realty Income;
- the SEC declaring effective the registration statement of which this information statement forms a part, with no stop order in effect with respect thereto, and no proceeding for such purpose pending before, or threatened by, the SEC;
- the mailing of this information statement;
- no order, injunction, or decree issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Separation, the Distribution or any of the related transactions shall be in effect;
- the Orion common stock to be distributed shall have been approved for listing on the NYSE, subject to official notice of distribution; and
- the execution of ancillary agreements by us and Realty Income, including the Transition Services Agreement, the Tax Matters Agreement and the Employee Matters Agreement.

Release of Claims

Neither party will be liable to the other for indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages, other than with respect to a third-party claim. Each of us and Realty Income will also release the other party and its directors, officers, employees, agents and equity holders from all pre-closing liabilities related to the releasing party's business or assets owned by such party after the Distribution, other than liabilities for any willful or intentional misconduct, fraud, gross negligence or bad faith. Neither party will make any claim against the other or such directors, officers, employees, agents or equity holders with respect to any such liability.

Indemnification

In the Separation and Distribution Agreement, we agree to indemnify, defend and hold harmless Realty Income, each of its affiliates and each of their respective directors, officers and employees, from and against all liabilities relating to, arising out of or resulting from:

- the Orion Liabilities and our failure to pay any Orion Liabilities in accordance with their terms;
- third-party claims relating to the Office Property Business or Orion Assets;
- our breach of the Separation and Distribution Agreement or any ancillary agreement; and
- any untrue statement of material fact in the registration statement to which this information statement is a part (other than statements explicitly made by Realty Income, which will be limited to those specified on a schedule to the Separation and Distribution Agreement).

Realty Income agrees to indemnify, defend and hold harmless, us and each of our affiliates and each of our and our affiliates' respective directors, officers and employees from and against all liabilities relating to, arising out of or resulting from:

- all Realty Income Liabilities and the failure of Realty Income to pay any Realty Income Liabilities in accordance with their terms;
- third-party claims relating to the Realty Income Assets;
- the breach by Realty Income of the Separation and Distribution Agreement or any ancillary agreement; and
- any untrue statement of material fact in the registration statement to which this information statement is a part, to the extent such statement is explicitly made by Realty Income (which will be limited to those specified on a schedule to the Separation and Distribution Agreement).

Neither we nor Realty Income will be liable to the other for indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages, other than liability with respect to a third-party claim.

Dispute Resolution

The Separation and Distribution Agreement contains provisions that govern, except as otherwise provided in any ancillary agreement, the resolution of disputes, controversies or claims that may arise between us and Realty Income related to the Separation or Distribution by arbitration, if they are unable to be resolved first through good-faith negotiation by the parties.

Expenses

The Separation and Distribution Agreement will contain provisions that govern our and Realty Income's responsibility for costs and expenses incurred prior to the Distribution Date in connection with the Separation and the Distribution, including costs and expenses relating to transfer taxes, legal and tax counsel, financial advisors and accounting advisory work related to the Separation and the Distribution.

Non-Solicit

Pursuant to the Separation and Distribution Agreement, for a period of two years after the Distribution neither we, nor any of our subsidiaries may, directly or indirectly, solicit for employment, employ or cause to leave the employ of Realty Income or its subsidiaries any employees of Realty Income or its subsidiaries, subject to exceptions for us to make general solicitations for employment not specifically directed at Realty Income or its subsidiaries or any of its employees, and hiring any person who responds to such solicitations or to solicit for employment, hire or employ any person referred to us by a third-party recruiter who has not been engaged for the purpose of specifically recruiting, nor been given instructions to recruit specifically, such Realty Income individuals.

Segregation of Accounts

We and Realty Income will use commercially reasonable efforts to separate and de-link any common bank or brokerage accounts between us, and any outstanding checks issued or payments initiated prior to the effective time of the Merger will be honored after the effective time of the Merger by the party then owning the account on which the check is drawn or the payment was initiated. The parties will cooperate to pay over any amounts received rightfully owed to the other party, subject to regulatory compliance.

Novation

We and Realty Income will use commercially reasonable efforts to obtain any consent or amendment required to novate or assign all liabilities and assets to the appropriate party, based on the separation of liabilities and assets described above. Additionally, we will use commercially reasonable efforts to have Realty Income and its subsidiaries removed as the guarantor or obligor (and to remove any security interest over such other party's assets serving as collateral) with respect to any of our obligations or liabilities. To the extent the release or removal cannot be obtained, we will indemnify and hold harmless Realty Income and its subsidiaries from any liability arising from such guarantee or obligation, and will not renew or extend the term of, increase any obligations under, or transfer, the applicable obligation or liability.

Mortgage Debt

We will acquire properties previously owned by the other party, subject to existing mortgage debt. We will use commercially reasonable efforts to have Realty Income and its subsidiaries released from all debt obligations, including guarantees, relating to our properties.

Financing

As of June 30, 2021, the portfolio had approximately $180.7 million of total combined debt outstanding, consisting of secured mortgage debt, all of which is expected to be repaid by Realty Income in full prior to the Distribution. To provide additional liquidity and facilitate growth, and in connection with the Separation, Orion LP expects to enter into a $175.0 million term loan facility (the "Orion Term Loan") and a $350.0 million revolving credit facility (the "Orion Revolving Credit Facility"), $86.1 million of which is expected to be initially outstanding. In addition, Orion LP expects to enter into a $355.0 million commercial mortgage backed security bridge loan ("CMBS Bridge Loan"), which Orion LP expects to refinance with commercial mortgage-backed security financing prior to the maturity of the CMBS Bridge Loan. Of the proceeds under the Orion Revolving Credit Facility, the Orion Term Loan and the CMBS Bridge Loan, $595.8 million will be distributed to the partners of Orion LP and, in turn, be contributed to Realty Income in accordance with the Separation and Distribution Agreement. The remainder of the proceeds are anticipated to be used to pay fees and expenses related to the origination of the Orion Credit Facilities and the CMBS Bridge Loan and to finance working capital needs. As a result of these transactions, following the completion of the separation, we expect to have approximately $616.1 million in consolidated outstanding indebtedness, $10.0 million in cash, and $263.9 million of availability under our revolving credit facility.

Intellectual Property

Realty Income shall retain all rights to intellectual property of Realty Income immediately prior to the Distribution, including the "Realty Income" name and all related intellectual property, including Internet domain names and the "O" ticker symbol. We shall retain all rights to the "Orion" name and all related intellectual property, including Internet domain names and the "ONL" ticker symbol.

Information Sharing

We and Realty Income will use commercially reasonable efforts after the Distribution to share with the other party all information relating to matters prior to the Distribution, and such other party's assets held by the disclosing party. The parties will agree on records retention policies and will keep copies of all historic records and agreements to support future diligence and audits. The Separation and Distribution Agreement will include a customary confidentiality agreement.

Other Matters

Other matters governed by the Separation and Distribution Agreement include access to financial and other information, confidentiality, access to and provision of records and treatment of outstanding guarantees and similar credit support.

Amendments

No provision of the Separation and Distribution Agreement may be amended or modified except by a written instrument signed by us and Realty Income.

Related Agreements

Transition Services Agreement

As of or prior to the Distribution, we and Realty Income will enter into a 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. The form of this agreement will be filed as an exhibit to the registration statement on Form 10 of which this information statement is a part.

Tax Matters Agreement

As of or prior to the Distribution, we and Realty Income will enter into a Tax Matters Agreement that will govern the respective rights, responsibilities and obligations of Realty Income and us after the Distribution with respect to tax liabilities and benefits, tax attributes, the preparation and filing of tax returns, the control of audits and other tax proceedings, and certain other tax matters. Our obligations under the Tax Matters Agreement are not limited in amount or subject to any cap. Further, even if we are not responsible for tax liabilities of Realty Income and its subsidiaries under the Tax Matters Agreement, we nonetheless could be liable under applicable law for such liabilities if Realty Income were to fail to pay them. If we are required to pay any liabilities under the circumstances set forth in the Tax Matters Agreement or pursuant to applicable tax law, the amounts may be significant. The form of this agreement will be filed as an exhibit to the registration statement on Form 10 of which this information statement is a part.

Employee Matters Agreement

As of or prior to the Distribution, we and Realty Income will enter into an Employee Matters Agreement in connection with the Separation to allocate liabilities and responsibilities relating to employment matters, employee compensation and benefits plans and programs, and other related matters.

The Employee Matters Agreement will govern Realty Income's and our compensation and employee benefit obligations relating to current and former employees of each company (including individuals who were VEREIT employees immediately prior to the Merger Effective Time), and generally will allocate liabilities and responsibilities relating to employee compensation and benefit plans and programs.

The Employee Matters Agreement also may set forth the general principles relating to employee matters, including with respect to the assignment of employees, the assumption and retention of liabilities and related assets, expense reimbursements, workers' compensation, leaves of absence, the provision of comparable benefits, employee service credit, the sharing of employee information, and the duplication or acceleration of benefits. The form of this agreement will be filed as an exhibit to the registration statement on Form 10 of which this information statement is a part.

When and How You Will Receive the Distribution

With the assistance of CTC, Realty Income expects to distribute Orion common stock on , 2021, the Distribution Date, to all holders of shares of outstanding Realty Income common stock as of the close of business on the record date. CTC currently serves as the transfer agent and registrar for Realty Income common stock and will serve as the settlement and distribution agent in connection with the Distribution. Thereafter, CTC will serve as the transfer agent and registrar for Orion common stock. If you own shares of Realty Income common stock as of the close of business on the record date, the shares of Orion common stock, as applicable, that you are entitled to receive in the Distribution will be issued electronically, as of the Distribution Date, to you in book-entry form or to your bank or brokerage firm on your behalf. If you are a registered holder, CTC will then mail you a direct registration account statement that reflects your shares of Orion common stock, as applicable. If you hold your shares through a bank or brokerage firm, your bank or brokerage firm will credit your account for the shares. Book-entry form refers to a method of recording share ownership when no physical share certificates are issued to stockholders, as is the case in this Distribution. If you sell shares of Realty Income common stock in the "regular-way" market up to and including the Distribution Date, you will be selling your right to receive shares of Orion common stock on such shares of Realty Income common stock in the Distribution.

Commencing on or shortly after the Distribution Date, if you hold physical share certificates that represent your Realty Income common stock and you are the registered holder of the shares represented by those certificates, the distribution agent will mail to you an account statement that indicates the number of shares of Orion common stock that have been registered in book-entry form in your name.

Most Realty Income stockholders hold their shares of Realty Income common stock through a bank or brokerage firm. In such cases, the bank or brokerage firm would be said to hold the shares in "street name" and ownership would be recorded on the bank or brokerage firm's books. If you hold shares of Realty Income common stock through a bank or brokerage firm, your bank or brokerage firm will credit your account for the shares of Orion common stock, as applicable, that you are entitled to receive in the Distribution. If you have any questions concerning the mechanics of having shares held in "street name," please contact your bank or brokerage firm.

Transferability of Shares You Receive

Shares of Orion common stock distributed in connection with the Distribution will be transferable without registration under the Securities Act, except for shares received by persons who may be deemed to be our affiliates. Persons who may be deemed to be our affiliates after the Distribution generally include individuals or entities that control, are controlled by, or are under common control with us, which may include certain of our executive officers, directors or principal stockholders. Securities held by our affiliates will be subject to resale restrictions under the Securities Act. Our affiliates will be permitted to sell shares of our common stock only pursuant to an effective registration statement or an exemption from the registration requirements of the Securities Act, such as the exemption afforded by Rule 144 under the Securities Act.

The Number of Shares of Orion Common Stock You Will Receive

For every ten shares of Realty Income common stock that you own as of the close of business on , 2021, the expected record date for the Distribution, you will receive one share of Orion common stock.

Results of the Distribution

After the Distribution, we will be an independent, publicly traded REIT. The actual number of shares to be distributed will be determined at the close of business on the record date for the Distribution, and will reflect any exercise of Realty Income or VEREIT stock options between the date the Realty Income board of directors declares the Distribution and the record date for the Distribution. The Distribution will not affect the number of outstanding shares of Realty Income common stock or any rights of Realty Income common stockholders.

As of or prior to the Distribution, we will enter into the Separation and Distribution Agreement with Realty Income and will enter into other agreements with Realty Income as of or prior to the Distribution to effect the Separation and the Distribution. These agreements will provide a framework for our relationship with Realty Income after the Separation and the Distribution.

Additionally, these agreements will allocate between us and Realty Income the assets, liabilities and obligations of Realty Income and VEREIT (including intellectual property, and tax-related assets and liabilities) that are attributable to periods prior to the Distribution. For a more detailed description of these agreements, see "Certain Relationships and Related Person Transactions."

Market for Orion Common Stock

There is currently no public trading market for Orion common stock. We expect to have our common stock authorized for listing on the NYSE under the symbol "ONL." We have not and will not set the initial price of our common stock. The initial price will be established by the public markets. We cannot predict the price at which our common stock will trade after the Distribution. In fact, the combined trading prices, after the Distribution, of the shares of Orion common stock that each Realty Income stockholder will receive in the Distribution and the Realty Income common stock held at the record date may not equal the "regular-way" trading price of a share of Realty Income stock immediately prior to the Distribution. The price at which

Orion common stock trades may fluctuate significantly, particularly until an orderly public market develops. Trading prices for Orion common stock will be determined in the public markets and may be influenced by many factors.

Trading Before the Distribution Date

Beginning as early as two trading days before the record date and continuing up to and including the Distribution Date, Realty Income expects that there will be two markets for shares of Realty Income common stock: a "regular-way" market and an "ex-distribution" market. Shares of Realty Income common stock that trade on the "regular-way" market will trade with an entitlement to shares of Orion common stock distributed in the Distribution. Shares of Realty Income common stock that trade on the "ex-distribution" market will trade without an entitlement to shares of Orion common stock distributed pursuant to the Distribution. Therefore, if you sell your shares of Realty Income common stock in the "regular-way" market up to and including through the Distribution Date, you will be selling your right to receive shares of Orion common stock in the Distribution. If you own shares of Realty Income common stock at the close of business on the record date and sell those shares on the "ex-distribution" market up to and including through the Distribution Date, you will receive the shares of Orion common stock that you are entitled to receive pursuant to your ownership of shares of Realty Income common stock as of the record date.

Furthermore, beginning as early as two trading days before the record date and continuing up to and including the Distribution Date, Orion expects that there will be a "when-issued" market for its common stock. "When-issued" trading refers to a sale or purchase made conditionally, because the security has been authorized but not yet issued. The "when-issued" trading market will be a market for Orion common stock that will be distributed to holders of Realty Income common stock (including former holders of VEREIT common stock and former holders of VEREIT OP common units) on the Distribution Date. If you owned shares of Realty Income common stock at the close of business on the record date, you would be entitled to Orion common stock distributed pursuant to the Distribution. With respect to Realty Income stockholders, you may trade this entitlement to Orion common stock, without the Realty Income common stock you own, on the "when-issued" market. On the first trading day following the Distribution Date, "when-issued" trading with respect to Orion common stock will end, and "regular-way" trading will begin. You should consult your bank, broker, nominee or other advisor before selling your shares to be sure you understand the effects of the NYSE trading procedures described above.

Conditions to the Distribution

Orion has announced that the Distribution is expected to be effective at 12:01 a.m., Eastern time, on , 2021, which is the expected Distribution Date, provided that certain conditions shall have been satisfied (or waived by Realty Income in its sole discretion), including:

- the consummation of the Separation;
- the SEC declaring effective the registration statement of which this information statement forms a part, with no stop order in effect with respect thereto, and no proceeding for such purpose pending before, or threatened by, the SEC;
- the mailing of this information statement;
- no order, injunction, or decree issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Separation, the Distribution or any of the related transactions shall be in effect;
- the Orion common stock to be distributed shall have been accepted for listing on the NYSE, subject to official notice of distribution; and
- the execution of ancillary agreements by Realty Income and Orion, including the Transition Services Agreement, the Tax Matters Agreement and the Employee Matters Agreement.

Realty Income does not intend to notify its stockholders of any modifications to the terms of the Separation or the Distribution that, in the judgment of its board of directors (or officers insofar as permitted by its board of directors), are not material. The Realty Income board of directors might, however, consider material, for example, significant changes to the Distribution Ratio, or to the assets to be contributed or the liabilities to be assumed in the Separation. To the extent that the Realty Income board of directors determines that any modifications by Realty Income materially change the material terms of the Distribution, Realty Income will notify Realty Income stockholders in a manner reasonably calculated to inform them about the modification as may be required by law, by, for example, publishing a press release, filing a current report on Form 8-K, or circulating a supplement to this information statement.

DIVIDEND POLICY

We are a newly formed company that has not commenced operations, and as a result, we have not paid any dividends as of the date of this information statement. We intend to elect and qualify to be taxed as a REIT for U.S. federal income tax purposes commencing with our initial taxable year ending December 31, 2021. We intend to make regular distributions to our stockholders to satisfy the requirements to qualify as a REIT. To qualify as a REIT, we must annually 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 gain. Please refer to "Material U.S. Federal Income Tax Consequences — Material U.S. Federal Income Tax Considerations Regarding Orion's Taxation as a REIT."

We cannot assure you that our dividend policy will remain the same in the future, or that any estimated dividends will be paid or sustained. Dividends paid by us will be authorized and determined by our board of directors, in its sole discretion, out of legally available funds, and will be dependent upon a number of factors, including restrictions under applicable law, actual and projected financial condition, liquidity, funds from operations and results of operations, the revenue we actually receive from our properties, our operating expenses, our debt service requirements, our capital expenditures, prohibitions and other limitations under our financing arrangements, the annual REIT distribution requirements and such other factors as our board of directors deems relevant. For more information regarding risk factors that could materially and adversely affect our ability to pay dividends, see "Risk Factors" beginning on page 43.

Our dividends may be funded from a variety of sources. In particular, we expect that, initially, our dividends may 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 anticipated Orion Revolving Credit 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, the Orion Charter allows 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.

For a discussion of the tax treatment of distributions to holders of our common stock, please refer to "Material U.S. Federal Income Tax Consequences — Material U.S. Federal Income Tax Considerations Regarding Orion's Taxation as a REIT — Material U.S. Federal Income Tax Consequences to Holders of Our Common Stock."

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements and notes thereto present the unaudited pro forma condensed combined balance sheet as of June 30, 2021 and the unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2021 and the year ended December 31, 2020. The unaudited pro forma condensed combined financial information was prepared in accordance with Article 11 of Regulation S-X as amended by the final rule, Release No. 33-10786 "Amendments to Financial Disclosures about Acquired and Disposed Businesses", in order to give effect to the transactions described below and the assumptions and adjustments described in the accompanying notes to the unaudited pro forma condensed combined financial statements.

On April 29, 2021, Realty Income, VEREIT, VEREIT OP, Merger Sub 1 and Merger Sub 2 entered into the Merger Agreement, pursuant to which Merger Sub 1 will merge with and into VEREIT, with Merger Sub 1 continuing as the surviving corporation of the Merger and a wholly owned subsidiary of Realty Income. Pursuant to the Merger Agreement and immediately following the Merger, Merger Sub 2 will merge with and into VEREIT OP, with VEREIT OP continuing as the surviving partnership. At the Merger Effective Time, subject to the terms and conditions of the Merger Agreement, each share of VEREIT common stock will be converted into the right to receive 0.705 newly issued shares of Realty Income common stock, and each share of VEREIT OP common units will be converted into the right to receive 0.705 newly issued shares of Realty Income common stock. Following the Merger Effective Time, Realty Income will contribute the Office Properties to Orion, and Realty Income will distribute all of the outstanding shares of Orion common stock to Realty Income's stockholders (including legacy VEREIT common stockholders and legacy VEREIT OP common unitholders that received Realty Income common stock in the Mergers and continue to hold such stock as of the close of business on the record date of the Distribution) on a pro rata basis. Following the Distribution, Orion will operate as a self-managed, publicly traded REIT. Realty Income Office Assets and VEREIT Office Assets are each considered to be a predecessor, as defined in the applicable rules and regulations of the SEC, to Orion, which will commence operations on the date of the Distribution.

The unaudited pro forma condensed combined balance sheet combines the historical combined balance sheet of Realty Income Office Assets as of June 30, 2021, and the historical combined and consolidated balance sheet of VEREIT Office Assets as of June 30, 2021, giving effect to the transactions described below as if they had been consummated on June 30, 2021. The unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2021 and the year ended December 31, 2020 each give effect to the transactions described below as if they had been consummated on January 1, 2020. The unaudited pro forma condensed combined financial statements give effect to the following (collectively referred to as the "Pro Forma Transactions"):

- the Mergers, the Separation, and the Distribution;
- the repayment by Realty Income of existing mortgages payable (including a portion of the associated prepayment costs) prior to the Distribution;
- transaction costs specifically related to the Separation and the Distribution;
- the entry into the $350.0 million Orion Revolving Credit Facility, $86.1 million of which is expected to be initially outstanding;
- the entry into the $175.0 million Orion Term Loan and the $355.0 million CMBS Bridge Loan; and
- the use of proceeds from such borrowings as described in the "Business and Properties — Financing" section of this information statement.

The Mergers will be accounted for under ASC 805, *Business Combinations*, using the acquisition method of accounting with Realty Income treated as the acquiror of VEREIT. Under the acquisition method of accounting, the purchase price is allocated to the underlying tangible and intangible assets acquired and liabilities assumed (including assets and liabilities of VEREIT Office Assets) based on their respective fair values, with any excess purchase price allocated to goodwill. The separation of the assets and liabilities related to the Orion Business from the remainder of Realty Income's businesses in the Separation and Distribution will be accounted for at Realty Income's carryover basis after adjusting the net assets of VEREIT Office Assets to fair value.

The Mergers, the Separation and the Distribution have not been consummated. Accordingly, the pro forma purchase price allocation of VEREIT Office Assets' assets to be acquired and liabilities to be assumed is based on preliminary estimates of the fair values of the assets acquired and liabilities assumed in the Mergers, and the unaudited pro forma condensed combined financial statements are based upon currently available information and certain assumptions that management of Orion believes are reasonable as of the date of this information statement. A final determination of the fair value of VEREIT Office Assets' assets acquired and liabilities assumed, including intangible assets, will be based on the actual net tangible and intangible assets and liabilities of VEREIT Office Assets that exist as of the closing date of the Mergers, the Separation and the Distribution and, therefore, cannot be made prior to the completion of the Mergers, the Separation and the Distribution. As a result of the foregoing, the pro forma adjustments are preliminary and are subject to change as additional information becomes available and as additional analyses are performed. These potential changes to the purchase price allocation and related pro forma adjustments could be material.

The adjustments included in the unaudited pro forma condensed combined financial statements are based upon currently available information and assumptions that management of Orion believes to be reasonable. However, the unaudited pro forma condensed combined financial statements of Orion do not necessarily represent the financial position or results of operations of Orion had it been operated as an independent, separate public company during the periods or as of the date presented. The unaudited pro forma condensed combined financial statements do not reflect any autonomous entity adjustments, which represent adjustments to reflect certain incremental expense or other changes necessary to present the financial condition and results of operations as if Orion was an independent, separate public company. Orion expects to incur $8.0 million to $10.0 million of annual costs, in addition to the corporate and shared costs historically allocated to Orion. However, since such costs are part of ongoing structuring and strategic discussions, the unaudited pro forma condensed combined financial statements continue to reflect the allocation of Realty Income's and VEREIT's corporate and shared costs, as presented in the historical financial statements of Realty Income Office Assets and VEREIT Office Assets. The unaudited pro forma condensed combined financial statements also do not reflect any adjustments related to: (1) the agreements which Realty Income and Orion will enter into following the Distribution, as the scope of services and other terms within these agreements are not yet finalized, and (2) the Arch Street Warrant, as certain provisions of this instrument impacting the accounting for, and valuation thereof, have not yet been agreed to in final form among the parties.

These unaudited pro forma condensed combined financial statements are for informational purposes only and are not intended to represent or to be indicative of the actual results of operations or financial position that Orion would have reported had the Mergers, the Separation and the Distribution been completed as of the dates set forth in the unaudited pro forma condensed combined financial statements, and should not be taken as being indicative of Orion's future consolidated results of operations or financial position. The actual results may differ significantly from those reflected in the unaudited pro forma condensed combined financial statements for a number of reasons, including differences between the assumptions used to prepare the unaudited pro forma condensed combined financial statements and actual amounts.

The unaudited pro forma condensed combined financial statements should be read in conjunction with:

- The accompanying notes to the unaudited pro forma condensed combined financial statements;
- Realty Income Office Assets' audited historical combined financial statements and related notes as of and for the year ended December 31, 2020 and Realty Income Office Assets' unaudited condensed combined financial statements as of and for six months ended June 30, 2021 and related notes, each of which are included elsewhere in this information statement;
- VEREIT Office Assets' audited historical combined and consolidated financial statements and related notes as of and for the year ended December 31, 2020 and VEREIT Office Assets' unaudited combined and consolidated financial statements as of and for six months ended June 30, 2021 and related notes, each of which are included elsewhere in this information statement.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
June 30, 2021
(in thousands)

	Realty Income Office Assets Historical	VEREIT Office Assets Historical, As Reclassified (Note 3)	Transaction Accounting Adjustments	Item in Note 4	Pro Forma Combined
ASSETS					
Real estate held for investment, at cost:					
Land	$ 71,191	$ 164,966	$ 201,324	[1]	$ 437,481
Buildings and improvements	562,904	1,309,833	(180,648)	[1]	1,692,089
Total real estate held for investment, at cost	634,095	1,474,799	20,676		2,129,570
Less accumulated depreciation and amortization	(144,865)	(378,001)	378,001	[2]	(144,865)
Real estate held for investment, net	489,230	1,096,798	398,677		1,984,705
Cash and cash equivalents	—	1,300	9,991	[3]	11,291
Investment in unconsolidated joint venture	—	14,964	—		14,964
Accounts receivable, net	7,948	32,558	(24,888)	[4]	15,618
Lease intangible assets, net	25,147	50,587	221,013	[5]	296,747
Other assets, net	8,702	9,180	7,188	[6]	25,070
Goodwill	—	159,129	(74,828)	[7]	84,301
Total assets	$ 531,027	$ 1,364,516	$ 537,153		$2,432,696
LIABILITIES AND EQUITY					
Accounts payable and accrued expenses	$ 1,594	$ 7,978	$ 14,196	[8]	$ 23,768
Lease intangible liabilities, net	6,406	6,111	27,839	[9]	40,356
Other liabilities	4,706	14,001	—		18,707
Mortgages payable, net	22,732	158,330	(165,241)	[10]	15,821
Line of credit payable	—	—	86,100	[11]	86,100
Term loans, net	—	—	524,713	[11]	524,713
Total liabilities	35,438	186,420	487,607		709,465
Stockholders' equity:					
Common stock	—	—	542	[12]	542
Additional paid-in capital	—	—	1,740,676	[12]	1,740,676
Retained earnings	—	—	(19,144)	[12]	(19,144)
Equity	495,589	1,176,939	(1,672,528)	[12]	—
Total stockholders' equity	495,589	1,176,939	49,546		1,722,074
Non-controlling interests	—	1,157	—		1,157
Total equity	495,589	1,178,096	49,546		1,723,231
Total liabilities and equity	$ 531,027	$ 1,364,516	$ 537,153		$2,432,696

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
For the six months ended June 30, 2021
(in thousands, except share and per share data)

	Realty Income Office Assets Historical	VEREIT Office Assets Historical	Transaction Accounting Adjustments	Item in Note 4	Pro Forma Combined	Item in Note 4
REVENUE						
Rental revenue (including reimbursable)	$ 25,615	$ 80,894	$ 6,661	[13]	$ 113,170	
Fee income from unconsolidated joint venture	—	440	—		440	
Total revenues	25,615	81,334	6,661		113,610	
EXPENSES						
Depreciation and amortization	11,943	29,444	41,144	[14]	82,531	
Property (including reimbursable)	2,951	20,814	36	[15]	23,801	
Interest	803	3,816	5,101	[16]	9,720	
General and administrative	1,071	3,575	—		4,646	
Provisions for impairment	—	21,624	—		21,624	
Separation and Distribution related costs	—	—	—	[17]	—	
Total expenses	16,768	79,273	46,281		142,322	
Other income, net	—	52	—		52	
Equity in income of unconsolidated joint venture	—	410	—		410	
Loss on extinguishment of debt, net	—	(80)	—		(80)	
Income (loss) before taxes	8,847	2,443	(39,620)		(28,330)	
Provision for income taxes	—	(313)	—		(313)	
Net income (loss)	8,847	2,130	(39,620)		(28,643)	
Net loss attributable to non-controlling interests	—	31	—		31	
Net income (loss) attributable to common stockholders	$ 8,847	$ 2,161	$ (39,620)		$ (28,612)	
Net loss attributable to common stockholders per share:						
Basic and diluted					$ (0.53)	[19]
Weighted average common shares outstanding:						
Basic and diluted					54,172,452	[19]

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
For the year ended December 31, 2020
(in thousands, except share and per share data)

	Realty Income Office Assets Historical	VEREIT Office Assets Historical	Transaction Accounting Adjustments	Item in Note 4	Pro Forma Combined	Item in Note 4
REVENUE						
Rental revenue (including reimbursable)	$ 53,474	$ 170,304	$ 11,192	[13]	$ 234,970	
Fee income from unconsolidated joint venture	—	596	—		596	
Total revenues	53,474	170,900	11,192		235,566	
EXPENSES						
Depreciation and amortization	25,950	62,662	78,514	[14]	167,126	
Property (including reimbursable)	5,770	46,597	73	[15]	52,440	
Interest	2,931	9,905	7,904	[16]	20,740	
General and administrative	2,051	7,029	—		9,080	
Provisions for impairment	18,671	9,306	—		27,977	
Separation and Distribution related costs	—	—	14,196	[17]	14,196	
Total expenses	55,373	135,499	100,687		291,559	
Other income, net	—	158	—		158	
Equity in income of unconsolidated joint venture	—	535	—		535	
Gain on disposition of real estate assets, net	—	9,765	—		9,765	
Loss on extinguishment of debt, net	—	(1,686)	(4,948)	[18]	(6,634)	
(Loss) income before taxes	(1,899)	44,173	(94,443)		(52,169)	
Provision for income taxes	—	(640)	—		(640)	
Net (loss) income	(1,899)	43,533	(94,443)		(52,809)	
Net loss attributable to non-controlling interests	—	60	—		60	
Net (loss) income attributable to common stockholders	$ (1,899)	$ 43,593	$ (94,443)		$ (52,749)	
Net loss attributable to common stockholders per share:						
Basic and diluted					$ (0.97)	[19]
Weighted average common shares outstanding:						
Basic and diluted					54,172,452	[19]

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

Note 1 — Basis of Presentation

The Realty Income Office Assets and VEREIT Office Assets historical financial information has been derived from each respective company's historical carve-out financial statements as of and for the six months ended June 30, 2021, and as of and for the year ended December 31, 2020, which are included elsewhere in this information statement. Certain of VEREIT Office Assets' historical amounts have been reclassified to conform to Realty Income Office Assets' financial statement presentation, as discussed further in Note 3. Throughout the periods presented in the unaudited pro forma condensed combined financial statements, the operations of Realty Income Office Assets and VEREIT Office Assets were conducted and accounted for as part of Realty Income and VEREIT, respectively, using accounting conventions applicable to each respective parent entity. The historical combined financial statements of Realty Income Office Assets have been derived from Realty Income's historical accounting records and reflect certain allocations of direct costs and expenses, which are based on assumptions that Realty Income's management believes are reasonable. The historical combined and consolidated financial statements of VEREIT Office Assets have been derived from VEREIT's historical accounting records and reflect certain allocations of direct costs and expenses, which are based on assumptions that VEREIT's management believes are reasonable.

The unaudited pro forma condensed combined financial statements should be read in conjunction with (i) Realty Income Office Assets' audited combined financial statements and the notes thereto as of and for the year ended December 31, 2020 and the unaudited condensed combined financial statements as of and for the six months ended June 30, 2021, and (ii) VEREITs Office Assets' audited combined and consolidated financial statements and the notes thereto as of and for the year ended December 31, 2020 and the unaudited combined and consolidated financial statements as of and for the six months ended June 30, 2021, each of which are included elsewhere in this information statement. The unaudited pro forma condensed combined balance sheet gives effect to the Pro Forma Transactions as if they had been completed on June 30, 2021. The unaudited pro forma condensed combined statements of operations give effect to the Pro Forma Transactions as if they had been completed on January 1, 2020.

The historical financial statements of Realty Income Office Assets and VEREIT Office Assets have been adjusted in the unaudited pro forma condensed combined financial statements to give pro forma effect to the accounting for the Pro Forma Transactions under U.S. GAAP ("Transaction Accounting Adjustments"). The Mergers will be accounted for using the acquisition method of accounting with Realty Income treated as the acquiror of VEREIT. The separation of the assets and liabilities related to the Orion Business from the remainder of Realty Income's businesses in the Separation and the Distribution will be accounted for at Realty Income's carryover basis after adjusting the net assets of VEREIT Office Assets to fair value as a result of the Mergers. For purposes of the unaudited pro forma condensed combined balance sheet, the estimated fair value of the net assets of VEREIT Office Assets is based upon Realty Income management's preliminary estimates as of June 30, 2021. The completion of the final valuations, the allocations of the purchase price for the Mergers to the assets and liabilities of VEREIT (including those of VEREIT Office Assets), the timing of the completion of the Mergers, the Separation and the Distribution and other changes in tangible and intangible assets and liabilities that occur prior to the completion of the Mergers, the Separation and the Distribution could cause material differences in the information presented.

The Pro Forma Transactions and the related adjustments are described in these accompanying notes to the unaudited pro forma condensed combined financial statements. In the opinion of Orion's management, all material adjustments have been made that are necessary to present fairly, in accordance with Article 11 of Regulation S-X of the SEC, the unaudited pro forma condensed combined financial statements. The unaudited pro forma condensed combined financial statements do not purport to be indicative of the overall financial position or results of operations of Orion that would have occurred if the Pro Forma Transactions had been completed on the dates indicated, nor are they indicative of the overall financial position or results of operations that may be expected for any future period or date. In addition, future results may vary significantly from those reflected in the unaudited pro forma condensed combined financial statements due to factors discussed in the "Risk Factors" section, beginning on page 43.

Note 2 — Significant Accounting Policies

The accounting policies used in the preparation of these unaudited pro forma condensed combined financial statements are those set out in Realty Income Office Assets' audited combined financial statements as of and for the year ended December 31, 2020 and Realty Income Office Assets' unaudited condensed combined financial statements as of and for the six months ended June 30, 2021. Realty Income Office Assets' management has determined that there were no significant accounting policy differences between Realty Income Office Assets and VEREIT Office Assets and, therefore, no adjustments are necessary to conform VEREIT Office Assets' financial statements to the accounting policies used by Realty Income Office Assets in the preparation of the unaudited pro forma condensed combined financial statements. This conclusion is subject to change as further assessment is performed and finalized for Realty Income's purchase accounting with respect to the Mergers.

As part of the application of ASC 805 to the Mergers, Realty Income will conduct a more detailed review of VEREIT's accounting policies (including accounting policies applicable to VEREIT Office Assets) in an effort to determine if differences in accounting policies require further reclassification or adjustment of VEREIT Office Assets' results of operations or reclassification or adjustment of assets or liabilities to conform to Realty Income Office Assets' accounting policies and classifications. Therefore, Realty Income may identify additional differences between the accounting policies of the two companies that, when conformed, could have a material impact on the unaudited pro forma condensed combined financial information. In certain cases, the information necessary to evaluate the differences in accounting policies and the impacts thereof may not be available until after the Mergers are completed.

Note 3 — Reclassification Adjustments

The VEREIT Office Assets' historical balance sheet line items include the reclassification of certain historical balances to conform to the Realty Income Office Assets presentation of these unaudited pro forma condensed combined financial statements, as described below. These reclassifications have no effect on previously reported total assets, total liabilities, or equity of Realty Income Office Assets or VEREIT Office Assets.

- VEREIT Office Assets' balances for Operating lease right-of-use assets, Restricted cash, and Rent and tenant receivables and other assets, net (excluding straight-line rent receivable, net and accounts receivable, net), previously presented as separate components of VEREIT Office Assets' combined and consolidated balance sheet, have been reclassified to Other assets, net as follows (in thousands):

	June 30, 2021
Rent and tenant receivables and other assets, net	$ 33,602
Less: Straight-line rent receivable, net	(24,888)
Less: Accounts receivable, net	(7,670)
Operating lease right-of-use assets	5,378
Restricted cash	2,758
Other assets, net, as presented	$ 9,180

- VEREIT Office Assets' balances for straight-line rent receivable, net and accounts receivable, net, previously presented as components of Rent and tenant receivables and other assets, net on VEREIT Office Assets' combined and consolidated balance sheet, have been reclassified to Accounts receivable, net as follows (in thousands):

	June 30, 2021
Straight-line rent receivable, net	$ 24,888
Accounts receivable, net	7,670
Accounts receivable, net, as presented	$ 32,558

- VEREIT Office Assets' balances for intangible lease assets and the related accumulated amortization, which were previously reported on a gross basis as components of the Total real estate investments, net

subtotal on VEREIT Office Assets' combined and consolidated balance sheet, have been reclassified outside of Total real estate investments, net to Lease intangible assets, net as follows (in thousands):

	June 30, 2021
Intangible lease assets	$ 188,204
Less: Accumulated amortization	(137,617)
Lease intangible assets, net, as presented	$ 50,587

- VEREIT Office Assets' balances for Deferred rent and other liabilities and Operating lease liabilities, previously presented as separate components on VEREIT Office Assets' combined and consolidated balance sheet, have been reclassified to Other liabilities.

Note 4 — Transaction Accounting Adjustments

Balance Sheet

The pro forma adjustments reflect the effect of the Pro Forma Transactions on Realty Income Office Assets' historical combined balance sheets and VEREIT Office Assets' historical combined and consolidated balance sheets as if the Pro Forma Transactions occurred on June 30, 2021.

Assets

1) Land and Buildings and improvements were adjusted as shown below, in order to reflect the fair value basis of VEREIT Office Assets established as a result of the Mergers.

	Estimated fair value	Less: Elimination of historical carrying value	Total pro forma adjustment
Land	$ 366,290	$ (164,966)	$ 201,324
Buildings and improvements	1,129,185	(1,309,833)	(180,648)

The preliminary fair values of the identifiable assets acquired and liabilities assumed of VEREIT Office Assets are based on a valuation as of the assumed consummation date of the Mergers that is prepared by Realty Income with assistance of a third-party valuation advisor. For the preliminary estimate of fair values of assets acquired and liabilities assumed of VEREIT Office Assets, Realty Income used publicly available benchmarking information as well as a variety of other assumptions, including market participant assumptions. The allocation is dependent upon certain valuation and other studies that have not yet been finalized. Accordingly, the pro forma fair values reflected herein are subject to further adjustment as additional information becomes available and as additional analyses and final valuations are completed, and such differences could be material. In particular, the fair values of the assets and liabilities were estimated, in part, based upon the allocation of real estate and intangible lease assets and liabilities, and adjusted to reflect reasonable estimations for above-market and below-market leases, in-place lease values, and avoided lease origination costs, and to incorporate estimates for the mark-to-market adjustments of mortgages payable to be assumed in the Mergers, all of which are based on Realty Income's historical experience with similar assets and liabilities. In determining the estimated fair value of the tangible assets of VEREIT Office Assets, Realty Income utilized customary methods, including the income, market, and cost approaches. Amounts allocated to land, buildings and improvements, tenant improvements, and lease intangible assets and liabilities were based on an analysis performed by third parties based on portfolios with similar property characteristics.

The purchase price allocation for the Mergers has not been finalized. The final determination of the allocation of the purchase price will be based on the fair value of assets and liabilities as of the actual consummation date of the Mergers and will be completed after the Mergers are consummated. These final fair values will be determined based on Realty Income's management's judgment, which is based on various factors, including (1) market conditions, (2) the industry in which the client operates, (3) the characteristics of the real estate (i.e., location, size, demographics, value and comparative rental rates), (4) the client credit profile, (5) profitability metrics and the importance of the location of the real estate to

the operations of the client's business, and/or (6) real estate valuations. The final determination of these estimated fair values, the assets' useful lives and the depreciation and amortization methods are dependent upon certain valuations and other analyses that have not yet been completed, and as previously stated could differ materially from the amounts presented in the unaudited pro forma condensed combined financial statements. Any increase or decrease in the fair value of the net assets acquired, as compared to the information shown herein, could change the portion of the purchase consideration allocable to VEREIT Office Assets and could impact Orion following the Mergers due to differences in the allocation of the purchase consideration, as well as changes in the depreciation and amortization related to some of the acquired assets.

2) Accumulated depreciation and amortization were adjusted to eliminate the historical accumulated depreciation balances of VEREIT Office Assets totaling $378.0 million, in order to reflect the fair value basis of VEREIT Office Assets established as a result of the Mergers.

3) Cash and cash equivalents were adjusted as follows (in thousands):

	Amount
Gross proceeds from the Orion Term Loan, the CMBS Bridge Loan and the Orion Revolving Credit Facility, as described in item 11 of Note 4	$ 616,100
Less: Payment of financing fees associated with the Orion Term Loan, the CMBS Bridge Loan and the Orion Revolving Credit Facility	(10,300)
Less: Use of proceeds to reimburse Realty Income for the repayment of existing mortgages payable and the payment of associated prepayment costs prior to the Distribution	(177,033)
Plus: Deemed contribution from Realty Income to pay for a portion of mortgage prepayment costs	6,224
Less: Proceeds distributed to Realty Income	(425,000)
Total pro forma adjustment	$ 9,991

4) Accounts receivable, net were adjusted to reflect the fair value basis of VEREIT Office Assets established as a result of the Mergers. The pro forma adjustment eliminates VEREIT Office Assets' historical straight-line rent receivable, net, of $24.9 million, which is not treated as a separately recognized asset following the Mergers.

5) Lease intangible assets, net were adjusted as shown below, in order to reflect the fair value basis of VEREIT Office Assets established as a result of the Mergers. The pro forma adjustments for Lease intangible assets, net consist of: (i) the elimination of the historical carrying values of these assets, net of the associated accumulated amortization, on the combined and consolidated balance sheet of VEREIT Office Assets, and (ii) the recognition of the fair value of these assets, based upon the preliminary valuation of the intangible real estate assets associated with VEREIT Office Assets. For information regarding the valuation methodology applied to the lease intangible assets, refer to item 1 of Note 4. The following table summarizes the major classes of lease intangible assets of VEREIT Office Assets expected to be recognized in the Mergers and the total pro forma adjustment to Lease intangible assets, net (in thousands):

	Amount
Preliminary allocation of fair value:	
In-place leases	$212,187
Leasing commissions and marketing costs	42,438
Above-market lease assets	16,975
Less: Elimination of historical carrying value of VEREIT Office Assets lease intangible assets, net	(50,587)
Total pro forma adjustment	$221,013

6) The pro forma adjustments for Other assets, net consist of: (i) the recognition of the fair value of acquired below-market ground leases of $2.2 million, based upon the preliminary valuation of these contracts, in order to reflect the fair value basis of VEREIT Office Assets established as a result of the Mergers, and (ii) the recognition of $5.0 million of deferred financing costs associated with the Orion Revolving Credit Facility.

7) The pro forma adjustments for Goodwill consist of: (i) the elimination of the historical carrying value of goodwill on the combined and consolidated balance sheet of VEREIT Office Assets of $159.1 million, and (ii) the recognition of Mergers-specific goodwill recorded by Realty Income related to the VEREIT Office Assets business of $84.3 million. The amount of Mergers-specific goodwill reflected in the pro forma balance sheet has been determined using a preliminary allocation of the estimated purchase price in the Mergers and the resulting total Mergers-specific goodwill to Orion based on the relative fair values of the VEREIT Office Assets business and VEREIT. The value of the Mergers-specific goodwill attributed to Orion following the Separation and Distribution is preliminary and will depend on various factors, including but not limited to: the market price of shares of Realty Income common stock at the closing date of the Mergers, the allocation of the purchase price in the Mergers to the assets acquired and liabilities assumed of VEREIT (including the assets and liabilities of VEREIT Office Assets), and the resulting total Mergers-specific goodwill balance. As a result, the Mergers-specific goodwill attributed to Orion could differ significantly from the current estimate, which could materially impact the unaudited pro forma condensed combined financial statements.

Liabilities

8) The pro forma adjustment for Accounts payable and accrued expenses represents $11.8 million and $2.4 million of estimated transaction costs to be incurred by Realty Income Office Assets and VEREIT Office Assets, respectively, as a result of the Separation and the Distribution.

9) Lease intangible liabilities, net were adjusted to reflect the fair value basis of VEREIT Office Assets established as a result of the Mergers. The pro forma adjustments for Lease intangible liabilities, net consist of: (i) the elimination of the historical carrying values of these liabilities, net of the associated accumulated amortization, on the combined and consolidated balance sheet of VEREIT Office Assets, totaling $6.1 million, and (ii) the recognition of the fair value of these liabilities of $34.0 million, based upon the preliminary valuation of the intangible lease liabilities associated with VEREIT Office Assets. For information regarding the valuation methodology applied to the lease intangible liabilities, refer to item 1 of Note 4.

10) The pro forma adjustments for Mortgages payable, net reflect: (i) the elimination of the historical carrying values of these liabilities, including the associated unamortized deferred financing costs and net discounts, on the combined and consolidated balance sheet of VEREIT Office Assets, totaling $158.3 million; (ii) the recognition of the fair value of VEREIT Office Assets' mortgages payable of $165.2 million; and (iii) the repayment by Realty Income prior to the Distribution of certain existing mortgages payable of Realty Income Office Assets and VEREIT Office Assets net of associated deferred financing fees and net discounts of $172.1 million.

11) In connection with the Separation, Orion LP, a wholly-owned subsidiary of Orion, will enter into the $175.0 million Orion Term Loan and the $355.0 million CMBS Bridge Loan, which Orion LP expects to refinance with commercial mortgage-backed security financing prior to the maturity of the CMBS Bridge Loan. The pro forma adjustment to Term loans, net reflects the amount borrowed under the Orion Term Loan and the CMBS Bridge Loan, net of estimated deferred financing costs of $5.3 million.

In addition, Orion LP will enter into the $350.0 million Orion Revolving Credit Facility, $86.1 million of which is expected to be initially outstanding. The amount drawn under the Orion Revolving Credit Facility is reflected as a pro forma adjustment to Line of credit payable.

Of the combined $616.1 million borrowed under the Orion Term Loan, the CMBS Bridge Loan and the Orion Revolving Credit Facility: (i) $595.8 million will be distributed to the partners of Orion LP who in turn will, directly or indirectly, contribute the funds to Realty Income (including $170.8 million to reimburse Realty Income for the repayment of certain existing mortgages payable of Realty Income Office

Assets and VEREIT Office Assets and payment of the related prepayment penalties prior to the Distribution), (ii) $10.3 million will be used to pay costs associated with the new financing arrangements, and (iii) the remainder will be retained as working capital.

Equity

12) The following table presents the pro forma adjustments to equity (in thousands):

	Common stock	Additional paid-in capital	Retained earnings	Equity
Distribution of proceeds from the Orion Term Loan, Orion Revolving Credit Facility and CMBS Bridge Loan to Realty Income	$ —	$ —	$ —	$ (425,000)
Deemed contribution from Realty Income for payment of a portion of mortgage prepayment costs	—	—	—	6,224
Adjustments to net equity value of VEREIT Office Assets prior to the Distribution (a)	—	—	—	487,466
Recapitalization of Orion equity	542	1,740,676	—	(1,741,218)
Loss on debt extinguishment upon repayment of certain existing mortgages payable	—	—	(4,948)	—
Separation and Distribution related costs	—	—	(14,196)	—
Total pro forma adjustment	$ 542	$1,740,676	$(19,144)	$(1,672,528)

(a) The net equity value of Orion distributed in the Distribution includes the impact of adjustments for VEREIT Office Assets to reflect the fair value basis, as follows (in thousands):

	Amount
Adjustment of Land and Buildings and improvements as discussed in item 1 of Note 4	$ 20,676
Adjustment of Accumulated depreciation and amortization as discussed in item 2 of Note 4	378,001
Adjustment of Accounts receivable, net as discussed in item 4 of Note 4	(24,888)
Adjustment of Lease intangible assets, net as discussed in item 5 of Note 4	221,013
Adjustment of Other assets, net for the fair value of acquired below-market ground leases as discussed in item 6 of Note 4	2,175
Adjustment of Goodwill as discussed in item 7 of Note 4	(74,828)
Adjustment of Lease intangible liabilities, net as discussed in item 9 of Note 4	(27,839)
Adjustment of Mortgages payable, net as discussed in item 10 of Note 4(i)	(6,844)
Total pro forma adjustment	$487,466

(i) The adjustment to Mortgages payable, net represents the elimination of the historical carrying values of the mortgages payable of VEREIT Office Assets, including the associated unamortized deferred financing costs and net discounts, totaling $158.3 million and the recognition of the fair value of VEREIT Office Assets' mortgages payable of $165.2 million.

Statements of Operations

The pro forma adjustments reflect the effect of the Pro Forma Transactions on Realty Income Office Assets' historical combined statements of operations and VEREIT Office Assets' historical combined and consolidated statements of operations as if the Pro Forma Transactions occurred on January 1, 2020.

Revenue

13) Rental (including reimbursable)

The historical rental revenues for VEREIT Office Assets represent contractual and straight-line rents and amortization of above-market and below-market lease intangibles and deferred lease incentives associated with the leases in effect during the periods presented. The adjustments included in the unaudited pro forma condensed combined statements of operations reflect the impact on rental revenues of the fair value basis of VEREIT Office Assets established as a result of the Mergers. The adjustments consist of: (i) the elimination of the historical straight-line rents and amortization of above-market and below-market lease intangibles and deferred lease incentives for the real estate properties of VEREIT Office Assets, (ii) the adjustment of contractual rental property revenue for VEREIT Office Assets' properties to a straight-line basis, and (iii) the amortization of above-market and below-market lease intangibles of VEREIT Office Assets recognized as a result of the Mergers.

The pro forma adjustment for the amortization of above-market and below-market lease intangibles of VEREIT Office Assets recognized as a result of the Mergers was estimated based on a straight-line methodology and the estimated remaining weighted average contractual, in-place lease term of 3.3 years. The lease intangible asset and liability fair values and estimated amortization may differ materially from the preliminary determination within these unaudited pro forma condensed combined financial statements. The pro forma adjustments to rental revenues do not purport to be indicative of the expected change in rental revenues of Orion in any future periods.

The following table summarizes the adjustments made to rental revenues as a result of applying the fair value basis to the real estate properties of VEREIT Office Assets (in thousands):

	Elimination of historical amounts	Recognition of pro forma amounts	Total pro forma adjustment
For the six months ended June 30, 2021			
Straight-line rents	$ 1,459	$ 2,574	$ 4,033
Amortization of above-market and below-market lease intangibles and deferred lease incentives	82	2,546	2,628
Total pro forma adjustment	$ 1,541	$ 5,120	$ 6,661
For the year ended December 31, 2020			
Straight-line rents	$ 869	$ 5,164	$ 6,033
Amortization of above-market and below-market lease intangibles and deferred lease incentives	67	5,092	5,159
Total pro forma adjustment	$ 936	$ 10,256	$ 11,192

Expenses

14) The adjustments included in the unaudited pro forma condensed combined statements of operations reflect the impact on depreciation and amortization expense of the fair value basis of VEREIT Office Assets established as a result of the Mergers. The adjustments consist of: (i) the elimination of the historical depreciation and amortization of real estate properties of VEREIT Office Assets, and (ii) the recognition of additional depreciation and amortization expense associated with the fair value of VEREIT Office Properties real estate tangible and intangible assets.

The pro forma adjustment for the depreciation and amortization of acquired assets of VEREIT Office Assets is calculated using a straight-line methodology and is based on estimated useful lives for building and site improvements, the remaining contractual, in-place lease term for intangible lease assets, and the lesser of the estimated useful life and the remaining contractual, in-place lease term for tenant improvements. The useful life of a particular building depends upon a number of factors including the condition of the building upon acquisition. For purposes of the unaudited pro forma condensed combined statements of operations, the weighted average useful life for buildings and site improvements is 30.0 years; the weighted average useful life for tenant improvements is 3.3 years; and the weighted average remaining contractual, in-place lease term is 3.3 years. The fair value of acquired real estate tangible and intangible assets of VEREIT Office Assets, estimated useful lives of such assets, and

estimated depreciation and amortization expense may differ materially from the preliminary determination within these unaudited pro forma condensed combined financial statements. The pro forma adjustments to depreciation and amortization expense are not necessarily indicative of the expected change in depreciation and amortization expense of Orion in any future periods.

The following table summarizes adjustments made to depreciation and amortization expense by asset category as a result of applying the fair value basis to the real estate properties of VEREIT Office Assets (in thousands):

	For the six months ended June 30, 2021	For the year ended December 31, 2020
Buildings and improvements	$ 17,125	$ 34,249
Tenant improvements	15,275	30,551
In-place leases and leasing commissions and marketing costs	38,188	76,376
Less: Elimination of historical depreciation and amortization	(29,444)	(62,662)
Total pro forma adjustment	$ 41,144	$ 78,514

15) Represents an adjustment to increase ground leases rent expense by less than $0.1 million for the six months ended June 30, 2021 and $0.1 million for the year ended December 31, 2020 as a result of the revaluation of operating lease right-of-use assets and recognition of below-market ground lease intangible assets for VEREIT Office Assets' ground leases. The adjustment is computed based on a straight-line approach and a weighted average remaining lease term of 29.9 years. The fair value adjustment for VEREIT Office Assets' ground leases may differ materially from the preliminary determination within these unaudited pro forma condensed combined financial statements. The pro forma adjustments to property (including reimbursable) expense do not purport to be indicative of the expected change in ground rent expense of Orion in any future periods.

16) The adjustments included in the unaudited pro forma condensed combined statements of operations consist of: (i) the reduction in interest expense as a result of the payoff of certain existing mortgages payable of Realty Office Assets and VEREIT Office Assets by Realty Income prior to the Distribution; and (ii) the additional interest expense associated with the Orion Term Loan, the Orion Revolving Credit Facility and the CMBS Bridge Loan. The following table summarizes adjustments made to interest expense (in thousands):

	For the six months ended June 30, 2021	For the year ended December 31, 2020
Interest expense on the Orion Term Loan, the Orion Revolving Credit Facility and the CMBS Bridge Loan[(a)]	$ 8,433	$ 16,867
Amortization of deferred financing costs for the Orion Term Loan, the Orion Revolving Credit Facility and the CMBS Bridge Loan	1,030	2,060
Elimination of historical interest expense associated with certain existing mortgages payable to be paid off by Realty Income prior to the Distribution	(4,362)	(11,023)
Total pro forma adjustment	$ 5,101	$ 7,904

(a) The pro forma adjustment to interest expense is based on an assumed blended rate of 2.74%. A change of 12.5 basis points to the assumed annual interest rate of the Orion Term Loan, the CMBS Bridge Loan and the Orion Revolving Credit Facility would change pro forma interest expense by $0.4 million and $0.8 million for the six months ended June 30, 2021 and the year ended December 31, 2020, respectively, holding constant the principal balance of the Orion Term Loan and CMBS Bridge Loan and the amount drawn under the Orion Revolving Credit Facility.

17) Represents the adjustment for Separation and Distribution related costs of $14.2 million for the year ended December 31, 2020 resulting from estimated transaction-related costs that are not currently reflected in the historical combined financial statements of Realty Income Office Assets and the historical combined and consolidated financial statements of VEREIT Office Assets; these estimated transaction

costs consist primarily of advisor fees, legal fees, transfer taxes, and accounting fees. It is assumed that these costs will not affect the statements of operations of Orion beyond twelve months after the closing date of the Mergers, the Separation and the Distribution.

18) Represents the adjustment to recognize a loss on extinguishment of debt of $4.9 million for the year ended December 31, 2020 as a result of the repayment of certain existing mortgages payable of Realty Office Assets and VEREIT Office Assets. The total loss on extinguishment of debt consists of prepayment penalties and the write-off of unamortized deferred financing fees and will not affect the statements of operations of Orion beyond twelve months after the closing date of the Mergers, the Separation and the Distribution.

19) Pro forma net loss attributable to common stockholders per share has been calculated based on the number of shares assumed to be outstanding, assuming such shares were outstanding for the full periods presented. The following table sets forth the computation of unaudited pro forma basic and diluted net loss attributable to common stockholders per share (in thousands, except for share and per share data):

	For the six months ended June 30, 2021	For the year ended December 31, 2020
Numerator		
Pro forma net loss attributable to common stockholders	$ (28,612)	$ (52,749)
Denominator		
Pro forma weighted average shares of common stock outstanding used in computing pro forma net loss attributable to common stockholders per share – basic and diluted[(a)]	54,172,452	54,172,452
Pro forma net loss attributable to common stockholders per share – basic and diluted	$ (0.53)	$ (0.97)

(a) As noted elsewhere in this information statement, the Distribution is expected to occur by way of a pro rata special dividend to Realty Income stockholders, whereby holders of shares of Realty Income common stock (including the former VEREIT stockholders who continue to hold such stock as of the close of business on the record date for the Distribution) will be entitled to receive 0.1 shares of Orion common stock, for each share of Realty Income common stock. The pro forma weighted average number of shares of common stock of Orion has been calculated by applying the distribution ratio to the assumed number of shares of Realty Income common stock that would be outstanding immediately after completion of the Mergers. The foregoing amounts do not reflect any equity issued by either Realty Income or VEREIT after June 30, 2021, including the 9,200,000 shares of Realty Income common stock issued in an underwritten offering in July 2021, nor subsequent issuances pursuant to Realty Income's "at-the-market" program related to the sale of up to an additional 60,000,000 shares of Realty Income common stock.

Note 5 — Autonomous Entity Adjustments

Autonomous entity adjustments represent adjustments that are needed in order to reflect certain incremental expense or other changes necessary to present the financial condition and results of operations as if Orion was an independent, separate public company. As an independent, separate public company following the Distribution, Orion expects to incur certain costs including accounting, auditing, communications, tax, legal and ethics and compliance program administration, employee benefits, human resources, information technology, insurance, investor relations, risk management, treasury, and other general and administrative functions. Orion expects to incur $8.0 million to $10.0 million of annual costs, in addition to the corporate and shared costs historically allocated to Orion. However, since such costs are part of ongoing structuring and strategic discussions, the historical financial statements of Realty Income Office Assets and VEREIT Office Assets have not been adjusted for these future incremental expected stand-alone operating costs of Orion, and continue to reflect only the allocation of Realty Income's and VEREIT's corporate and shared costs.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion of the historical results of operations and liquidity and capital resources of Realty Income Office Assets and VEREIT Office Assets, each of which are our predecessors. Realty Income Office Assets and VEREIT Office Assets were not operated by Realty Income or VEREIT as stand-alone businesses during any of the periods presented herein. You should read the following discussion and analysis in conjunction with "Unaudited Pro Forma Condensed Combined Financial Statements." This Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements. The matters discussed in these forward-looking statements are subject to risk, uncertainties and other factors that could cause actual results to differ materially from those made, projected or implied in the forward-looking statements. Please refer to "Risk Factors," beginning on page 45 and "Cautionary Statement Concerning Forward-Looking Statements" for a discussion of the uncertainties, risks and assumptions associated with these statements.

The Separation and the Distribution

On April 29, 2021, Realty Income, VEREIT, VEREIT OP, Merger Sub 1 and Merger Sub 2 entered into the Merger Agreement, pursuant to which Merger Sub 2 will merge with and into VEREIT OP, with VEREIT OP continuing as the surviving partnership. Pursuant to the Merger Agreement and immediately following the Partnership Merger, VEREIT will merge with and into Merger Sub 1, with Merger Sub 1 continuing as the surviving corporation. The Merger Agreement also identifies certain material terms of the then contemplated separation of Orion's business from the remainder of Realty Income's business (as combined with VEREIT as a result of the Mergers) in the Separation, which will be consummated after the Merger Effective Time, followed by the Distribution. Thereafter, our company and Realty Income will be two independent, publicly traded companies.

The Merger is expected to close on , 2021, upon the satisfaction or waiver of all conditions to closing set forth in the Merger Agreement. The Distribution is expected to occur on , 2021, subject to the satisfaction or waiver of all conditions to the Distribution set forth in the Separation and Distribution Agreement, by way of a special dividend to Realty Income common stockholders, who will include former VEREIT common stockholders and certain former VEREIT OP common unitholders that received Realty Income common stock in the Merger and continue to hold such stock as of the close of business on the record date for the Distribution. In the Distribution, each such Realty Income common stockholder will be entitled to receive one share of Orion common stock for every ten shares of Realty Income common stock held at the close of business on the record date. Realty Income stockholders will not be required to make any payment to surrender or exchange their Realty Income common stock or VEREIT common stock, or to take any other action to receive their shares of Orion common stock in the Distribution. The Distribution of Orion common stock as described in this information statement is subject to the satisfaction or waiver of certain conditions, including consummation of the Separation.

Following consummation of the Mergers, the Separation and the Distribution, holders of Realty Income common stock (including former holders of VEREIT common stock and certain former holders of VEREIT OP common units that received Realty Income common stock in the Merger and continue to hold such stock as of the close of business on the record date for the Distribution, and including holders of Realty Income common stock immediately prior to the Mergers) who continue to hold such stock as of the close of business on the record date for the Distribution will hold, as applicable, the following:

- each Realty Income common stockholder immediately prior to the Merger Effective Time will hold ten shares of Realty Income common stock and one share of Orion common stock for every ten shares of Realty Income common stock held immediately prior to the Merger Effective Time;
- each former VEREIT common stockholder immediately prior to the Merger Effective Time will hold 0.705 shares of Realty Income common stock and thus would be entitled to approximately one share of Orion common stock for approximately every fourteen shares of VEREIT common stock held immediately prior to the Merger Effective Time (assuming such shares are held through the record date for the Distribution);

- each former VEREIT OP common unitholder (other than VEREIT OP common units held by Realty Income, VEREIT or their affiliates) immediately prior to the Merger Effective Time will hold 0.705 shares of Realty Income common stock and thus would be entitled to approximately one share of Orion common stock for approximately every fourteen VEREIT OP common units held immediately prior to the Merger Effective Time (assuming such shares are held through the record date for the Distribution); and
- former Realty Income common stockholders will own approximately 70% of the Orion common stock, and former VEREIT common stockholders and certain former VEREIT OP common unitholders will together own approximately 30% of the Orion common stock.

The foregoing assumes that the holder does not transfer any shares prior to the record date for the Distribution. For more information, see "The Separation and Distribution—Trading Before the Distribution Date."

We will be a self-managed, publicly traded REIT with a portfolio of 92 office properties totaling approximately 10.5 million total leasable square feet engaged in the ownership, acquisition, and management of a diversified portfolio of mission-critical and headquarters office buildings located in high quality suburban markets across the United States and leased primarily on a single-tenant net lease basis to creditworthy tenants.

We have a proven, cycle-tested investment evaluation framework, developed by our management team which serves 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; Net Lease Investment Characteristics; Tenant Credit Underwriting; and Real Estate Attributes.

We 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.

We believe that the creation of a primarily single-tenant suburban office-focused REIT is unique and differentiated in the public REIT market and positions us to benefit from the absence of direct competition in the public commercial real estate market. We believe our highly experienced management team has a successful history of operating publicly traded REITs, significant expertise in the U.S. single-tenant suburban office market and extensive relationships with industry participants that, combined with our vertically-integrated platform handling investment, finance, property management, and leasing will enable us to identify value creation opportunities and position us for long-term internal and external growth.

Basis of Presentation

The combined financial statements of Realty Income Office Assets and VEREIT Office Assets include the accounts of Realty Income Office Assets and VEREIT Office Assets on a combined basis as the ownership interests have historically been under common control and ownership of Realty Income and VEREIT, respectively. These combined financial statements were derived from the books and records of Realty Income and VEREIT and were carved out from Realty Income and VEREIT, respectively.

The combined historical financial statements of Realty Income Office Assets and combined and consolidated financial statements of VEREIT Office Assets reflect charges for certain corporate costs and, we believe such charges are reasonable. Costs of the services that were charged to Realty Income Office Assets and VEREIT Office Assets were based on either actual costs incurred by each business or a proportion of costs estimated to be applicable to each entity, based on Realty Income Office Assets' pro-rata share of total rental revenue and VEREIT Office Assets' pro rata share of annualized rental income. 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 entity. 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 VEREIT Office Assets had been an independent, stand-alone public company during the periods presented or of the future performance of Orion as an independent, standalone company.

As a public company, additional procedures and processes will be implemented for the purpose of addressing the standards and requirements applicable to public companies. In particular, the accounting, legal and personnel-related expenses and directors' and officers' insurance costs may increase as Orion establishes more comprehensive compliance and governance functions, establishes, maintains and reviews internal controls over financial reporting in accordance with the Sarbanes-Oxley Act, and prepares and distributes periodic reports in accordance with SEC rules. The financial statements following this offering will reflect the impact of these expenses.

REALTY INCOME OFFICE ASSETS

Summary of Significant Accounting Policies

The accounting policies and estimates used in the preparation of the Realty Income Office Assets combined financial statements are more fully described in the notes to the combined financial statements included elsewhere in this information statement. However, certain significant accounting policies are considered critical accounting policies due to the increased level of assumptions used or estimates made in determining their impact on Realty Income Office Assets' combined financial statements.

Management must make significant assumptions in determining if, and when, impairment losses should be taken on our properties when events or a change in circumstances indicate that the carrying amount of the asset may not be recoverable. If estimated future operating cash flows (undiscounted and without interest charges) plus estimated disposition proceeds (undiscounted) are less than the current book value of the property, a fair value analysis is performed and, to the extent the estimated fair value is less than the current book value, a provision for impairment is recorded to reduce the book value to estimated fair value. Key inputs that are utilized in this analysis include projected rental rates, estimated holding periods, capital expenditures, and property sales capitalization rates. If a property is held for sale, it is carried at the lower of carrying cost or estimated fair value, less estimated cost to sell. The carrying value of our real estate is the largest component of our combined balance sheets. The strategy of primarily holding properties, long-term, directly decreases the likelihood of their carrying values not being recoverable, thus requiring the recognition of an impairment. However, if that strategy, or one or more of the above assumptions were to change in the future, an impairment may need to be recognized. If events should occur that require reducing the carrying value of the real estate by recording provisions for impairment, they could have a material impact on the results of operations.

Recent Accounting Pronouncements

New accounting guidance that Realty Income Office Assets has recently adopted, as well as accounting guidance that has been recently issued but not yet adopted, is included in Note 3 — Summary of Significant Accounting Policies and Procedures and Newly Adopted Accounting Standards of the annual combined financial statements of Realty Income Office Assets, included elsewhere in this information statement.

Results of Operations

Comparison of the six months ended June 30, 2021 to the six months ended June 30, 2020

(in millions)	2021	2020	Increase (Decrease) $	Increase (Decrease) %
REVENUE				
Rental revenue (including reimbursable)	$25.6	$26.9	$ (1.3)	(4.8)%
EXPENSES				
Depreciation and amortization	11.9	13.1	(1.2)	(9.2)%
Property (including reimbursable)	3.0	3.0	—	0.0%
General and administrative	1.1	1.1	—	0.0%
Interest	0.8	1.6	(0.8)	(50.0)%
Total expenses	$16.8	$18.8	$ (2.0)	(10.6)%
NET INCOME	$ 8.8	$ 8.1	$ 0.7	8.6%

Rental Revenue (Including Reimbursable). Rental revenue (including reimbursable) decreased $1.3 million, or 4.8%, for the six-month period ended June 30, 2021 compared to the six-month period ended June 30, 2020, primarily due to vacancies in two office properties that have remained vacant since December 2020.

Depreciation and Amortization. Depreciation and amortization expense decreased $1.2 million, or 9.2%, for the six-month period ended June 30, 2021 compared to the six-month period ended June 30, 2020, primarily due to two in-place lease intangible assets that were fully amortized during 2020, which reduced amortization expense by $0.7 million during the six months ended June 30, 2021, and a $0.3 million reduction in 2021 depreciation expense as a result of a building impairment on one office property reducing the carrying amount of the asset.

Property (Including Reimbursable). Property (including reimbursable) expenses remained constant at $3.0 million during both of the six-month periods ended June 30, 2021 and June 30, 2020.

General and Administrative Expenses. General and administrative expenses remained constant at $1.1 million during both of the six-month periods ended June 30, 2021 and June 30, 2020. General and administrative expenses for Realty Income Office Assets are primarily an allocation from Realty Income general and administrative expenses.

Interest Expense. Interest expense decreased $0.8 million, or 50.0%, for the six-month period ended June 30, 2021 compared to the six-month period ended June 30, 2020, primarily due to Realty Income repaying four outstanding mortgages in full, on behalf of Realty Income Office Properties, with respect to four office properties, one of which occurred in April 2021 for $14.0 million, and the other three which occurred in the second half of 2020 for $31.8 million.

Net Income. Realty Income Office Assets net income was $8.8 million and $8.1 million for the six-month periods ended June 30, 2021 and 2020, respectively.

Comparison of the year ended December 31, 2020 to the year ended December 31, 2019

(in millions)	2020	2019	Increase (Decrease) $	Increase (Decrease) %
REVENUE				
Rental revenue (including reimbursable)	$53.5	$53.5	$ —	0.0%
EXPENSES				
Depreciation and amortization	26.0	27.0	(1.0)	(3.7)%
Property (including reimbursable)	5.8	5.9	(0.1)	(1.7)%
Interest	2.9	3.3	(0.4)	(12.1)%
General and administrative	2.0	2.0	—	0.0%
Provisions for impairment	18.7	—	18.7	100.0%
Total expenses	$55.4	$38.2	$ 17.2	45.0%
NET (LOSS) INCOME	$ (1.9)	$15.3	$(17.2)	(112.4)%

Rental Revenue (Including Reimbursable). 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 nor disposals in the years ended December 31, 2020 and December 31, 2019, which led to stable rental revenues during these periods.

Depreciation and Amortization. Depreciation and amortization expense decreased $1.0 million, or 3.7%, 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 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.

Property (Including Reimbursable). Property (including reimbursable) expenses decreased $0.1 million, or 1.7%, during the year ended December 31, 2020, compared to the year ended December 31, 2019.

Interest Expense. Interest expense decreased $0.4 million, or 12.1%, 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, or 47.2%, as compared to 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.

Provisions for Impairment. 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 in the Other Manufacturing industry that was triggered by a near term lease expiration, combined with a mortgage obligation. Realty Income Office Assets did not record any impairment losses on properties during the year ended December 31, 2019.

Net (Loss) Income. Realty Income Office Assets net (loss) income was $(1.9) million and $15.3 million for the years ended December 31, 2020 and 2019, respectively.

Comparison of the year ended December 31, 2019 to the year ended December 31, 2018

(in millions)	2019	2018	Increase (Decrease)	
			$	%
REVENUE				
Rental revenue (including reimbursable)	$53.5	$54.7	$ (1.2)	(2.2)%
EXPENSES				
Depreciation and amortization	27.0	28.0	(1.0)	(3.6)%
Property (including reimbursable)	5.9	5.4	0.5	9.3%
Interest	3.3	3.4	(0.1)	(2.9)%
General and administrative	2.0	3.1	(1.1)	(35.5)%
Provisions for impairment	—	—	—	0.0%
Total expenses	$38.2	$39.9	$ (1.7)	(4.3)%
NET INCOME	$15.3	$14.8	$ 0.5	3.4%

Rental Revenue (Including Reimbursable). Rental revenue (including reimbursable) decreased $1.2 million, or 2.2%, for the year ended December 31, 2019 compared to the year ended December 31, 2018, primarily due to an office lease which expired in December 2018 and renewed with a lower rental rate.

Depreciation and Amortization. Depreciation and amortization expense decreased $1.0 million, or 3.6%, for the year ended December 31, 2019 compared to the year ended December 31, 2018, primarily due to a $1.4 million decrease in amortization expense of in-place leases as a result of certain assets reaching the end of their lease term during 2019, partially offset by a $0.3 million increase in depreciation expense associated with certain office property asset improvements placed in service throughout 2018 and 2019.

Property (Including Reimbursable). Property (including reimbursable) expenses increased $0.5 million, or 9.3%, during the year ended December 31, 2019, compared to the year ended December 31, 2018, primarily due to an increase of $0.3 million of property insurance expense in 2019 and a $0.2 million increase in property tax expenses in 2019 as compared to 2018.

Interest Expense. Interest expense decreased $0.1 million, or 2.9%, for the year ended December 31, 2019 compared to the year ended December 31, 2018.

General and Administrative Expenses. General and administrative expenses decreased $1.1 million, or 35.5%, for the year ended December 31, 2019 compared to the year ended December 31, 2018. General and administrative expenses for Realty Income Office Assets are an allocation from Realty Income general and administrative expenses. Realty Income general and administrative expenses decreased during the year ended December 31, 2019 primarily due to the severance charge incurred in 2018 that related to the former Realty Income CEO, who departed the company in October 2018.

Net Income. Net income for Realty Income Office Assets was $15.3 million and $14.8 million for the years ended December 31, 2019 and 2018, respectively.

Liquidity and Capital Resources

Cash Flows

Cash is centrally managed at Realty Income and, therefore, Realty Income Office Assets maintain no separate cash or cash equivalents balances. Restricted cash was $0.5 million, $3.9 million and $3.7 million at June 30, 2021, December 31, 2020 and 2019, respectively. The following tables summarize the changes in cash flows for the periods presented (in millions):

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020	Increase (Decrease)
Net cash provided by operating activities	$ 21.4	$ 22.0	$(0.6)
Net cash used in investing activities	(0.1)	(0.3)	(0.2)
Net cash used in financing activities	(24.7)	(21.2)	3.5

Net cash provided by operating activities decreased $0.6 million during the six-month period ended June 30, 2021 compared to the six-month period ended June 30, 2020 primarily due to a decrease in revenues from vacancies in two office properties that have remained vacant since December 2020, partially offset by a decrease in interest expense from four outstanding mortgages with respect to four office properties, one of which occurred in April 2021, and the other three occurred in the second half of 2020.

Net cash used in investing activities decreased $0.2 million during the six-month period ended June 30, 2021 compared to the six-month period ended June 30, 2020 primarily due to less capital expenditures related to property, plant and equipment during the six months ended June 30, 2021.

Net cash used in financing activities increased $3.5 million during the six-month period ended June 30, 2021 compared to the six-month period ended June 30, 2020 primarily due to an increase of $13.8 million in mortgage notes principal repayments during the six-months ended June 30, 2021 as compared to the six-months ended June 30 2020, partially offset by a decrease of $10.3 million in distributions to Realty Income Corporation during that same period.

				Increase (Decrease)	
	2020	2019	2018	2020 versus 2019	2019 versus 2018
Net cash provided by operating activities	$ 42.3	$ 40.0	$ 42.0	$ 2.3	$ (2.0)
Net cash used by investing activities	(0.5)	(0.5)	(2.4)	—	(1.9)
Net cash used by financing activities	(41.7)	(38.6)	(49.6)	3.1	(11.0)

Net cash provided by operating activities increased $2.3 million between the 2020 and 2019 periods primarily due to higher net income in 2020 as compared to 2019 when adjusting for the impact of the $18.7 million impairment recorded during 2020. Net cash provided by operating activities decreased $2.0 million between the 2019 and 2018 periods primarily due to the impact of changes in accounts payable, accrued expenses and other liabilities.

Net cash used in investing activities were constant between the 2020 and 2019 periods. Net cash used in investing activities decreased $1.9 million between the 2019 and 2018 periods primarily due to less capital expenditures related to property, plant and equipment during 2019.

Net cash used in financing activities increased $3.1 million between the 2020 and 2019 periods primarily due to $31.7 million in higher mortgage notes principal repayments during 2020 as compared to 2019, partially offset by $28.6 million lower distributions to Realty Income in 2020 as compared to 2019. Net cash used in financing activities decreased $11.0 million between the 2019 and 2018 periods primarily due to $11.0 million lower distributions to Realty Income in 2019 as compared to 2018.

The following summarizes our mortgages payable as of June 30, 2021, December 31, 2020 and 2019, respectively (in millions):

Office Properties	Fixed Rate	Maturity Date	June 30, 2021	December 31, 2020	December 31, 2019
Columbus, OH	5.6%	6/1/2032	$ 12.6	$ 12.8	$ 13.3
East Windsor, NJ	4.9%	6/1/2022	9.6	9.6	9.6
Tucson, AZ	5.4%	7/1/2021	—	14.0	14.3
Mount Pleasant, SC	5.6%	12/6/2020	—	—	13.8
Buffalo Grove, IL	5.1%	10/1/2020	—	—	9.6
East Syracuse, NY	5.2%	7/31/2020	—	—	8.6
Remaining principal balance			22.2	36.4	69.2
Unamortized premium, net			0.5	0.6	1.0
Total mortgages payable, net			$ 22.7	$ 37.0	$ 70.2

Contractual Obligations and Commitments

Realty Income Office Assets was subject to the following contractual obligations at June 30, 2021 (in millions). There were no commitments at June 30, 2021.

	Total	Less than 1 Year[1]	1 to 3 Years	3 to 5 Years	Greater than 5 Years
Contractual Obligations					
Debt:					
Mortgage notes payable	$22.2	$ —	$ 9.6	$ —	$ 12.6
Interest payments – mortgage notes	6.1	0.6	1.5	1.2	2.8
Operating Leases	3.8	—	0.2	0.2	3.4
Total contractual obligations	$32.1	$ 0.6	$ 11.3	$ 1.4	$ 18.8

(1) Obligations due in the remainder of calendar year 2021

Realty Income Office Assets was subject to the following contractual obligations at December 31, 2020 (in millions). There were no commitments at December 31, 2020 (in millions).

	Total	Less than 1 Year	1 to 3 Years	3 to 5 Years	Greater than 5 Years
Contractual Obligations					
Debt:					
Mortgage notes payable	$36.4	$ 14.0	$ 9.6	$ —	$ 12.8
Interest payments – mortgage notes	7.0	1.5	1.5	1.2	2.8
Operating Leases	3.9	0.1	0.2	0.2	3.4
Total contractual obligations	$47.3	$ 15.6	$ 11.3	$ 1.4	$ 19.0

Non-GAAP Financial Measures

Funds from Operations (FFO)

Realty Income Office Assets defines FFO, a non-GAAP financial measure, consistent with the National Association of Real Estate Investment Trusts' ("Nareit") definition, as net income or loss, plus depreciation and amortization of real estate assets, plus provisions for impairments of depreciable real estate assets.

Realty Income Office Assets considers FFO to be an appropriate supplemental measure of the operating performance of a real estate company as it is based on a net income analysis of property portfolio performance that adds back items such as depreciation and impairments for FFO. The historical accounting convention used for real estate assets requires straight-line depreciation of buildings and improvements, which implies that the value of real estate assets diminishes predictably over time. Since real estate values historically rise and fall with market conditions, presentations of operating results for a real estate company, using historical accounting for depreciation, could be less informative. The use of FFO is recommended by the real estate industry as a supplemental performance measure.

Adjusted Funds From Operations (AFFO)

Realty Income Office Assets believes the non-GAAP financial measure AFFO provides useful information to investors because it is a widely accepted industry measure of the operating performance of real estate companies that is used by industry analysts and investors who look at and compare those companies. In particular, AFFO provides an additional measure to compare the operating performance of different real estate companies without having to account for differing depreciation assumptions and other unique revenue and expense items which are not pertinent to measuring a particular company's ongoing operating performance. Therefore, Realty Income Office Assets believes that AFFO is an appropriate supplemental performance metric, and that the most appropriate GAAP performance metric to which AFFO should be reconciled is net (loss) income.

Other companies in our industry use a similar measurement, but they may use the term "CAD" (for Cash Available for Distribution), "FAD" (for Funds Available for Distribution) or other terms. Our AFFO calculations may not be comparable to AFFO, CAD or FAD reported by other companies, and other companies may interpret or define such terms differently.

Presentation of the information regarding FFO and AFFO is intended to assist the reader in comparing the operating performance of different real estate companies, although it should be noted that not all real estate companies calculate FFO and AFFO in the same way, so comparisons with other real estate companies may not be meaningful. Furthermore, FFO and AFFO are not necessarily indicative of cash flow available to fund cash needs and should not be considered as alternatives to net (loss) income as an indication of our performance. FFO and AFFO should not be considered as alternatives to reviewing our cash flows from operating, investing, and financing activities. In addition, FFO and AFFO should not be considered as measures of liquidity or of the ability to pay interest payments.

The table below presents a reconciliation from net income attributable to Realty Income Office Assets to FFO and AFFO for the six months ended June 30, 2021 and 2020 and the years ended December 31, 2020, 2019 and 2018 (in millions):

	Six Months Ended June 30,		Year Ended December 31,		
	2021	2020	2020	2019	2018
Net income attributable to Realty Income Office Assets	$ 8.8	$ 8.1	$ (1.9)	$15.3	$14.8
Depreciation and amortization of real estate assets	11.9	13.1	26.0	27.0	28.0
Impairment of real estate	—	—	18.7	—	—
FFO attributable to Realty Income Office Assets	20.7	21.2	42.8	42.3	42.8
Amortization of premiums and discounts on debt and investments, net	—	(0.2)	(0.4)	(0.4)	(0.4)
Leasing costs and commissions	—	—	—	—	(1.1)
Recurring capital expenditures	—	—	—	(0.2)	(0.2)
Straight-line rent	—	0.2	0.4	0.1	—
Amortization of above-market lease assets and deferred lease incentives	(0.5)	(0.4)	(0.8)	(0.9)	(0.9)
AFFO attributable to Realty Income Office Assets	$20.2	$20.8	$42.0	$40.9	$40.2

VEREIT OFFICE ASSETS

Summary of Significant Accounting Policies

The accounting policies and estimates used in the preparation of the VEREIT Office Assets combined and consolidated financial statements are more fully described in the notes to the combined and consolidated financial statements included elsewhere in this information statement. However, certain significant accounting policies are considered critical accounting policies due to the increased level of assumptions used or estimates made in determining their impact on VEREIT Office Assets' consolidated financial statements. VEREIT Office Assets considers critical accounting policies and estimates to be those used in the determination of the reported amounts and disclosure related to the following:

Real Estate Investments

Management performs 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 management considers include, but are 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, management 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 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 do not exceed the carrying value, the real estate assets will be adjusted to their respective fair values and an impairment loss will be 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 evaluates goodwill for impairment annually or more frequently when an event occurs or circumstances change that indicate the carrying value may not be recoverable. To determine whether it is necessary to perform a quantitative goodwill impairment test, VEREIT first assesses 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 goodwill were recorded during the six month periods ended June 30, 2021 and 2020, respectively.

Recent Accounting Pronouncements

New 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 — Summary of Significant Accounting Policies of the annual combined and consolidated financial statements of VEREIT Office Assets, included elsewhere in this information statement.

Results of Operations

Comparison of the six months ended June 30, 2021 to the six months ended June 30, 2020

	2021	2020	Increase (Decrease)	
			$	%
REVENUE				
Rental revenue	$80.9	$86.2	$ (5.3)	(6.1)%
Fee income from unconsolidated joint venture	0.4	0.4	—	0.0%
Total revenues	81.3	86.6	(5.3)	
EXPENSES				
Property operating	20.8	22.6	(1.8)	(8.0)%
General and administrative	3.6	3.6	—	—%
Depreciation and amortization	29.5	32.3	(2.8)	(8.7)%
Impairments	21.6	0.2	21.4	10,700.0%
Total operating expenses	75.5	58.7	16.8	
Other (expenses) income:				
Interest expense	(3.8)	(5.0)	(1.2)	(24.0)%
Gain on disposition of real estate assets, net	—	11.4	(11.4)	(100.0)%
Loss on extinguishment of debt, net	(0.1)	(1.7)	(1.6)	(94.1)%
Equity in income of unconsolidated joint venture	0.4	0.2	0.2	100.0%
Other income, net	0.1	0.1	—	—%
Total other (expenses) income, net	(3.4)	5.0	(8.4)	
Income before taxes	2.4	32.9	(30.5)	(92.7)%
Provision for income taxes	(0.3)	(0.3)	—	0.0%
Net income	$ 2.1	$32.6	$(30.5)	(93.6)%

Rental Revenue. Rental revenue decreased $5.3 million, or 6.1%, for the six months ended June 30, 2021 compared to the six months ended June 30, 2020 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 unconsolidated joint venture remained constant at $0.4 million during each of the six months ended June 30, 2021 and 2020.

Property Operating Expenses. Property operating expenses decreased $1.8 million, or 8.0%, for the six months ended June 30, 2021 compared to the six months ended June 30, 2020, primarily due to the disposition of three properties that were sold to the unconsolidated joint venture during the year ended December 31, 2020.

General and Administrative Expenses. General and administrative expenses remained constant at $3.6 million during each of the six months ended June 30, 2021 and 2020. General and administrative expenses for VEREIT Office Assets are an allocation from overall VEREIT general and administrative expenses.

Depreciation and Amortization Expense. Depreciation and amortization expense decreased $2.8 million, or 8.7%, for the six months ended June 30, 2021 compared to the six months ended June 30, 2020, primarily due to the disposition of three properties that were sold to the unconsolidated joint venture during the year ended December 31, 2020.

Impairments. Impairments increased $21.4 million for the six months ended June 30, 2021 compared to the six months ended June 30, 2020. 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 $21.6 million during the six months ended June 30, 2021. During the six months ended June 30, 2020, net real estate assets related to one property, were deemed to be impaired, resulting in impairment charges of $0.2 million. The 2021 and 2020 impairments related to properties that management identified for potential sale or determined, based on discussions with the current tenants, would not be released by the tenant and management believed that the property would not be leased to another tenant at the rental rate that supports the current book value.

Interest Expense. Interest expense decreased $1.2 million, or 24.0%, for the six months ended June 30, 2021 compared to the six months ended June 30, 2020, primarily due to the early payoff of $83.7 million of mortgage notes payable and principal payments of $2.5 million subsequent to January 1, 2020.

Gain on Disposition of Real Estate Assets, Net. Gain on disposition of real estate assets, net was $11.4 million for the six months ended June 30, 2020, which was related to the two properties sold to the unconsolidated joint venture during the six months ended June 30, 2020 for an aggregate gross sales price of $87.7 million. No such gain was recorded during the six months ended June 30, 2021.

Loss on Extinguishment of Debt, Net. Loss on extinguishment of debt, net decreased $1.6 million, or 94.1% for the six months ended June 30, 2021 compared to the six months ended June 30, 2020. During the six months ended June 30, 2020, VEREIT Office Assets incurred $1.7 million in losses as a result of the early extinguishment of a mortgage note payable.

Equity in Income of Unconsolidated Joint Venture. Equity in income of unconsolidated joint venture increased $0.2 million for the six months ended June 30, 2021 compared to the six months ended June 30, 2020 primarily due to two properties acquired by the unconsolidated joint venture subsequent to June 30, 2020.

Other Income, Net. Other income, net remained constant at $0.1 million for the six months ended June 30, 2021 and 2020.

Provision for Income Taxes. Provision for income taxes remained constant at $0.3 million during each of the six months ended June 30, 2021 and 2020.

Net Income. Net income was $2.1 million and $32.6 million for the six months ended June 30, 2021 and 2020, respectively, a decrease of $30.5 million, or 93.6%, during the six months ended June 30, 2021 compared to the six months ended June 30, 2020.

Comparison of the year ended December 31, 2020 compared to the year ended December 31, 2019.

	2020	2019	Increase (Decrease) $	Increase (Decrease) %
REVENUE				
Rental revenue	$170.3	$182.1	$ (11.8)	(6.5)%
Fee income from unconsolidated joint venture	0.6	—	0.6	100.0%
Total revenues	170.9	182.1	(11.2)	(6.2)%
EXPENSES				
Property operating	46.6	47.2	(0.6)	(1.3)%
General and administrative	7.0	7.8	(0.8)	(10.3)%
Depreciation and amortization	62.7	70.9	(8.2)	(11.6)%
Impairments	9.3	3.5	5.8	165.7%
Total operating expenses	125.6	129.4	(3.8)	(2.9)%
Other (expenses) income:				
Interest expense	(9.9)	(12.1)	(2.2)	(18.2)%
Gain on disposition of real estate assets, net	9.8	—	9.8	100.0%
Loss on extinguishment of debt, net	(1.7)	—	1.7	100.0%
Equity in income of unconsolidated joint venture	0.5	—	0.5	100.0%
Other income, net	0.2	0.5	(0.3)	(60.0)%
Total other expenses, net	(1.1)	(11.6)	(10.5)	(90.5)%
Income before taxes	44.2	41.1	3.1	7.5%
Provision for income taxes	(0.7)	(0.5)	0.2	40.0%
Net income	$ 43.5	$ 40.6	$ 2.9	7.1%

Rental Revenue. Rental revenue decreased $11.8 million, or 6.5%, for the year ended December 31, 2020 compared to the year ended December 31, 2019. 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.

Fee Income from Unconsolidated Joint Venture. Fee income from 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 was formed during the year ended December 31, 2020, in exchange for fees.

Property Operating Expenses. Property operating expenses decreased $0.6 million, or 1.3%, for the year ended December 31, 2020 compared to the year ended December 31, 2019. 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.

General and Administrative Expenses. General and administrative expenses decreased $0.8 million, or 10.3%, 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, or 11.6%, for the year ended December 31, 2020 compared to the year ended December 31, 2019. 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.

Impairments. Impairments increased $5.8 million, or 165.7%, 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 with the current tenants, would not be released by the tenant and management believed that the property would not be leased to another tenant at the rental rate that supports the current book value.

Interest Expense. Interest expense decreased $2.2 million, or 18.2%, 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 $0.3 million, or 60.0%, 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 $0.2 million, or 40.0%, 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, or 7.1%, during the year ended December 31, 2020 compared to the year ended December 31, 2019.

Comparison of the year ended December 31, 2019 compared to the year ended December 31, 2018.

	2019	2018	Increase (Decrease) $	Increase (Decrease) %
REVENUE				
Rental revenue	$182.1	$180.0	$ 2.1	1.2%
EXPENSES				
Property operating	47.2	46.2	1.0	2.2%
General and administrative	7.8	7.7	0.1	1.3%
Depreciation and amortization	70.9	86.3	(15.4)	(17.8)%
Impairments	3.5	—	3.5	100.0%
Total operating expenses	129.4	140.2	(10.8)	
Other (expenses) income:				
Interest expense	(12.1)	(14.2)	(2.1)	(14.8)%
Gain on extinguishment of debt, net	—	0.1	(0.1)	(100.0)%
Other income, net	0.5	0.5	—	—%
Total other expenses net	(11.6)	(13.6)	(2.0)	
Income before taxes	41.1	26.2	14.9	56.9%
Provision for income taxes	(0.5)	(0.6)	(0.1)	(16.7)%
Net income	$ 40.6	$ 25.6	$ 15.0	58.6%

Rental Revenue. Rental revenue increased $2.1 million, or 1.2%, for the year ended December 31, 2019 compared to the year ended December 31, 2018.

Property Operating Expenses. Property operating expenses increased $1.0 million, or 2.2%, for the year ended December 31, 2019 compared to the year ended December 31, 2018.

General and Administrative Expenses. General and administrative expenses increased $0.1 million, or 1.3%, for the year ended December 31, 2019 compared to the year ended December 31, 2018. General and administrative expenses for VEREIT Office Assets are an allocation from overall VEREIT general and administrative expenses.

Depreciation and Amortization Expense. Depreciation and amortization expense decreased $15.4 million, or 17.8%, for the year ended December 31, 2019 compared to the year ended December 31, 2018, primarily due to real estate furniture and fixtures that were fully depreciated during the year ended December 31, 2018, as they had reached the end of their useful lives.

Impairments. Impairments of $3.5 million were recognized during the year ended December 31, 2019. There was no impairment provision recognized during the year ended December 31, 2018. 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 $3.5 million during the year ended December 31, 2019. The 2019 impairment related to properties that management identified for potential sale or determined, based on discussions with the current tenants, would not be re-leased by the tenant and management believed that the property would not be leased to another tenant at the rental rate that supports the current book value.

Interest Expense. Interest expense decreased $2.1 million, or 14.8%, for the year ended December 31, 2019 compared to the year ended December 31, 2018, primarily due to the early payoff of $103.6 million of mortgage notes payable and principal payments of $5.3 million subsequent to January 1, 2018.

Gain on Extinguishment of Debt, Net. Gain on extinguishment of debt, net was $0.1 million for the year ended December 31, 2018. No gain on extinguishment of debt was recorded during the year ended December 31, 2019.

Other Income, Net. Other income, net remained constant at $0.5 million for the years ended December 31, 2019 and 2018.

Provision for Income Taxes. Provision for income taxes decreased $0.1 million, or 16.7%, during the year ended December 31, 2019 compared to the year ended December 31, 2018.

Net Income. Net income was $40.6 million and $25.6 million for the years ended December 31, 2019 and 2018, respectively, an increase of $15.0 million, or 58.6%, during the year ended December 31, 2019 compared to the year ended December 31, 2018.

Liquidity and Capital Resources

Cash Flows

Cash, cash equivalents and restricted cash were $4.1 million, $3.4 million, $2.9 million and $1.9 million at June 30, 2021, December 31, 2020, 2019 and 2018, respectively. The following tables summarize the changes in cash flows for the periods presented (in millions):

	Six Months Ended June 30,		6-months 2021 versus 2020
	2021	2020	
Net cash provided by operating activities	$ 50.8	$ 56.1	$ (5.3)
Net cash (used in) provided by investing activities	(5.4)	70.8	(76.2)
Net cash used in financing activities	(44.7)	(127.0)	82.3

Net cash provided by operating activities decreased $5.3 million during the six months ended June 30, 2021, compared to the six months ended June 30, 2020 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 $5.4 million during the six months ended June 30, 2021, as compared to net cash provided by investing activities of $70.8 million during the six months ended June 30, 2020. The change was primarily due to the two properties sold to the unconsolidated joint venture during the six months ended June 30, 2020 for proceeds of $79.1 million after closing costs.

Net cash used in financing activities decreased $82.3 million during the six months ended June 30, 2021, compared to the six months ended June 30, 2020, primarily due to a decrease of $115.3 million in net distributions to parent, offset by an increase of $32.3 million in the repayment of mortgage notes payable.

	Year Ended December 31,			2020 to 2019 Change	2019 to 2018 Change
	2020	2019	2018		
Net cash provided by operating activities	$ 108.5	$112.6	$103.9	$ (4.1)	$ 8.7
Net cash provided by (used in) investing activities	111.4	(17.1)	(16.5)	128.5	(0.6)
Net cash used in financing activities	(219.4)	(94.5)	(90.5)	(124.9)	(4.0)

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 provided by operating activities increased $8.7 million during the year ended December 31, 2019 compared to the year ended December 31, 2018, primarily due to an increase of $6.8 million in cash rent and a decrease of $1.7 million in cash interest payments.

Net cash provided by investing activities was $111.4 million for the year ended December 31, 2020, as compared to net cash used in investing activity of $17.1 million for the year ended December 31, 2019. The change was primarily due to the disposition of three properties that were sold to the unconsolidated joint venture during the year ended December 31, 2020 for proceeds of $116.4 million after closing costs. Net cash used in investing activities increased $0.6 million during the year ended December 31, 2019 compared to the year ended December 31, 2018, primarily due to an increase of $4.8 million in capital expenditures and leasing costs offset by a decrease of $3.7 million in real estate developments.

Net cash used in financing activities increased $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. Net cash used in financing activities increased $4.0 million during the year ended December 31, 2019 compared to the year ended December 31, 2018, primarily due to an increase of $7.7 million in net distributions to parent, offset by a decrease of $3.3 million in the repayment of mortgage notes payable.

Mortgage Notes Payable

As of June 30, 2021, VEREIT Office Assets had mortgage notes payable, net of $158.3 million, including net discounts of $0.2 million and net deferred financing costs of $0.1 million, with a weighted-average years to maturity of 1.2 years and a weighted-average interest rate of 4.37%. The weighted average interest rate for fixed rate loans is computed using the interest rate in effect until the anticipated repayment date and the weighted average interest rate for the variable rate loan is computed using the interest rate in effect as of June 30, 2021.

As of June 30, 2021, the mortgage notes are secured by 10 properties with a net carrying value of $254.8 million. As of June 30, 2021, the estimated fair value of the mortgage notes payable was $162.3 million and was estimated by discounting the expected cash flows based on estimated borrowing rates available as of the measurement date.

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 years to maturity of 1.4 years and a weighted-average interest rate of 4.64%. The weighted average interest rate for fixed rate loans is computed using the interest rate in effect until the anticipated repayment date and the weighted average interest rate for the variable rate loan is computed using the interest rate in effect as of December 31, 2020.

As of December 31, 2020, the mortgage notes are 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.

The mortgage loan agreements require the maintenance of certain financial ratios. Failure to maintain such ratios could result in restrictions on the use of cash associated with the establishment of certain lender reserves. At June 30, 2021 and December 31, 2020, there were no cash restrictions due to failure to maintain financial ratios.

Contractual Obligations and Commitments

VEREIT Office Assets was subject to the following contractual obligations at June 30, 2021 (in millions). There were no commitments at June 30, 2021:

	Total	Less than 1 Year[2]	1 to 3 Years	3 to 5 Years	Greater than 5 Years
Contractual Obligations:					
Debt:					
Mortgages notes payable	$158	$ 15	$ 143	$ —	$ —
Interest payments – mortgage notes[1]	8	3	5	—	—
Operating Leases	12	1	1	—	10
Total Contractual Obligations	$178	$ 19	$ 149	$ —	$ 10

(1) Interest payments due in future periods on the $14.9 million of variable rate debt were calculated using a forward LIBOR curve.

(2) Obligations due during the remainder of calendar year 2021.

VEREIT Office Assets was subject to the following contractual obligations at December 31, 2020 (in millions). There were no commitments at December 31, 2020:

	Total	Less than 1 Year	1 to 3 Years	3 to 5 Years	Greater than 5 Years
Contractual Obligations					
Debt:					
Mortgage notes payable	$218	$ 75	$143	$ —	$ —
Interest payments – mortgage notes[1]	13	8	5	—	—
Operating Leases	12	—	1	1	10
Total Contractual Obligations	$243	$ 83	$149	$ 1	$ 10

(1) Interest payments due in future periods on the $15.1 million of variable rate debt were calculated using a forward LIBOR curve.

Capital Expenditures

During the six months ended June 30, 2021, VEREIT Office Assets capitalized $3.6 million of recurring capital expenditures which included $2.7 million of leasing costs and $0.9 million of capital improvements. There were no material non-recurring capital expenditures during the six months ended June 30, 2021.

During the year ended December 31, 2020, VEREIT Office Assets capitalized $7.2 million of recurring capital expenditures, which included $3.6 million of leasing commissions, $1.9 million of capital improvements and $1.7 million of tenant improvements, and $1.3 million of non-recurring capital expenditures.

During the year ended December 31, 2019, VEREIT Office Assets capitalized $13.5 million of recurring capital expenditures, which included $5.5 million of capital improvements, $2.1 million of leasing commissions and $5.9 million of tenant improvements, and $0.9 million of non-recurring capital expenditures.

The majority of VEREIT Office Assets' capital improvements relate to roof repairs, HVAC improvements, and parking lot resurfacing and replacements. Recurring capital expenditures are costs incurred to maintain the revenue stream. Non-recurring capital expenditures are costs incurred to generate additional revenue.

Non-GAAP Financial Measures

Funds from Operations (FFO)

Due to certain unique operating characteristics of real estate companies, as discussed below, Nareit has promulgated a supplemental performance measure known as funds from operations ("FFO"), which VEREIT Office Assets believes to be an appropriate supplemental performance measure to reflect the operating performance of a real estate company. 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 depreciation and amortization of real estate assets, impairment write-downs on real estate, and our pro rata share of FFO adjustments related to unconsolidated partnerships and joint ventures. VEREIT Office Assets calculates FFO in accordance with Nareit's definition described above.

Adjusted Funds from Operations (AFFO)

VEREIT Office Assets uses adjusted funds from operations ("AFFO") as a non-GAAP supplemental financial performance measure to evaluate the operating performance of VEREIT Office Assets. AFFO, as defined by VEREIT Office Assets, excludes certain noncash items such as impairments of goodwill, intangible and right of use assets, straight-line rent, net direct financing lease adjustments, gains or losses on derivatives, reserves for loan loss, gains or losses on the extinguishment or forgiveness of debt and amortization of intangible assets, deferred financing costs, premiums and discounts on debt and investments, above-market lease assets and below-market lease liabilities. Management believes that excluding these costs from FFO provides investors with supplemental performance information that is consistent with the performance models and analysis used by management, and provides investors a view of the performance of our portfolio over time. AFFO allows for a comparison of the performance of our operations with other real estate companies, as AFFO, or an equivalent measure, is routinely reported by publicly traded REITs, and VEREIT Office Assets believes often used by analysts and investors for comparison purposes.

VEREIT Office Assets believes FFO and AFFO, in addition to net income, 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 VEREIT Office Assets over time. However, not all real estate companies calculate FFO and AFFO the same way, so comparisons with other real estate companies may not be meaningful. FFO and AFFO should not be considered as alternatives to net income 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 AFFO and its use as a non-GAAP financial performance measure.

The table below presents a reconciliation of net income to FFO and AFFO for the six months ended June 30, 2021 and 2020 and the years ended December 31, 2020, 2019 and 2018 (in millions):

	Six Months Ended June 30,		Year Ended December 31,		
	2021	2020	2020	2019	2018
Net income	$ 2.1	$ 32.6	$ 43.5	$ 40.6	$ 25.6
Gain on disposition of real estate assets, net	—	(11.4)	(9.8)	—	
Depreciation and amortization of real estate assets	29.4	32.3	62.7	70.9	86.3
Impairment of real estate	21.6	0.2	9.3	3.5	—
Proportionate share of adjustments for unconsolidated entities	0.7	0.4	1.1	—	—
FFO attributable to VEREIT Office Assets	53.8	54.1	106.8	115.0	111.9
Gain (loss) on derivative instruments, net	—	—	—	0.1	(0.3)
Amortization of premiums and discounts on debt and equity investments, net	(0.1)	(0.4)	(0.7)	(0.6)	(0.8)
Amortization of above-market lease assets and deferred lease incentives	0.1	—	0.1	(0.2)	(0.3)
Amortization and write-off of deferred financing costs	—	0.1	0.2	0.1	0.2
Gain (loss) on extinguishment of debt, net	0.1	1.7	1.7	—	(0.1)
Straight-line rent	1.5	—	0.9	—	(7.0)
AFFO attributable to VEREIT Office Assets	$ 55.4	$ 55.5	$109.0	$114.4	$103.6

BUSINESS AND PROPERTIES

Our Company

We will be an internally managed REIT engaged in the ownership, acquisition, and management of a diversified portfolio of mission-critical and 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 clients.

We intend to 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 clients 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 client.

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

Real Estate Attributes. We will 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 client'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 ESG (as defined below) initiatives that are core to our strategy.

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 that fit the characteristics defined in our investment evaluation framework through multiple sourcing channels leveraging our management team's extensive relationship network and with an average of over 25 years of experience transacting in the single-tenant 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. We believe that developing a robust growth trajectory from the outset of the Distribution and deploying capital at accretive acquisition spreads will support cash flow growth and drive value creation for our shareholders.

Asset Management. We will employ active asset management strategies and leverage our client relationships to attract and retain high-quality creditworthy clients, drive re-leasing and renewal activity and maximize our client 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 lease, 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 following the Distribution, in order to identify opportunities to sell, release, 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.

We believe that the creation of a primarily single-tenant net lease suburban office-focused REIT is unique and differentiated in the public REIT market and positions us to benefit from the absence of strategy-specific direct competition in the public commercial real estate market. We believe our highly experienced management team's successful history of operating publicly traded REITs, significant expertise in the U.S. single-tenant suburban office market and extensive relationships with industry participants, combined with our vertically-integrated platform handling investment, finance, property management, and leasing will enable us to identify value creation opportunities and position us for long-term growth. Our management team has a demonstrated history of attracting and managing institutional equity capital via joint ventures with institutional investors formed to leverage our management team's expertise in the single-tenant suburban office market.

Upon completion of the Separation, our portfolio will consist of 92 office properties totaling approximately 10.5 million total leasable square feet located within 29 states and Puerto Rico. Our portfolio is 94.4% occupied as of June 30, 2021, and generated pro forma annualized base rent ("ABR") as of June 30, 2021 of $175.4 million, approximately 72% of which was derived from investment grade credit rated clients, which historically have exhibited a strong track record of making scheduled rental payments and showing resilience during times of economic downturn. As of June 30, 2021, our portfolio had a weighted average lease term of 3.4 years.

Upon completion of the Separation, we expect to receive from Realty Income its equity interests in the Arch Street Joint Venture, which, as of June 30, 2021 owned a portfolio consisting of 5 office properties totaling approximately 0.8 million total leasable square feet located within 5 states. Our unconsolidated joint venture's portfolio was 100% occupied as of June 30, 2021, and generated ABR as of June 30, 2021 of $16.4 million, approximately 34% of which was derived from investment grade credit rated clients. As of June 30, 2021, Arch Street Joint Venture's portfolio had a weighted average lease term of 8.2 years. The Arch Street Joint Venture is reflected as an unconsolidated joint venture within the combined and consolidated financial statements of VEREIT Office Assets for the historical periods subsequent to its formation in 2020, which are presented in this information statement. As the Arch Street Joint Venture is expected to remain an unconsolidated joint venture for us following the Separation, our financial results generated by the Arch Street Joint Venture will be reported by us in accordance with the applicable equity accounting rules.

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, the Company expects, prior to the Distribution, to enter into an 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 ("ROFO Agreement"), which shall 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. For more information, see "Risk Factors."

Prior to the Distribution, we also anticipate granting a warrant to purchase up to 1,120,000 shares of our common stock (which is expected to represent approximately 2% of the outstanding shares of our common stock at the time of the Distribution) to an affiliate of Arch Street Capital Partners (the "Arch Street Warrant"). The Arch Street Warrant entitles the holder to purchase shares of our common stock at a price per share equal to (1) the 30-day volume weighted average per share price of common stock for the first 30 trading

days following the Distribution, multiplied by (2) 1.15 (as may be adjusted for any stock splits, dividends, combinations or similar transactions), at any time commencing 30 trading days after the completion of the Distribution. The Arch Street Warrant 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 common stock determined according to the formula set forth in the Arch Street Warrant. The Arch Street Warrant is anticipated to expire the earlier of (a) ten years after issuance and (b) if the Arch Street Joint Venture is terminated, the later of (i) seven years after issuance or (ii) the termination of the Arch Street Joint Venture. In connection with issuance of the Arch Street Warrant, we expect to grant the holder certain limited registration rights. For more information, see "Description of Capital Stock — Arch Street Warrant."

We plan to maintain a balance sheet positioned to support a growth-oriented business plan. That growth is expected to initially come from two primary sources: (i) our existing joint venture with Arch Street, which is expected to focus primarily on investment grade credit tenants with long lease terms greater than 13 years, and (ii) acquisitions we will make independent of the Arch Street Joint Venture that align with our strategy and associated investment criteria including lease duration, tenant type, or other factors. We believe our conservative leverage and strong liquidity will enable us to opportunistically take advantage of high-quality acquisition opportunities. We will seek to generate returns for our shareholders by augmenting earnings growth with a sustainable dividend. We expect our initial dividend to be sized to permit meaningful free cash flow for reinvestment into our current portfolio and accretive investments, and to comply with the requirements to maintain our REIT status.

We are committed to environmental, social, and governance ("ESG") initiatives and being a responsible corporate citizen is integral to our strategy. Our approach has a particular emphasis on environmental stewardship, social responsibility, and corporate governance and compliance. We believe that our ESG initiatives are critical to our success, and we are focused on actions in coordination with our clients that are designed to have a long-term, positive impact for all stakeholders.

We intend to elect and qualify to be taxed as a REIT for U.S. federal income tax purposes commencing with our initial taxable year ending December 31, 2021.

Competitive Strengths

Unique Focus on Single-tenant Suburban Office. We 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. Our expertise, scale and focus will competitively position us to capitalize on the strong growth potential embedded in suburban markets relative to urban office and other asset classes. We believe that suburban office markets will outperform traditional urban office markets in the future given the ongoing migration trends from urban areas to the suburbs that were accelerated due to the COVID-19 pandemic. Institutional investors' reduced focus on the single-tenant suburban office asset class has led to pricing dislocation, presenting a potentially attractive entry point for a consolidator in the sector.

Primarily Mission-Critical Regional and Corporate Headquarters Locations. Our corporate clients depend on regional and corporate headquarters locations to house key management personnel, critical IT infrastructure and essential support functions such as accounting, financial reporting, and human resources. In addition, these locations are important incubators of corporate culture, centers for employee development and education, and foster the idea generation resulting from in-person interaction that drives innovation.

High-quality, Diversified Portfolio with Favorable Exposure to Investment Grade Credit Our portfolio consists of 92 properties diversified by client and geography, including clients operating across a wide range of industries, including financial services, health care, government services, telecommunications and others, located across 29 states and Puerto Rico. None of our clients represents more than 10.1% of our portfolio by ABR as of June 30, 2021. We believe the diversity of our portfolio and the high credit quality nature of our tenancy will provide us with a strong, stable source of recurring cash flow from which to grow our business. Approximately 72% of our ABR is from investment grade credit rated clients, which historically have exhibited a strong track record of making scheduled rental payments, showing resilience during times of economic downturn.

Portfolio has Exhibited Resilient Performance Through Economic Cycles. Our portfolio has averaged approximately 99% rent collections on a monthly basis through June 30, 2021. We believe that our portfolio's

rent collection rate in the pandemic era is demonstrative of the creditworthiness of our client base and their ability and desire to continue to occupy these key office locations.

Acquisition Strategy Focused on Suburban Office Assets and Primarily Net Leases, with the Ability to Opportunistically Acquire Multi-Tenant Office Properties. Our external growth strategy will focus primarily on acquiring net lease office assets with long term leases of approximately 10 years on average. This long-term, net lease structure will allow us to minimize our exposure to the ongoing expenditures required to operate and maintain our properties as well as help us to avoid the costly downtime and leasing costs associated with shorter lease term assets that face more frequent lease rollover. We believe this will result in a portfolio that produces more stable and predictable cash flows and that delivers superior risk-adjusted returns. Additionally, we may seek to utilize our management team's expertise and demonstrated background of success in opportunistically acquiring multi-tenant suburban office properties that can serve to complement our core single-tenant suburban office strategy, allowing us to further diversify cash flows and enhance scale in our core suburban markets.

Proven Ability to Efficiently Deploy Capital Utilizing Proprietary Sourcing Channels to Enhance Scale 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 through which we have deployed capital. We believe our relationship-based sourcing strategy will continue to generate a sustainable pipeline of opportunities to drive growth and enhance scale.

Balance Sheet Positioned to Support a Growth-Oriented Business Plan. We will be capitalized to enable access to multiple forms of capital. As of June 30, 2021, the portfolio had approximately $180.7 million of total consolidated debt outstanding, consisting of secured mortgage debt, all of which is expected to be repaid by Realty Income in full prior to the Distribution. To provide additional liquidity and facilitate growth, and in connection with the Separation, Orion LP expects to enter into a $175.0 million term loan facility (the "Orion Term Loan") and a $350.0 million revolving credit facility (the "Orion Revolving Credit Facility"), $86.1 million of which is expected to be initially outstanding). In addition, Orion LP expects to enter into a $355.0 million commercial mortgage backed security bridge loan ("CMBS Bridge Loan"), which Orion LP expects to refinance with commercial mortgage-backed security financing prior to the maturity of the CMBS Bridge Loan. Of the proceeds under the Orion Revolving Credit Facility, the Orion Term Loan and the CMBS Bridge Loan, $595.8 million will be distributed to the partners of Orion LP and, in turn, be contributed to Realty Income in accordance with the Separation and Distribution Agreement. The remainder of the proceeds are anticipated to be used to pay fees and expenses related to the origination of the Orion Credit Facilities and the CMBS Bridge Loan and to finance working capital needs. As a result of these transactions, following the completion of the separation, we expect to have approximately $616.1 million in consolidated outstanding indebtedness, $10.0 million in cash, and $263.9 million of availability under our revolving credit facility. We believe our conservative leverage and strong liquidity will enable us to opportunistically take advantage of high-quality acquisition opportunities.

Active Asset Management Led by Well-Regarded, Dedicated Management Team with Significant Experience in Suburban Office and Deep Knowledge of the Portfolio. Our management team has a demonstrated background in the single-tenant suburban office real estate sector, including in the operation, leasing, acquisition, development and disposition of assets through all stages of the real estate cycle, and has a proven track record of execution. We believe that our senior management team's know-how, 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.

Vertically Integrated, Scalable Platform. 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 is comprised of approximately 24 employees, including property managers and leasing professionals who maintain direct relationships and dialogue with our clients 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.

Experienced Management Team with Proven Track Record. Our management team has extensive experience in the single-tenant suburban office real estate sector, including in the operation, leasing, acquisition, development and disposition of assets through all stages of the real estate cycle, and has a proven track record of execution.

Market Opportunity

We believe that the combination of market dynamics in each of the suburban office and net lease sectors presents an attractive investment opportunity unique in the public REIT market.

We believe that a suburban office strategy deployed in scale across high quality suburban markets with strong fundamentals is positioned to capture the demographic trends that have been accelerated in the post-COVID environment, including the de-urbanization of millennials.

We also believe that a primarily single-tenant net lease strategy featuring long term leases will benefit from durable, predictable cash flows often supported by investment grade credit tenancy with inflation protection through contractual rent growth.

Suburban Office Market Opportunity

We believe there are a number of macroeconomic and demographic trends that are positive for the outlook of our single-tenant suburban office strategy including:

Substantial Total Addressable Market for Suburban Office Investment

We believe there is substantial investment opportunity in the suburban office real estate market. According to data from JLL and management's estimates, the suburban office sector comprises an estimated $1.0 trillion to $1.5 trillion of commercial properties across the single tenant and multi-tenant suburban office markets in the U.S.

Shifting Lifestyle Preferences of the Millennial Cohort

We believe that certain suburban markets are attractive migration targets for millennials leaving the urban core as they age and start families. Millennials are the largest, most diverse, and most educated generation in the U.S., according to Brookings. As they leave the urban core, we believe that they are likely to amplify the "clustering" trend whereby Americans are increasingly sorting by education level and that suburban markets with a high concentration of college-educated workers, a critical mass of innovative industries, direct access to public transportation, community centers, quality education systems, and adequate supply of affordable housing are likely to experience robust growth. With approximately 68 million individuals between the ages of 25 and 39 as of July 1, 2020 according to U.S. Census Bureau projections, the millennials generation is the largest generation in the U.S. and is therefore expected to be the predominant group in the workforce for the foreseeable future. As the majority of millennials mature into their thirties, we believe many have entered or are entering into a stage of life where the confluence of starting a family, continuing to pursue a career and purchasing a home become priorities and, as a result, issues such as employment opportunities, cost of living, quality of life, proximity to work and access to well-regarded schools are becoming increasingly important. We believe these preferences, combined with diminishing single-family home affordability in the major markets, will cause many millennials to pursue opportunities to live and work within suburban markets that can address their evolving career and personal goals.

De-Urbanization: Population Shift from Urban to Non-Urban Communities

The net population flow out of U.S. urban neighborhoods and into non-urban neighborhoods doubled in the period between March and September 2020 as compared to the average for the same months in 2017 through 2019, according to the Federal Reserve Bank of Cleveland. We believe our suburban focus positions us well to capture additional growth from these trends.

We believe that the suburbs present meaningful benefits to employers as office space in suburban locations typically costs less than equivalent space in central business districts and many suburban locations offer lower taxes than central business districts. Suburban offices offer compelling benefits to employees as well, including shorter commute time and ample/free parking. In addition to the benefit of close proximity to where a majority

of the workforce lives, employers also are attracted to suburban markets due to lower occupancy costs relative to central business district costs. Because millennial talent in recent years had been generally clustered in central cities, employers had been willing to bear the burden of higher central business district rents in order to attract that talent. However, as previously discussed, current demographic trends are now pointing towards a migration to the suburbs. Post-pandemic office space utilization trends suggest a reversal of the previous decade's prevailing trend of densification of employees, with continually decreasing office square footage per employee. New social distancing protocols and the desire for more collaborative space may serve as a catalyst for increasing office square footage per employee — space that is more affordably obtained in a suburban office rather than the urban core.

Additionally, given potential inflationary pressures in the current economic environment, prospects for wage inflation may increase pressure on corporate margins, making the cost advantage of suburban office space all the more attractive.

Corporate Relocation Trends

Large corporations continue to announce relocations and/or new corporate campuses away from major coastal urban "gateway" ("Gateway" or "GW") hubs and toward inland suburban and "secondary" markets.

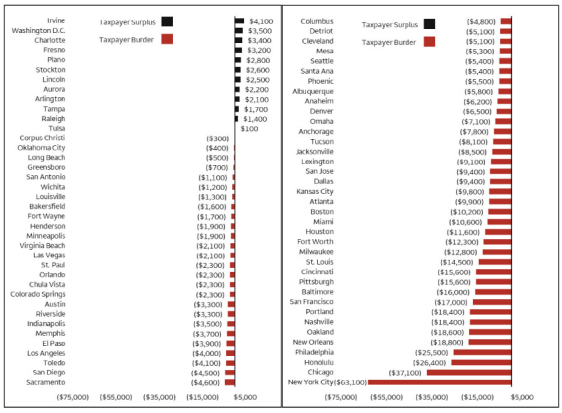
We believe that suburban markets that have been targets of high-profile corporate relocation processes are likely to enjoy a meaningful "halo effect" in the eyes of the millennial workforce and employers alike. We believe that similar suburban secondary markets will continue to be considered for other corporate relocations, and we further believe that announcements by Amazon, Microsoft, Google and others will serve to further raise the profiles of suburban markets among a broader group of employers. Additionally, we believe these announcements will act as a catalyst for public infrastructure projects located in and around denser suburban submarkets, creating additional attractive options for similar corporate relocations.

Office workers in the coastal Gateway cities are increasingly relocating to non-gateway ("Non-Gateway" or "NGW") markets that provide more space, lower cost of living, more advantageous state income tax constructs and warmer weather. As a result, companies continue to follow the migration of talent, either by moving their headquarters or by expanding to cities outside their main Gateway city location(s).

Favorable tax and regulatory environments in Non-Gateway cities with more fiscally stable local governments are enticing companies with lower commercial property taxes, quality public services and infrastructure. Fiscal health is an important factor in the assessment of long-term outlooks across markets.

Taxpayer Burden or Taxpayer Surplus. According to research from the think tank Truth in Accounting in the chart that follows, a Taxpayer Burden is the amount of money each taxpayer would have to contribute if the city were to pay all of its debt accumulated to date. Conversely, a Taxpayer Surplus is the amount of money left over after all of a city's bills are paid, divided by the estimated number of taxpayers in the city. We believe that markets with better fiscal health relative to competing markets are best positioned to continue to benefit from corporate relocation trends.

Fiscal Health of Top 75 U.S. Cities



Source: Financial State of the Cities 2020, TIA.org

The following are examples of recent corporate relocation announcements:

- In May 2021, Credit Karma announced plans to expand in Charlotte with its new East Coast headquarters, adding 600 jobs over the next five years.
- In April 2021, Apple Inc. announced plans to invest $1 billion over 10 years in Raleigh's Research Triangle. The investment will create at least 3,000 new jobs in machine learning, artificial intelligence, software engineering, and other cutting-edge fields.
- In February 2021, Microsoft Corporation announced plans for a new datacenter region with a presence in Douglas and Fulton counties (Atlanta metro). These investments put Atlanta on the path toward becoming one of Microsoft's largest hubs in the U.S.
- In February 2021, Amazon.com, Inc. unveiled the next phase of its $2.5 billion HQ2 in Northern Virginia. The new headquarters will include three towers with 2.8 million square feet of office space.
- In January 2021, Digital Realty Trust Inc., a data center owner/operator used by major technology companies, relocated its global headquarters to Austin from San Francisco.
- In December 2020, Oracle Corporation announced that it is moving its corporate headquarters from Silicon Valley to Austin.
- In December 2020, Hewlett Packard Enterprise announced it will move its headquarters to Houston after nearly a century in Palo Alto.
- In December 2020, Schwab Corporation and TD Ameritrade announced on the heels of their $26 billion merger that the combined company's headquarters would relocate from San Francisco to North Texas.

- In December 2020, Peloton Interactive, Inc. quadrupled its office usage in Plano, allowing the company to hire up to 1,600 employees, making the office the company's largest location.
- In October 2020, CBRE Group, the country's largest commercial real estate services company with over 100,000 employees globally, announced that it is moving its headquarters from Los Angeles to Dallas.
- In December 2018, Indigo Ag, Inc. announced it will establish its headquarters for North American commercial operations in downtown Memphis, where it will create 700 new jobs.
- In September 2018, Chipotle Mexican Grill, Inc. announced it would consolidate offices from New York and Colorado to Columbus.
- In May 2018, AllianceBernstein L.P., a global investment-management and research firm, announced it would be relocating its corporate headquarters to Nashville from New York City.

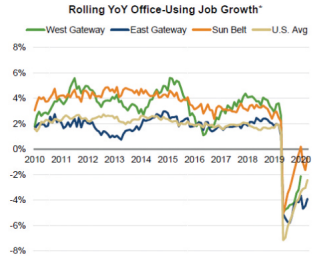
Increase in Work From Home ("WFH") Initiatives

We believe the increase in WFH initiatives across the U.S. will increase the attractiveness of the suburbs and lower-cost markets as employment centers. We believe employees have greater flexibility as to where they do their work, and that as employees migrate from urban centers, employers will follow. Given the continued importance of the office as a hub for training and development of corporate culture, employers and employees alike may come to prefer a hybrid work model with some level of flexibility between WFH and office work. When working in the office, employees may prefer an arrangement that is most conducive to their lifestyle (minimal commutes, access to parking, etc.) and as such, employers will continue to react to the decentralization of their employees by locating office facilities in the suburbs. We also believe that changing office space utilization patterns in a post-COVID office environment will serve to reverse the longstanding trend of increased densification of employees that has persisted for much of the past decade in urban offices. As employers react to social distancing protocols and recognize the need for more collaborative group working space, there is likely to be an increase in office square footage per employee, which should serve as a positive tailwind for demand.

Sun Belt States, Home to Many Thriving Suburban Markets, are Increasingly Attractive

The Sun Belt region has experienced significant growth in population. Between 2000 and 2020, Sun Belt states increased their collective population by 28 million people, which represented 56% of all U.S. population growth, according to the U.S. Census Bureau. Sun Belt states represent 40% of the U.S. population as of 2020, an increase from 37% in 2000. Approximately 25% of our portfolio ABR is located in Sun Belt states. We believe these markets benefit from increased demand resulting from the Sun Belt's increased percentage of the total population.

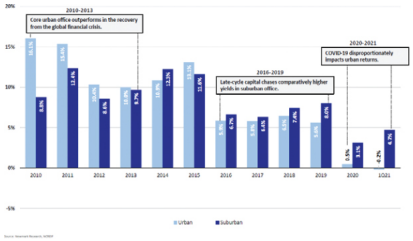
Office-using jobs continue a recovery to pre-COVID levels. Sun Belt markets are mostly back to pre-COVID office-using employment levels with the exception of oil or tourism-dependent markets (*e.g.*, Orlando, Houston). A loosening of COVID-era restrictions and stronger macroeconomic growth point to a continued recovery.



Source: Green Street Advisors. REIT Office Sector Update May 24, 2021. Based on data from 2010 – 2020.

Non-Gateway suburban markets benefit from improving prospects and converging fundamentals relative to Gateway urban markets. Demand for office properties has shifted over time, with positive momentum in suburban real estate continuing into 2021 as dense urban markets have experienced higher levels of COVID-related disruption.

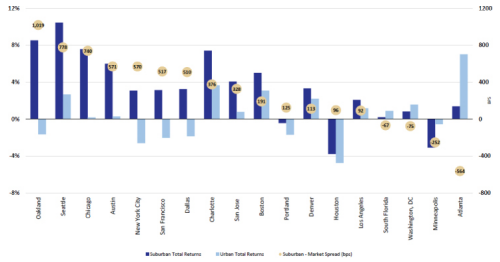
Suburban vs Urban Office Total Returns



Source: Newmark

Suburban office markets continue to outperform by 282 basis points on average, in part due to the prevalence of single-tenant buildings with longer term leases which offer an alternative risk profile compared with multi-tenant urban properties.

Suburban vs Urban Office Total Returns by Market
1Q2020 – 1Q2021 (National Council of Real Estate Investment Fiduciaries)

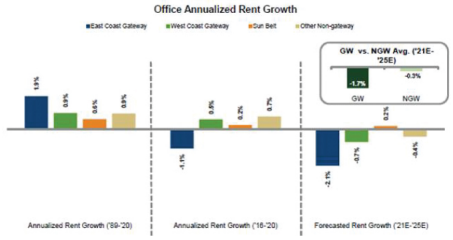


Source: Newmark

Rent Growth Forecast: Non-Gateway market supply growth as a percent of existing stock was considerably higher than Gateway's over the 25+ years ending 2020, helping explain the superior rent growth that the Gateway markets delivered over that time period. However, in the past few years, the delta in supply

growth converged, though it will be slightly wider than historical averages over the next five years. As a result, net effective rent growth expectations have also diverged through 2025.

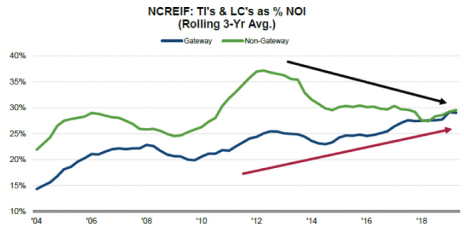
Office Annualized Rent Growth



Source: Green Street Advisors. 2021 U.S. Office Outlook Jan 20, 2021. Based on data 1989 – 2025E.

Leasing Costs: Gateway markets historically held an advantage over Non-Gateway with regard to leasing costs, which meant that Gateway landlords kept comparatively more net cash flow in their earnings than Non-Gateway landlords. That advantage has compressed in the last decade as landlord pricing power became comparably reduced in Gateway markets and larger tenant improvement packages became the norm. Comparable capital expenditure requirements across markets suggest similar long-term net operating income ("NOI") growth across markets. We expect that when we invest capital to fund leasing costs, it will be done upon determination that the investment is expected to produce an acceptable risk-adjusted return on capital.

Tenant Improvements & Leasing Commissions as Percent of NOI



Source: Green Street Advisors. 2021 U.S. Office Outlook Jan 20, 2021. Based on data from 2004 – 2019.

Net Lease Market Opportunity

Net Lease Investment Market

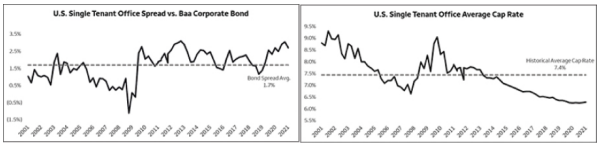
Net lease properties have historically generated consistent and stable rent growth across economic cycles relative to other property types. The long term nature of net leases and their pass-through rent structure can mitigate some risks associated with economic downturns and the effects of inflation on operating expenses.

Net lease investors have expanded the investment opportunities in the net lease real estate market through the development of build-to-suit single-tenant properties and the acquisition of build-to-suit single-tenant properties from developers.

The net lease real estate market is highly fragmented and undercapitalized, creating significant opportunities for well-capitalized investors with market knowledge, sector expertise and deal-sourcing capabilities. The lack of competition from publicly traded institutional capital and the fragmented nature of the sector provide opportunities for well-capitalized and experienced investors to gain scale, act as consolidators and continue to institutionalize the sector.

While competition for individual assets remains driven mostly by non-institutional buyers, there is growing institutional investor acceptance of the net lease sector as an important piece of the broader real estate investment universe. Over the past decade, the net lease sector public market cap has become a meaningful component of the MSCI REIT index, currently comprising about 12%, up from 4% in 2012, and current total equity capitalization in excess of $160 billion, up from $40 billion in 2012. This translates to greater visibility for the asset class and greater investor demand for exposure.

The strong investment interest in net lease real estate in recent years drove cap rates for single client properties to historic lows. While the single-tenant office property cap rate remained low, the spread to corporate bond yields remained relatively wide. Through March 2020, the single-tenant office cap rate to Baa corporate bond yield spread increased to 271 basis points, compared with the long-term average since 2001 of 172 basis points. In late 2020, with corporate bond yields falling, the spread widened to 306 basis points; however, recent increases in corporate bond yields reduced the spread to 271 basis points in June 2021, yet the spread remained greater than the long-term average. As net lease real estate can offer stable income streams with characteristics similar to those of income yielding bonds, the wide spread between corporate bond yields and the stable cap rate highlights the potential opportunity for attractive risk-adjusted returns relative to corporate bonds.



Characteristics of Net Lease Properties

Relative to other commercial property types, net lease properties generally feature stable rents with minimal property management responsibilities or operating expenses and inflation mitigation measures embedded in many net lease contracts. Net leases typically have longer lease terms than gross leases. The initial term of a net lease is often more than 10 years, with options to extend the lease. With its predictable cash flows paid at regular intervals, the net lease structure exhibits similar characteristics to interest-bearing corporate bonds.

Importance of Client Credit Underwriting and Real Estate Use

As net leases generally have longer terms than gross leases, including extension options, many net leases can span multiple economic cycles, reducing re-tenanting risk. If a net lease client vacates, the property reverts to the landlord and should hold residual value depending upon the location, quality and other characteristics of the property. Net lease properties are often key sites that are mission-critical to a client's core business. The mission-critical nature of these sites may also contribute to clients prioritizing the payment of rent during the economic slowdowns or shutdowns. The importance of each building often means that clients are committed for the longer term, improving the likelihood of renewal and helping to minimize some of the vacancy risk associated with commercial real estate.

The financial strength of a client, as well as the long-term outlook for the client's industry, can potentially reduce risks from economic or real estate downturns. Clients with stronger corporate balance sheets may be less likely to default on rent payments or ask for rent relief and rent concessions, helping to minimize vacancy risk or the risk of not collecting rent. Corporate credit ratings for clients can be instrumental in helping owners of net lease properties underwrite the risk of a client, similar to how they help corporate bond investors assess the risk or creditworthiness of an issuer.

ESG Opportunity

Our leadership team is committed to collaborating with our clients to implement ESG initiatives across our portfolio and management will be held accountable for producing results. We intend to utilize a performance framework to track progress on key performance indicators against a measurable baseline and the leadership team's compensation will be tied to progress against benchmarks set by the Nominating and Governance Committee in collaboration with the Compensation Committee of the board of directors. We are committed to making ESG an integral component of our long term strategy for success for our company, our communities and our clients that we serve.

Environmental Stewardship. We will have a commitment to enacting environmentally friendly policies with regard to energy and water efficiency, alternative power sources, waste management, and other initiatives that will help us and our clients preserve and protect the environment.

Social Responsibility. Our culture will be driven by our team's connection to each other and the communities in which we live and work. Community partnerships give our team opportunities to effect positive change within our company, our industry, and our communities.

Corporate Governance & Compliance. We will have a commitment to conducting business with integrity. This core value is embedded in our predecessors' culture and reflected in our commitment to conducting all of our activities in accordance with the highest ethical standards and in compliance with all legal and regulatory requirements.

Company And Growth Strategies

Investment Evaluation Framework

We intend to implement a proven, cycle-tested investment evaluation framework which will serve as the lens through which we will make capital allocation decisions for both our current portfolio and future acquisitions. As we cultivate our post-Distribution portfolio through a targeted, accretive growth strategy supplemented with active asset management, we evaluate both existing and new investments along the key criteria below to determine strategic fit. We intend to apply this evaluation framework to our portfolio to identify opportunities for growth and improvement in operational performance, or to identify potential assets for dispositions to raise proceeds for capital recycling into acquisition opportunities or existing properties that fit our criteria. In general, we will invest in fungible suburban office properties acquired at a reasonable basis in markets with good demand drivers.

Suburban Market Features

We will focus on suburban markets with strong fundamentals and demographic tailwinds accelerated in the post-COVID environment. We look for markets with the following characteristics that are well-positioned to capitalize on de-urbanization trends.

Population Growth: According to Pew Research Center, since 2000, the nation's population has been increasingly concentrated in the suburban counties surrounding the urban core counties of the largest metro areas. Since 2000, the largest metropolitan areas gained 30.6 million residents, with the majority of the increase (16.6 million) occurring in the suburbs. By 2018, 25% of the total U.S. population resided in the large suburban counties, up from 23% in 2000. In contrast, the share of the population living in the urban cores remained at 31%. The population gain in large suburban counties, as well as in smaller metropolitan counties, occurred at the expense of rural counties. Some 14% of the total U.S. population lived in rural counties in 2018, a decline from 16% in 2000. More recently, according to population estimates released by the U.S. Census Bureau and the Federal Reserve Bank of Cleveland, net migration of people out of U.S. urban neighborhoods averaged

nearly 28,000 people per month in March through September of the recent years 2017 to 2019. That number nearly doubled — to 56,000 people per month — in 2020 after the pandemic's onset in March, driven primarily by individuals 18-34 years old. We believe that the net out-migration from urban to suburban areas reflects the shifting lifestyle preferences of the millennial generation and that, as this out-migration trend continues, more employers will choose to locate or relocate their corporate offices to suburban markets to attract the millennial workforce talent that is increasingly residing in such markets.

Highly Educated Workforce: Many suburban markets are economic epicenters that often have a strong university presence and a large existing population of highly educated workers. We believe that job opportunities, affordability and lifestyle preferences will continue to draw highly educated young professionals to suburban markets, driving economic growth and attracting employers offering high-paying positions in knowledge-driven industries.

Office-Using Employment Growth, with Focus on Clustering of Knowledge Economy Jobs: Office-using employment has increased in recent years in select suburban markets. As a result, we expect client demand for office properties to continue to increase substantially in high quality suburban markets. In recent years, strong office-using employment growth supported sustained client demand and a steady improvement in operating conditions for office properties in suburban markets, many of which had office-using employment growth rates that surpassed the national office-using employment growth rate.

Limited New Supply: We believe certain suburban markets will be supply constrained over the medium- to long-term due to prevailing market rents below levels that would justify new construction. As a result, the level of new construction in these markets tends to be lower than in the major markets, resulting in relatively fewer options for office space.

Access to Mass Transit: Public transportation contributes to lively and desirable suburban communities. Effective public transportation networks can reduce the local carbon footprint, and increase accessibility for residents of all income levels. Comprehensive transportation systems tend to incorporate accessibility, affordability, connectivity, and land use planning, while also featuring multiple modes of transportation like streets, sidewalks, bicycle routes, as well as private and public vehicle fleets. We believe that suburban markets with proximate access to mass transit that creates connectivity to nearby urban centers are desirable for employees and employers.

Supply of Affordable Housing: Available stock of affordable housing serves as a means of attracting prospective residents to move outside the more expensive urban centers. Housing is often the single largest monthly expense for a household; we target suburban markets with available housing to receive new residents seeking cost savings outside the more expensive urban cores.

Good Public School Systems: Access to quality public schools is among the top factors for households seeking to relocate. For households with children, this means access to low cost education for their kids. For households without children, access to good public schools is still important because it supports home values. We believe that suburban markets with quality public schools are more attractive to prospective employers because they are more attractive to the employees who live there.

Representative Geographies: Sun Belt Markets: Sun Belt states, home to many thriving suburban markets, are benefiting from many of these positive macroeconomic and demographic trends. Between 2000 and 2020, Sun Belt states increased their collective population by 28 million people, which represented 56% of all U.S. population growth, according to the U.S. Census Bureau. Sun Belt states represent 40% of the U.S. population as of 2020, an increase from 37% in 2000. Approximately 25% of our current portfolio ABR is located in Sun Belt states and we will seek to meaningfully increase this exposure over time.

Representative Geographies: Other High Quality Markets: We believe that there are a variety of other high quality markets (outside of the Sun Belt) that benefit from many of the same positive tailwinds we have identified. These may include suburban markets with a local economy anchored by a large presence of government (e.g., state capitals), healthcare (e.g., medical center or hospital), or education (e.g., large college or university) entities that serve as the engine for economic activity on a local or regional level.

Net Lease Investment Characteristics

Lease Term: We will seek to acquire long term leases of approximately 10 years on average, while extending lease terms of our existing portfolio via active asset management.

Client Industry: We target corporations in economic sectors with durable growth prospects.

Rent Escalations: We target leases with annual rent growth.

Lease Structure: We believe that we benefit from using net lease structures whereby clients are responsible for many operating expenses.

Client Credit Underwriting

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

Client credit is central to the underwriting process. As such, we use a combination of in-house credit expertise supplemented by a dedicated third party firm, as appropriate, that reviews each client's financial statements with a key focus on an assessment of the client's long-term ability to pay its obligations (including rent) as they come due. We also utilize a variety of additional sources of information including the major rating agencies (S&P, Moody's and Fitch), Bloomberg, Creditntell and other public and private information sources. For clients that are not rated by one of the major rating agencies, we utilize tools and models that can help us estimate what their public rating would be. Further we look at a variety of additional factors including the company's competitive position, relative size, longevity, ownership structure (public, private, private equity), and industry, among other considerations.

Real Estate Attributes

Each property that we own or intend to buy is evaluated based on core real estate fundamentals starting with credit of the client in-place and the longevity of the lease. In addition, we look to understand and evaluate both the building itself from a stand-alone real estate perspective and the overall market where it is situated. In looking at the building itself, we focus on its usefulness to the existing client to try and gauge renewal probability followed by an assessment of our ability to attract a replacement client(s) to the asset in the event of nonrenewal or default during the term. Those factors would include, but not be limited to, items such as market rents compared to in-place rents, total building size, age, floorplate size and configuration, building systems, parking ratios, on-site amenities, etc. Once that assessment is made, we look at the market in which the building is situated focusing on items such as, location within the market, long-term office demand drivers, competitive buildings, nearby amenities, the local and state political environment that may encourage or discourage economic development, population trends and employment patterns, housing availability and work force expertise.

Real Estate Use: Prefer mission-critical and/or headquarters locations

Location Within Submarket: Prefer easy access to commuter routes and public transit

Leasing Track Record: Prefer history of "sticky" lease renewal or high likelihood of ability to backfill

Fungibility: Prefer ability to convert any potential vacancy to multi-tenant, where appropriate

Parking: Prefer ample on-site parking, particularly where transit options are limited

Amenities: Prefer on-site dining and fitness options, lobby/rooftop common area, walking trails, etc.

Workplace Productivity: Prefer properties with modern floor plans configured to optimize collaboration and enhance employee productivity

ESG Compliant: Prefer properties that are compliant, or can be made compliant, with our ESG framework and are additive to our ESG narrative that is core to our strategy

We 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 execute along three fundamental drivers of our business: External Growth, Asset Management, and Capital Recycling.

External Growth

External Growth through Acquisitions of Single-Tenant Suburban Office. We intend to grow our portfolio by acquiring properties through multiple sourcing channels and leveraging our management team's extensive relationship network with an average of over 25 years of experience transacting in the single-tenant suburban office market. Additionally, we may seek to utilize our management team's expertise to opportunistically acquire multi-tenant suburban office properties that can serve to complement our core single-tenant suburban office strategy, allowing us to further diversify cash flows and enhance scale in our core suburban markets. We will evaluate all growth opportunities through our investment evaluation framework, which includes diligence of the subject asset's: Suburban Market Features, Net Lease Investment Characteristics, Client Credit Underwriting, and Real Estate Attributes.

We will target a variety of acquisition opportunities including existing stabilized leases acquired on a one-off or portfolio basis, sourced in the open market, or sourced off-market using management relationships with clients and developers such as sale-leasebacks and build-to-suits.

Other Growth Strategies To Be Deployed Over Time. We may also pursue adjacent net lease and office strategies to enhance growth, including but not limited to: multi-tenant office, medical office buildings, life science office, net lease industrial, and other net lease asset classes.

Asset Management

Value Creation Through Active Asset Management. We will employ active asset management strategies and partner with our client relationships to attract and retain high-quality creditworthy clients, drive re-leasing and renewal activity and maximize our client retention rates. Our experienced in-house asset management team allows us to lead the leasing process and maximize rental rates while minimizing leasing costs and execution timing. We believe that we will be able to apply our management and leasing expertise to our existing properties and properties we acquire in order to create significant value for our shareholders and clients.

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 lease, 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 following the Distribution, in order to identify opportunities to sell, release, or reposition existing assets.

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

Our integrated structure will enable us to identify value creation opportunities and realize significant operating efficiencies. 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.

Case Studies

USAA and nThrive — Plano, TX

History:

VEREIT's predecessor, Cole Real Estate Investments Inc., acquired the land for the property in 2011 and entered into a development agreement with Trammel Crow for the development of a 230,000 sq. ft., four-story, Class-A office building in Plano, TX, within the Legacy Business Park, a 2,665-acre master-planned business, retail and residential community. The property was subject to a 15-year lease with MedAssets, with rent based on an 8.8% development yield. The property was completed in 2013 for a total development cost of approximately $43.5 million.

Challenge:

The property served as a regional operations center for MedAssets. In 2016, Pamplona Capital Management acquired MedAssets, merged it with Precyse, and changed its name to nThrive. Following the merger, nThrive was attempting to consolidate its business operations, which included seeking to shed its obligations under the lease at the property by marketing the property for sublease and wanting an early lease buyout.

Resolution:

New lease with USAA — In 2019, VEREIT entered into a new 11.6-year, full-building lease with USAA that allowed for USAA to occupy the building in phases. VEREIT simultaneously entered into a lease termination amendment with nThrive that allowed nThrive to vacate the building and be released from further obligations in phases to coincide with USAA's occupancy. VEREIT was able to achieve an increase in USAA's base rent of approximately 38% over what nThrive was paying. In addition, VEREIT was able to offset nearly half of USAA's $35.50 per square foot tenant improvement allowance with a lease termination payment by nThrive. VEREIT subsequently sold the property in 2020 for $107 million (5.6% cap rate).

Benefits:

The re-lease and subsequent sale of the USAA building resulted in significant value realization through a substantial increase in rent and compression in cap rates, all while experiencing no downtime in overall tenancy.

Rockwell Collins Divisional HQ for Simulation and Training Solutions — Sterling, VA

History:

Rockwell Collins was acquired by VEREIT in 2014 for $39.1 million with a 7.8-year net lease. The flex building was built to suit for Rockwell Collins and was used for product design, testing and training by their Simulation and Training Solutions business. The property featured 82,000 sq. ft. of office space and 96,000 sq. ft. of high bay/lab/warehouse space. The original design provided for a 2-level office space expansion.

Challenge:

Despite the property being well-located (25 miles west of Washington DC and 4 miles from Dulles Airport in the densely developed Route 28/Dulles North submarket), as of 2017, the property was lightly occupied, underutilized, and at risk of going vacant.

Resolution:

Early Blend/Extend Lease Renewal — After reconsidering their use of this property, the tenant sought an early renewal in 2017 including a 19% contract rent reduction, a $20 per square foot tenant improvement allowance, and a 4% leasing commission for a 5-year lease extension. VEREIT successfully negotiated a 17% rent reduction with *no* tenant improvement allowance and a 2.75% leasing commission for a 7-year lease extension.

Property Expansion — Subsequently, the tenant exercised its option to expand the building by 29,000 square feet. VEREIT completed the expansion at a cost of $6.2 million and is earning 8.4% per year on the expansion construction cost over the remaining lease term.

Benefits:

VEREIT completed two separate transactions that stabilized and extended Rockwell's tenancy and materially improved property yield, asset value, and liquidity. Management estimates that before the extension, the property would have been valued at approx. $33.8 million based on a cap rate of 8.75% and after the transactions, the property would have been valued at approximately $45.7 million based on a cap rate of 6.50%.

The Reserve at Sierra Pines-Linde — The Woodlands, TX

History:

The Reserve at Sierra Pines is a 14-acre parcel improved by a 3-story, 175,000 sq. ft. multi-tenant office building built in 2009. The property was acquired by CapLease (which was eventually acquired by VEREIT), in 2012 for $40.45 million. At the time of acquisition, the property was 100% leased by the following tenants: Praxair, BHC Marketing, Mott MacDonald, Dover Fluid Management, and Strike.

Challenge:

As of May 2020, the occupancy level at the property had dropped to 67% with the departure of Dover Fluid Management, BHC Marketing, and Strike. Additionally, Praxair had recently merged with Linde AG to form the world's largest industrial gas company. The combined Praxair/Linde entity engaged CBRE as its broker and began to prospect the Houston office market to satisfy a long-term requirement for their North American HQ in anticipation of a 2022 lease expiration date at the property. The vacancy rate for office space in Houston was over 20% and net absorption had been negative for several consecutive quarters. Office landlords were eager to fill vacancy and had begun offering highly-amenitized, Class-A space at compelling rental rates with disproportionately large concession packages.

Resolution:

Extended and expanded lease with Linde— In 2021, VEREIT entered into an 11-year renewal agreement with Linde on the entire 2nd and 3rd floor (120,454 square feet). VEREIT's success in preserving Linde in a highly competitive leasing landscape was largely attributable to its ability to execute on plans to amenitize the property with a state of the art fitness center, conference room, outdoor basketball court, and to establish a micro market or meal catering service, effectively bringing the property into competition with much of the newer available product in the market. The 11-year renewal will generate approximately $20 million in net operating income, which net of approximately $7 million in leasing costs, yields a net effective rent of $10 per square foot in a leasing environment where landlords are regularly signing leases with net effective rents between $0 and $5 per square foot.

Benefits:

The 11-year renewal with Linde not only increased occupancy to 75% and preserved existing levels of net operating income but also generated liquidity and harvestable value for ownership. The property is now equipped with a long-term, anchor-tenant of investment grade quality.

Capital Recycling

Value Creation Through Capital Recycling. We intend to pursue an efficient capital allocation strategy that maximizes the value of our invested capital. This strategy may include selectively disposing of properties in our portfolio or in portfolios we may acquire in the future that do not fit our investment strategy or for which we believe returns have been maximized given prevailing economic, market and other circumstances and redeploying capital into acquisition opportunities or other assets in the portfolio with higher return prospects, in each case, in a manner that is consistent with our qualification as a REIT.

Financing Strategy

We intend to employ a conservative leverage strategy and maintain ample liquidity in order to minimize operational risk and retain growth capacity. We expect to utilize a mix of common equity, preferred equity, and secured and unsecured debt financing to optimize pricing and access to capital. To effectively manage our long-term leverage strategy, we will continue to analyze various sources of debt capital to determine which sources will be the most advantageous to our investment strategy at any particular point in time. We expect to fund property acquisitions through the most advantageous form of financing at the time (including borrowings under the new Orion Credit Facilities to be entered into in connection with the Separation), as well as any remaining cash available from the balance sheet.

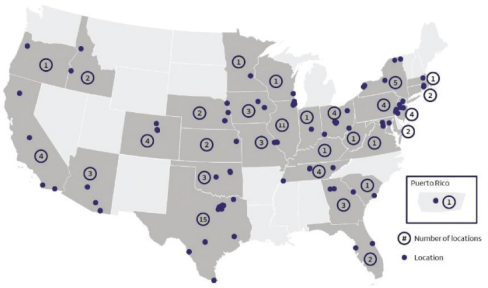
Use of Joint Ventures

We will seek to acquire some of our properties through joint ventures, including pursuant to the ROFO Agreement with the Arch Street Joint Venture, as well as through other joint ventures, general partnerships, co-tenancies and other participations with real estate developers, owners and others. We may enter into joint ventures for a variety of reasons, including to own and lease real properties that would not otherwise be available to us, to diversify our sources of equity, to create income streams that would not otherwise be available to us, to facilitate strategic transactions with unaffiliated third parties, and/or to further diversify our portfolio by geographic region or property type. These joint ventures may be programmatic relationships with domestic or international institutional sources of capital. In determining whether to invest in a particular joint venture, we will evaluate the interests in real property that these joint venture owns or is being formed to own under the same criteria that we use to evaluate other real estate investments. We are currently party to one joint venture partnership with an institutional investor.

Our Portfolio

Initially our portfolio will consist of 92 properties, including 86 single-tenant office properties and 6 multi-tenant office properties aggregating 10.5 million total leasable square feet.

Region	Total Square Feet (000s)	% of June 30, 2021 ABR
Northeast	2,487	29.1%
Midwest	3,698	28.7%
Southwest	2,760	24.7%
Southeast	647	6.9%
Mid-Atlantic	510	5.9%
West	274	2.9%
Other	56	1.2%
Northwest	74	0.6%
Totals	**10,507**	**100.0%**



The following table sets forth our occupancy rate and average annual base rent per square foot for our office properties as of June 30, 2021.

As of	Square Feet Owned (000s)	Occupancy Rate	Average Annual Base Rent per Square Foot
June 30, 2021	10,507	94.4%	$ 16.70

Additional information on our portfolio of properties as of June 30, 2021, is provided in the tables below:

#	Client Industry	City	State	Property Square Feet (000s)	IG Rated[1]	Annualized Base Rent (000s)[2]	Annualized Base Rent per SF
1	Financial Services	Hopewell	NJ	482	✓	$ 11,564	$ 24.00
2	Insurance	Buffalo	NY	430		$ 8,090	$ 18.79
3	Telecommunications	Bedford	MA	328		$ 7,221	$ 22.00
4	Government Services	Covington	KY	438	✓	$ 6,227	$ 14.21
5	Energy	Tulsa	OK	329	✓	$ 5,578	$ 16.98
6	Health Care	Malvern	PA	188		$ 5,254	$ 28.00
7	Health Care	Parsippany	NJ	176	✓	$ 4,995	$ 28.37
8	Insurance	Plano	TX	209	✓	$ 4,188	$ 20.07
9	Home Improvement	Denver	CO	262	✓	$ 4,132	$ 15.75
10	Drug Stores	Northbrook	IL	195	✓	$ 3,722	$ 19.08
11	Health Care	Berkeley	MO	227	✓	$ 3,498	$ 15.38
12	Health Care	Irving	TX	172		$ 3,413	$ 19.81
13	Insurance	Urbana	MD	116	✓	$ 3,325	$ 28.72
14	Health Care	Bedford	TX	75		$ 3,303	$ 44.04
15	Aerospace	Sterling	VA	207	✓	$ 3,232	$ 15.60
16	Business Services	Schaumburg	IL	178	✓	$ 2,844	$ 15.99
17	Insurance	Oklahoma City	OK	147		$ 2,791	$ 18.97
18	Manufacturing	Glen Burnie	MD	120		$ 2,728	$ 22.73
19	Transportation Services	Uniontown	OH	267	✓	$ 2,726	$ 10.23
20	Telecommunications	Richardson	TX	203	✓	$ 2,642	$ 13.00
21	Software	The Woodlands	TX	154		$ 2,433	$ 15.82
22	Health Care	St. Louis	MO	181	✓	$ 2,403	$ 13.27
23	Chemicals	The Woodlands	TX	175	✓	$ 2,346	$ 13.40
24	General Merchandise	Providence	RI	136	✓	$ 2,242	$ 16.50
25	Telecommunications	Lincoln	NE	150		$ 2,237	$ 14.91
26	Telecommunications	Amherst	NY	200		$ 2,197	$ 10.98

#	Client Industry	City	State	Property Square Feet (000s)	IG Rated[1]	Annualized Base Rent (000s)[2]	Annualized Base Rent per SF
27	Telecommunications	Milwaukee	WI	155	✓	$ 2,188	$ 14.13
28	Financial Services	Mount Pleasant	SC	68	✓	$ 2,186	$ 32.14
29	Insurance	Fresno	CA	127	✓	$ 2,130	$ 16.77
30	Insurance	Phoenix	AZ	90	✓	$ 2,089	$ 23.11
31	Government Services	Ponce	PR	57	✓	$ 2,023	$ 35.81
32	Food Processing	St. Charles	MO	96	✓	$ 2,022	$ 21.02
33	Aerospace	Columbus	OH	147	✓	$ 1,941	$ 13.24
34	Financial Services	Englewood	CO	95	✓	$ 1,858	$ 19.50
35	Financial Services	Dublin	OH	150	✓	$ 1,800	$ 12.00
36	Home Improvement	Santee	CA	73	✓	$ 1,797	$ 24.66
37	Health Care	San Antonio	TX	96	✓	$ 1,779	$ 18.56
38	Manufacturing	East Windsor	NJ	66		$ 1,754	$ 26.62
39	Transportation Services	Memphis	TN	90	✓	$ 1,744	$ 19.28
40	Diversified Industrial	Annandale	NJ	105		$ 1,707	$ 16.25
41	Telecommunications	Augusta	GA	79	✓	$ 1,645	$ 20.83
42	Diversified Industrial	Buffalo Grove	IL	105	✓	$ 1,629	$ 15.50
43	Health Care	Waukegan	IL	131	✓	$ 1,576	$ 12.00
44	Telecommunications	Brownsville	TX	78	✓	$ 1,570	$ 20.12
45	Diversified Industrial	Longmont	CO	152	✓	$ 1,568	$ 10.30
46	Equipment Services	Duluth	GA	126	✓	$ 1,461	$ 11.61
47	Telecommunications	East Syracuse	NY	109	✓	$ 1,446	$ 13.32
48	Telecommunications	Schaumburg	IL	106	✓	$ 1,383	$ 13.00
49	Diversified Industrial	Cedar Rapids	IA	78	✓	$ 1,375	$ 17.64
50	Government Services	Redding	CA	56	✓	$ 1,233	$ 22.18
51	Manufacturing	Malvern	PA	45		$ 1,231	$ 27.10
52	Home Improvement	Kennesaw	GA	80	✓	$ 1,209	$ 15.11
53	Financial Services	Harleysville	PA	80	✓	$ 1,197	$ 14.91
54	Drug Stores	Deerfield	IL	110	✓	$ 1,165	$ 10.61
55	Telecommunications	Salem	OR	74	✓	$ 1,120	$ 15.17
56	Drug Stores	Deerfield	IL	105	✓	$ 1,119	$ 10.61
57	Drug Stores	Deerfield	IL	105	✓	$ 1,118	$ 10.61
58	Drug Stores	Deerfield	IL	105	✓	$ 1,116	$ 10.61
59	Government Services	Parkersburg	WV	67	✓	$ 1,071	$ 15.94
60	Insurance	Dublin	OH	69		$ 1,044	$ 15.19
61	Government Contractor	Lawrence	KS	106		$ 1,035	$ 9.80
62	Telecommunications	Nashville	TN	69	✓	$ 1,032	$ 14.90
63	Government Services	Malone	NY	31	✓	$ 999	$ 32.47
64	Health Care	Nashville	TN	55		$ 969	$ 17.77
65	Engineering	Tulsa	OK	108		$ 966	$ 8.98
66	Government Contractor	Lawrence	KS	90		$ 887	$ 9.91
67	Drug Stores	Deerfield	IL	82	✓	$ 870	$ 10.61
68	Government Services	New Port Richey	FL	49	✓	$ 866	$ 17.76
69	Government Services	Knoxville	TN	25	✓	$ 821	$ 32.31
70	Government Services	Dallas	TX	18	✓	$ 763	$ 43.27
71	Financial Services	Warwick	RI	70	✓	$ 762	$ 10.93
72	Insurance	Cedar Falls	IA	45	✓	$ 753	$ 16.56
73	Government Services	Grangeville	ID	35	✓	$ 742	$ 21.00
74	Drug Stores	Deerfield	IL	67	✓	$ 707	$ 10.61
75	Health Care	Indianapolis	IN	83		$ 538	$ 6.50
76	Government Services	Minneapolis	MN	39	✓	$ 493	$ 12.55
77	Food Processing	Blair	NE	30	✓	$ 493	$ 16.43
78	Government Services	Sioux City	IA	11	✓	$ 485	$ 43.35

#	Client Industry	City	State	Property Square Feet (000s)	IG Rated[1]	Annualized Base Rent (000s)[2]	Annualized Base Rent per SF
79	Government Services	Eagle Pass	TX	22	✓	$ 454	$ 20.72
80	Government Services	Fort Worth	TX	16	✓	$ 427	$ 26.97
81	Government Services	Paris	TX	11	✓	$ 425	$ 39.35
82	Government Services	Plattsburgh	NY	19	✓	$ 338	$ 18.16
83	Government Services	Brownsville	TX	11	✓	$ 323	$ 30.68
84	Government Services	Caldwell	ID	11	✓	$ 277	$ 25.72
85	Government Services	Eagle Pass	TX	12	✓	$ 203	$ 17.42
86	Government Services	Cocoa	FL	6	✓	$ 176	$ 28.84
87	Vacant	Englewood	CO	61		$ 0	$ 0.00
88	Vacant	Ridley Park	PA	23		$ 0	$ 0.00
89	Vacant	Richardson	TX	116		$ 0	$ 0.00
90	Vacant	El Centro	CA	18		$ 0	$ 0.00
91	Vacant	Sierra Vista	AZ	24		$ 0	$ 0.00
92	Vacant	Tucson	AZ	125		$ 0	$ 0.00
Total				**10,507**		**$ 175,431**	**$ 16.70**

(1) Indicates whether the tenant has a credit rating, or is a subsidiary or affiliate of a company that has a credit rating, of Baa3/BBB- or higher from one of the three major rating agencies (Moody's / S&P / Fitch).

(2) Contractual base rent for the month ending June 30, 2021 annualized.

Debt Information (As of June 30 ,2021)

	Interest Rate (as of June 30, 2021)	Fixed or Floating Interest Rate	Contractual or Anticipated Maturity Date	Mortgage Balance ($000s, as of June 30, 2021)
	L+325 bps	Floating	8/19/2021	$ 14,884
	6.05%	Fixed	5/6/2022	$ 2,600
	4.73%	Fixed	6/1/2022	$ 41,000
	4.88%	Fixed	6/1/2022	$ 9,625
	4.60%	Fixed	6/6/2022	$ 17,270
	4.23%	Fixed	3/1/2023	$ 74,250
	3.95%	Fixed	4/1/2023	$ 8,558
	5.63%	Fixed	6/1/2032	$ 12,572
Totals	**4.47%**			**$ 180,759**

Top Clients

As of June 30, 2021, our top ten clients measured by Annualized Contractual Base Rent (for the month ending June 30, 2021) are as follows:

Client	Square Feet Leased (000s)	Annualized Base Rent for the month ending June 30, 2021 ($000s)	Percentage of June 30, 2021 ABR
Government Services Administration	868	$ 17,739	10.1%
Merrill Lynch	482	$ 11,564	6.6%
Healthnow Systems	430	$ 8,090	4.6%
RSA Security	328	$ 7,221	4.1%
Cigna	299	$ 6,276	3.6%

Client	Square Feet Leased (000s)	Annualized Base Rent for the month ending June 30, 2021 ($000s)	Percentage of June 30, 2021 ABR
Walgreens	575	$ 6,094	3.5%
Express Scripts	409	$ 5,901	3.4%
Cimarex Energy	309	$ 5,554	3.2%
T-Mobile	300	$ 5,367	3.1%
Teva Pharmaceuticals	188	$ 5,254	3.0%

Top Ten Client Industries

As of June 30, 2021, our top ten client industries measured by Annualized Contractual Base Rent (for the month ending June 30, 2021) are as follows:

Industry	Square Feet Leased (000s)	Annualized Base Rent for the month ending June 30, 2021 ($000s)	Percentage of June 30, 2021 ABR
Health Care	1,395	$ 28,000	16.0%
Telecommunications	1,551	$ 24,682	14.1%
Insurance	1,237	$ 24,475	14.0%
Financial Services	948	$ 19,419	11.1%
Government Services	907	$ 18,232	10.4%
Drug Stores	770	$ 9,817	5.6%
Home Improvement	301	$ 7,210	4.1%
Diversified Industrial	440	$ 6,279	3.6%
Energy	342	$ 6,202	3.5%
Manufacturing	231	$ 5,712	3.3%

Lease Expirations

The table below sets forth lease expirations for all of our properties as of June 30, 2021 assuming none of the clients exercise renewal options:

Year	Square Feet of Expiring Leases (000s)	Percentage of Property Square Feet	Annualized Base Rent for the month ending June 30, 2021 ($000s)	Percentage of June 30, 2021 ABR
2021	941	9.5%	$ 17,792	10.1%
2022	1,522	15.3%	$ 26,301	15.0%
2023	1,652	16.7%	$ 25,084	14.3%
2024	2,525	25.5%	$ 47,348	27.0%
2025	935	9.4%	$ 16,099	9.2%
2026	642	6.5%	$ 13,207	7.3%
2027	645	6.5%	$ 10,156	5.8%
2028	453	4.6%	$ 7,486	4.3%
2029	211	2.1%	$ 3,256	1.9%
2030	75	0.8%	$ 3,303	1.9%
Thereafter	319	3.2%	$ 5,827	3.3%

For more information, see “Business and Properties — Our Portfolio.”

Financing

To provide additional liquidity and facilitate growth, and in connection with the Separation, Orion LP expects to enter into the $175.0 million Orion Term Loan and the $350.0 million Orion Revolving Credit Facility, $86.1 million of which is expected to be initially outstanding. In addition, Orion LP expects to enter into the $355.0 million CMBS Bridge Loan, which Orion LP expects to refinance with commercial mortgage-backed security financing prior to the maturity of the CMBS Bridge Loan. Of the proceeds under the Orion Revolving Credit Facility, the Orion Term Loan and the CMBS Bridge Loan, $595.8 million will be distributed to the partners of Orion LP and, in turn, be contributed to Realty Income in accordance with the Separation and Distribution Agreement. The remainder of the proceeds are anticipated to be used to pay fees and expenses related to the origination of the Orion Credit Facilities and the CMBS Bridge Loan and to finance working capital needs. As a result of these transactions, following the completion of the separation, we expect to have approximately $616.1 million in consolidated outstanding indebtedness, $10.0 million in cash, and $263.9 million of availability under our revolving credit facility. We believe our conservative leverage and strong liquidity will enable us to opportunistically take advantage of high quality acquisition opportunities; We look at several metrics to assess overall leverage levels, including net debt to total asset value and net debt to EBITDA ratios. We expect that we may, from time to time, re-evaluate our strategy with respect to leverage in light of the current economic conditions; relative costs of debt and equity capital; market values of our properties; acquisition, development, and expansion opportunities; and other factors, including meeting the distribution requirements applicable to REITs under the Code in the event we have taxable income without receipt of cash sufficient to enable us to meet the distribution requirements.

Competition

The leasing of real estate is highly competitive in the markets in which we operate. We will compete with numerous acquirers, developers, owners and operators of commercial real estate, many of which own or may seek to acquire or develop assets similar to ours in the same markets in which our assets are located. The principal means of competition are rent charged, location, services provided and the nature and condition of the facility to be leased. In addition, we will face competition from other real estate companies including other REITs, private real estate funds, domestic and foreign financial institutions, life insurance companies, pension trusts, partnerships, individual investors and others that may have greater financial resources or access to capital than we do or that are willing to acquire assets in transactions which are more highly leveraged or are less attractive from a financial viewpoint than we are willing to pursue. If our competitors offer space at rental rates below current market rates, below the rental rates we currently charge our clients, in better locations within our markets or in higher quality facilities, we may lose potential clients and we may be pressured to reduce our rental rates below those we currently charge in order to retain clients when our clients' leases expire.

Employees

Following the Separation and Distribution, we expect to have approximately 24 employees.

Insurance

We will carry comprehensive general liability coverage on all of our properties, with limits of liability customary within the industry to insure against liability claims and related defense costs. Similarly, we will be insured against the risk of direct physical damage in amounts necessary 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. The majority of our property policies will include coverage for the perils of flood and earthquake shock with limits and deductibles customary in the industry and specific to the property. We also intend to obtain title insurance policies when acquiring new properties, which insure fee title to our real properties. We intend to have coverage for losses incurred in connection with both domestic and foreign terrorist-related activities. While we do carry commercial general liability insurance, property insurance and terrorism insurance with respect to our properties, these policies are expected to include limits and terms we consider commercially reasonable. There are certain losses that are not insured, in full or in part, because they are either uninsurable or the cost of insurance makes it, in our belief, economically impractical to maintain the coverage. Should an uninsured loss arise against us, we would be required to use our own funds to resolve the issue, including litigation costs. We believe the policy specifications and insured limits will be adequate given

the relative risk of loss, the cost of the coverage and industry practice and, in the opinion of our management, the properties in our portfolio are adequately insured.

Legal Proceedings

We are from time to time involved in legal actions arising in the ordinary course of business. In our opinion the outcome of such matters is not expected to have a material adverse effect on our overall business, financial condition or results of operations.

Environmental Matters

Under various federal, state and local laws, ordinances and regulations, an owner of real estate is liable for the costs of removal or remediation of certain hazardous or toxic substances on the real estate. These laws often impose liability without regard to whether the owner knew of, or was responsible for, the presence of the hazardous or toxic substances. The costs of remediation or removal of these substances may be substantial and the presence of these substances, or the failure to promptly remediate the substances, may adversely affect the owner's ability to sell the real estate or to borrow using the real estate as collateral. In connection with our ownership and operation of our assets, we may be potentially liable for these costs. The operations of current and former clients at our assets have involved, or may have involved, the use of hazardous materials or generated hazardous wastes. The release of hazardous materials and wastes could result in our incurring liabilities to remediate any resulting contamination if the responsible party is unable or unwilling to do so. In addition, our assets are exposed to the risk of contamination originating from other sources. While a property owner generally is not responsible for remediating contamination that has migrated onsite from an offsite source, the contaminant's presence can have adverse effects on operations and re-development of our assets.

Most of our assets have been subject, at some point, to environmental assessments that are intended to evaluate the environmental condition of the subject and surrounding assets. These environmental assessments generally have included a historical review, a public records review, a visual inspection of the site and surrounding assets, screening for the presence of asbestos-containing materials, polychlorinated biphenyls and underground storage tanks and the preparation and issuance of a written report. Soil and/or groundwater testing is conducted at our assets, when necessary, to further investigate any issues raised by the initial assessment that could reasonably be expected to pose a material concern to the property or result in us incurring material environmental liabilities. They may not, however, have included extensive sampling or subsurface investigations. In each case where the environmental assessments have identified conditions requiring remedial actions required by law, we have initiated the appropriate actions.

None of the environmental assessments conducted by us at the assets have revealed any environmental liability that we believe would have a material adverse effect on our overall business, financial condition or results of operations. Nevertheless, it is possible that these assessments do not reveal all environmental liabilities or that there are material environmental liabilities of which we are unaware.

INVESTMENT POLICIES AND POLICIES WITH RESPECT TO CERTAIN ACTIVITIES

The following is a discussion of certain of our investment, financing and other policies. These policies will be determined by our board of directors and, in general, may be amended or revised from time to time by our board of directors without a vote of our stockholders. However, any change to any of these policies would be made by our board of directors only after a review and analysis of that change, in light of then-existing business and other circumstances, and then only if our board of directors believes, in the exercise of its business judgment, that it is advisable to do so and in our and our stockholders' best interests. We intend to disclose any material changes in these policies in periodic reports that we file or furnish under the Exchange Act.

Investment Policies

Investments in Real Estate or Interests in Real Estate

We will conduct substantially all of our investment activities through our operating partnership, Orion LP, or its subsidiaries. Our investment objectives are to maximize the cash flow of our properties, acquire properties with cash flow growth potential, provide cash dividends and achieve long-term capital appreciation for our stockholders through increases in the value of our company. From time to time, we may acquire unimproved real property for development purposes as market conditions warrant. We have not established a specific policy regarding the relative priority of these investment objectives. For a discussion of our properties and our acquisition and other strategic objectives, see "Business and Properties."

We expect to pursue our investment objectives primarily through our existing properties, as well as other properties and assets that we may acquire in the future. We currently are in the business of owning and operating office real property assets. However, the Orion Charter and the amended and restated bylaws of Orion (the "Orion Bylaws") do not limit the amount or percentage of our assets that may be invested in any one property or in any one geographic area, and we may diversify in terms of properties and markets in the future. We intend to engage in future investment activities in a manner that is consistent with the maintenance of our status as a REIT for federal income tax purposes. In addition, we may purchase or lease income-producing office or other types of properties for long-term investment, expand and improve the properties we presently own or acquire in the future or sell such properties, in whole or in part, when circumstances warrant.

We may also participate with third parties in property ownership, through joint ventures or other forms of co-ownership. Such investments may permit us to own interests in larger assets without unduly restricting our diversification and, therefore, provide us with flexibility in the structure of our portfolio. We will not, however, enter into a joint venture or other partnership arrangement to make an investment that would otherwise fail to meet our investment policies.

Equity investments in acquired properties may be subject to existing mortgage financing and other indebtedness or to new indebtedness which may be incurred in connection with acquiring or refinancing these properties. Debt service on such financing or indebtedness will have a priority over any dividends with respect to our common stock. Investments are also subject to our policy not to be treated as an "investment company" under the Investment Company Act of 1940, as amended (the "1940 Act").

Investments in Real Estate Mortgages

We do not presently intend to invest in mortgage loans. However, we may do so at the discretion of our board of directors, without a vote of our stockholders, subject to the investment restrictions applicable to REITs. The mortgage loans in which we may invest may be secured by either first mortgages or junior mortgages, and may or may not be insured by a governmental agency. If we choose to invest in mortgages, we would expect to invest in mortgages secured by properties consistent with our investment policies. However, there is no restriction on the proportion of our assets which may be invested in a type of mortgage or any single mortgage or type of mortgage loan. Investments in real estate mortgages run the risk that one or more borrowers may default under certain mortgages and that the collateral thereunder may not be sufficient to enable us to recoup our full investment.

Securities of or Interests in Persons Primarily Engaged in Real Estate Activities and Other Issuers

Subject to the percentage of ownership limitations and the income and asset tests necessary for REIT qualification, we may in the future invest in securities of other REITs, other entities engaged in real estate

activities or securities of other issuers where such investment would be consistent with our investment objectives. We may invest in the debt or equity securities of such entities, including for the purpose of exercising control over such entities. We have no current plans to invest in entities that are not engaged in real estate activities. While we may attempt to diversify our investments with respect to the office properties owned by such entities, in terms of property locations and types, size and market, we do not have any limit on the amount or percentage of our assets that may be invested in any one entity, property or geographic area. Our investment objectives are to maximize cash flow of our investments, acquire investments with growth potential and provide cash dividends and long-term capital appreciation to our stockholders through increases in the value of our company. We have not established a specific policy regarding the relative priority of these investment objectives. We will limit our investment in such securities so that we will not fall within the definition of an "investment company" under the 1940 Act.

Investments in Other Securities

Other than as described above, we do not intend to invest in any additional securities such as bonds, preferred stocks or common stock.

Dispositions

We reserve the right to dispose of any of our properties, based upon management's periodic review of our portfolio and if our board of directors determines that such action would be in the best interests of our stockholders. Certain directors and executive officers who hold Orion LP units may have their decision as to the desirability of a proposed disposition influenced by the tax consequences to them resulting from the disposition of a certain property.

Financing Policies

We intend to maintain a flexible and conservative balance sheet. Because maintaining our REIT qualification requires us to annually distribute at least 90% of our REIT taxable income to our stockholders, we may access the capital markets to raise the funds necessary to finance operations, acquisitions, development and redevelopment opportunities, and to refinance maturing debt. We expect that we will have to comply with customary covenants contained in any financing agreements that could limit our ratio of debt to total assets or market value.

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. 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. Such securities also may include additional classes of preferred stock, which may be convertible into common stock. As long as Orion LP is in existence, pursuant to the Amended and Restated Agreement of Limited Partnership of Orion LP, as amended (the "Partnership Agreement"), the proceeds of all equity capital raised by us will be contributed to Orion LP in exchange for additional interests in Orion LP, which will dilute the ownership interests of the limited partners in Orion LP. Any such offering could dilute a stockholder's investment in us.

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, 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 clients and future rental rates. Neither the Orion Charter nor the Orion Bylaws limit the amount or percentage of indebtedness that we may incur. Although our board of directors has not adopted a policy limiting the total amount of indebtedness that we may incur, we expect that our board of directors will consider a number of factors in evaluating our level of indebtedness from time to time, such as the amount of such indebtedness that will be paid at fixed or variable rates. We expect that most future borrowings will be made through Orion LP or its subsidiaries. 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-collateralization with other debt, or may be fully or partially guaranteed by us. Although we may borrow to fund the payment of dividends, we currently have no expectation that we will regularly do so.

We may also finance acquisitions through the issuance of shares of common stock or preferred stock, the issuance of additional OP units in Orion LP, the issuance of preferred units of Orion LP, the issuance of other securities including unsecured notes and mortgage debt, draws on our credit facilities or sale or exchange of ownership interests in properties.

Orion LP may also issue units to transferors of properties or other partnership interests which may permit the transferor to defer gain recognition for tax purposes.

We do not have a policy limiting the number or amount of mortgages that may be placed on any particular property. Mortgage financing instruments, however, usually limit additional indebtedness on such properties. Additionally, unsecured credit facilities, unsecured note indentures and other contracts may limit our ability to borrow and contain limits on the amount of secured indebtedness we may incur.

Typically, we will invest in or form special purpose entities to assist us in obtaining secured permanent financing on attractive terms. Permanent financing may be structured as a mortgage loan on a single property or a group of properties, and will generally require us to provide a mortgage lien on such property or properties in favor of a third party, as a joint venture with a third party or as a securitized financing. For securitized financings, we may create special purpose entities to own the properties. Such special purpose entities, which are common in the real estate industry, would be structured so that they would not be consolidated in any potential bankruptcy proceeding by us. We will decide the structure of any potential financing based upon the best terms then available to us, and whether the potential financing is consistent with our other business objectives. For accounting purposes, we will include the outstanding securitized debt of special purpose entities owning consolidated properties in our financial statements.

Equity Capital Policies

We may, under certain circumstances, purchase our common stock or other securities in the open market or in private transactions with our stockholders, *provided* that those purchases are approved by our board of directors. Our board of directors has no present intention of making any such repurchase of our common stock or other securities, and any such action would only be taken in conformity with applicable federal and state laws and the applicable requirements for qualification as a REIT.

Reporting Policies

We intend to make available to our stockholders our annual reports, including our audited financial statements. Upon completion of the Separation, we will become subject to the information reporting requirements of the Exchange Act. Pursuant to those requirements, we will be required to file annual and periodic reports, proxy statements and other information, including audited financial statements, with the SEC.

Conflicts of Interest Policies

Overview

Conflicts of interest could arise in the future as a result of the relationships between us and our affiliates, on the one hand, and our operating partnership Orion LP or any partner thereof, on the other hand. Our directors and officers have duties to us and our stockholders under the MGCL. Additionally, pursuant to the Partnership Agreement, we owe fiduciary duties as the general partner of Orion LP to the limited partners of Orion LP. Our duties as a general partner to Orion LP and its partners may come into conflict with the duties of our directors and officers to Orion and our stockholders.

The Partnership Agreement expressly limits our liability to our limited partners by providing that neither we, as the general partner of the operating partnership, nor any of our directors or officers, will be liable or

accountable in damages to Orion LP, the limited partners or assignees for errors in judgment, mistakes of fact or law or for any act or omission if we, or such director or officer, acted in good faith. In addition, Orion LP is required to indemnify us, our affiliates and each of our respective directors, officers, employees and agents to the fullest extent permitted by applicable law against any and all losses, claims, damages, liabilities (whether joint or several), expenses (including, without limitation, attorneys' fees and other legal fees and expenses), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, civil, criminal, administrative or investigative, that relate to the operations of Orion LP, *provided* that Orion LP will not indemnify us or any of our directors or officers for (1) an act or omission that was material to the matter giving rise to the proceeding and either was committed in bad faith or was the result of active and deliberate dishonesty, (2) any transaction for which such person received an improper personal benefit in money, property or services, or (3) in the case of a criminal proceeding, the person had reasonable cause to believe the act or omission was unlawful.

Sale or Refinancing of Properties

Upon the sale of certain of the properties to be owned by us after the Distribution or upon the repayment of indebtedness, certain holders of Orion LP units could incur adverse tax consequences which are different from the tax consequences to us and to holders of our common stock. Consequently, holders of Orion LP units may have differing objectives regarding the appropriate pricing and timing of any such sale or repayment of indebtedness.

Policies Applicable to All Directors and Officers

We intend to adopt certain policies that are designed to minimize certain potential conflicts of interest, including a policy for the review, approval or ratification of any related party transactions. We will adopt a code of business conduct and ethics that will restrict certain conflicts of interest between our employees, officers and directors and our company. In addition, our board of directors is subject to certain provisions of Maryland law, which are also designed to eliminate or minimize conflicts.

However, we cannot assure you that these policies or provisions of law will always be successful in eliminating the influence of such conflicts, and if they are not successful, decisions could be made that might fail to reflect fully the interests of all stockholders.

MANAGEMENT

Executive Officers Following the Separation

The following table sets forth certain information as of the record date for the Distribution concerning our executive officers following the Separation:

NAME	AGE	CURRENT TITLE
Paul H. McDowell	61	Chief Executive Officer, Director
Gavin Brandon	45	Chief Financial Officer, Executive Vice President
Chris Day	44	Chief Operating Officer, Executive Vice President
Gary Landriau	60	Chief Investment Officer, Executive Vice President

Paul H. McDowell

Mr. McDowell's business experience is set forth in this Information Statement under "Board of Directors Following the Distribution" on page 143.

Gavin Brandon

Gavin Brandon will serve as Executive Vice President and Chief Financial Officer at Orion Office REIT Inc. In this role, he partners with the Chief Executive Officer to handle all capital market activities, and support communications with lenders, investors, and clients. Mr. Brandon also oversees the accounting, external reporting, financial planning and analysis, and treasury functions and serves on the Company's Investment, Portfolio Management and Executive Committees.

Before joining the Company, Mr. Brandon was the Chief Accounting Officer for VEREIT, Inc. (NYSE: VER) from October 2014 until November 2021 and was responsible for accounting, SEC and managerial reporting, taxation and operational accounting and served on VEREIT's Investment Committee, Portfolio Strategy Committee, and Cyber Committee. Prior to being VEREIT's Chief Accounting Officer, Mr. Brandon was the Chief Financial Officer for two publicly registered, non-listed Office and Industrial REITs, Cole Credit Income Trust (CCIT) and Cole Credit Income Trust II (CCIT II), which were managed by Cole Capital, the previously owned investment management segment of VEREIT. From 2011 until 2013, Mr. Brandon was the Principal Accounting Officer for three non-listed REITs Cole Credit Property Trust II, Inc. (CCPT II), Cole Corporate Income Trust, Inc. and Cole Corporate Income Advisors, LLC (a FINRA registered financial advisor), which were managed by Cole Real Estate Investments, Inc.

Mr. Brandon worked for nine years with Deloitte & Touche LLP, most recently as a senior manager in the firm's national office within real estate services and is a Certified Public Accountant. Mr. Brandon earned a Bachelor of Arts degree from Weber State University and has served on Weber State University's National Advisory Council since 2015.

Chris Day

Chris Day will serve as Chief Operating Officer at Orion Office REIT Inc. In this role, he partners with the CEO and leadership team to manage daily cross functional operations including assets and property management as well as client relationships to drive value for all stakeholders. Before joining the Company, he served as Senior Vice President, Head of Portfolio and Retail Asset Management for VEREIT, Inc., and served in this position since 2018. He oversaw the asset management functions for the company's portfolio of over 2,100 retail properties encompassing nearly 35 million square feet, including executing on strategic lease renewals and dispositions to maximize value for the company's shareholders. In addition, Mr. Day also oversaw the portfolio management responsibilities of the company's portfolio of nearly 3,900 retail, office, industrial and restaurant properties, including working with executive management to establish strategy for the company's real estate portfolio that encompasses nearly 89 million square feet. Mr. Day was previously Vice

President of Underwriting where he was part of a team that underwrote approximately $25 billion of closed real estate acquisitions from 2007 to 2017.

Prior to joining VEREIT, Mr. Day was a Finance Associate for Corporex Companies, a privately held real estate investment company with broad holdings of office, industrial, land, residential and hotel assets throughout the United States. While at Corporex, Mr. Day assisted in the formation of Eagle Hospitality Properties Trust, a former NYSE publicly traded REIT that was formed to succeed to the full-service hotel business of Corporex.

Mr. Day graduated (Magna Cum Laude) from Mississippi State University with a Bachelor of Business Administration (Marketing) degree. He also obtained a Master of Business Administration (General) and Master of Science Business Administration (Finance) from Mississippi State University.

Gary Landriau

Gary Landriau will serve as Chief Investment Officer at Orion Office REIT Inc. In this role, he partners with the CEO and leadership team to manage Orion's investment activity, asset management and leasing while maintaining limited overall risk to the organization.

Before joining the Company, Mr. Landriau served as head of Office and Industrial Asset Management at VEREIT, where he focused on risk identification, risk management and risk mitigation across VEREIT's 53 million square foot office and industrial portfolio. Mr. Landriau has developed and refined tools and processes to help identify and report on risk and has been very successful at operating such portfolio at very high occupancy. Previously, Mr. Landriau worked at Prudential Realty Group and at CapLease Inc. where he negotiated and closed transactions worth several billions of dollars and involving tens of millions of square feet of office, industrial and retail space. Transactions completed include permanent debt financing, bridge lending, construction lending, expansions, loan workouts, acquisitions and dispositions with property interests including fee simple, leasehold, condominium, estate for years, and partnership interests.

Mr. Landriau earned a Bachelor of Mechanical Engineering degree from the Georgia Institute of Technology and a Master of Business Administration from the Amos Tuck School of Business Administration at Dartmouth College.

Board of Directors Following the Distribution

The directors of our board are each to serve for a one-year term expiring at our annual meeting of stockholders in 2022, and until their respective successors are duly elected and qualified. The information presented below highlights each director's specific experience, qualifications, attributes, and skills. We believe that all of our directors have a reputation for integrity, honesty, and adherence to high ethical standards. They each have demonstrated business acumen and an ability to exercise sound judgment, as well as a commitment of service to Orion and our board of directors. We also value the additional perspective that comes from serving on other companies' boards of directors and board committees. We will continue to review the composition of the board of directors in an effort to assemble a group that can best perpetuate the success of the business and represent stockholder interests through the exercise of sound judgment using its diversity of experience in various areas.

Reginald H. Gilyard **Age:** 58 **Committees:** Nominating / Corporate Governance (Chair), Compensation	**Experience:** Mr. Gilyard will be appointed as Non-Executive Chairman of the Orion Board of Directors prior to the Distribution. Mr. Gilyard has served on the Board of Directors of Realty Income Corporation (NYSE: O) since 2018, where he serves as the chair of the Nominating/Corporate Governance Committee Chair. Mr. Gilyard is also a Senior Advisor at the Boston Consulting Group, Inc. (BCG) where he is a recognized leader in strategy development and execution (2017-present). Prior to this role, Mr. Gilyard served as Dean of the Argyros School of Business and Economics at Chapman University (2012-2017). Under Mr. Gilyard's leadership, the school significantly increased its national rankings at the undergraduate and graduate

	levels. Prior to joining Chapman University, Mr. Gilyard served as Partner and Managing Director at BCG where he led national and multi-national engagements with large corporations in strategy, M&A, and business transformation (1996-2012). Prior to BCG, Mr. Gilyard served nine years in the U.S. Air Force as a Program Manager, and was then promoted to Major in the U.S. Air Force Reserves where he served for an additional three years. Mr. Gilyard currently serves on the board of directors of First American Financial Corporation (NYSE:FAF) (2017-present), and CBRE Group Inc. (NYSE:CBRE) (2018-present), and is the Board Chair for Pacific Charter School Development, a 501(c)(3) real estate development company serving low income families in urban centers across the United States. Mr. Gilyard offers valuable knowledge regarding strategy development and execution, having worked with management teams and boards to develop and implement successful strategies for over 20 years. His extensive consulting experience includes leading national and multi-national strategic engagements, pre and post M&A activity, and business transformation. Mr. Gilyard's skill set and experience in a broad array of industries allow him to provide diverse and valuable perspectives to our Board of Directors.
Kathleen R. Allen, Ph.D. **Age:** 75 **Committees:** Audit, Nominating / Corporate Governance, Compensation	**Experience:** Dr. Allen will be appointed to the Orion Board of Directors prior to the Distribution. Dr. Allen has served on the Board of Directors for Realty Income Corporation (NYSE:O) since 2000, where she serves on the Audit Committee. Dr. Allen is also Professor Emerita at the Marshall School of Business and the founding director of the Center for Technology Commercialization at the University of Southern California (1991-2016). She was the co-founder and chairwoman of Gentech Corporation (1994- 2004) and in 2006 co-founded and became the Chief Executive Officer and served on the board of directors of N2TEC Institute, a nonprofit company focused on technology commercialization in rural America, until it completed its mission in 2013. Dr. Allen has co-founded four private companies, is currently a principal and on the board of directors of a real estate investment and development company, and serves on the board of advisors for two life science companies. She was a Visiting Scholar at the Department of Homeland Security, where she advised on issues related to technology deployment, including cybersecurity. She is the author of 15 books in the field of entrepreneurship and technology commercialization, a field in which she is considered an expert. As a distinguished businesswoman, entrepreneur, and consultant, Dr. Allen is well positioned to assist our Board of Directors identify and assess the risks associated with new endeavors. She has also worked with many early growth and established companies to develop effective leadership and team building skills. With her years of experience in risk management in the areas of business models, investment opportunities, and technology, Our board believes that Dr. Allen's extensive business and REIT industry knowledge and experience make her well-suited to serve on our board.
Richard Lieb **Age:** 61 **Committees:** Audit (Chair)	**Experience:** Mr. Lieb will be appointed to the Orion Board of Directors prior to the Distribution. Mr. Lieb has served on the Board of Directors of VEREIT since February 2017, where he also served as the chair of the Audit Committee and as a member of the Compensation Committee. Since January 1, 2019, Mr. Lieb has served as a Senior Advisor of Greenhill & Co., LLC ("Greenhill"), a

	publicly traded independent investment banking firm which he joined in 2005, and prior to that he served as Managing Director and Chairman of Real Estate at Greenhill. He served as Greenhill's Chief Financial Officer from 2008 to 2012 and also served as a member of the firm's Management Committee from 2008 to 2015. Mr. Lieb has also served during his tenure at Greenhill as head of the firm's Restructuring business and as head of North American Corporate Advisory. Prior to joining Greenhill in 2005, Mr. Lieb spent more than 20 years with Goldman Sachs & Co., where he headed that firm's Real Estate Investment Banking Department from 2000 to 2005. Mr. Lieb has extensive experience as a director of publicly traded REITs. In February 2016, he was appointed to the board of directors of CBL & Associates Properties (OTCM: CBLAQ). In September 2016, he was appointed to the board of directors of Avalon Bay Communities, Inc. (NYSE: AVB). Mr. Lieb serves as chair of the compensation committee of the board of directors of Avalon Bay Communities, Inc., In February 2017, he was appointed to the Board of VEREIT and in April 2019, we was appointed to the board of directors of iStar Inc. (NYSE: STAR PR I). In June 2018, Mr. Lieb became an Advisory Director for Domio, Inc., a private technology enabled hotel startup company, a position he no longer holders. Overall, Mr. Lieb has more than 30 years of experience focusing on advisory opportunities in the real estate industry. Mr. Lieb is licensed with FINRA and holds Series 7, Series 63 and Series 24 licenses. Mr. Lieb is an active member of the American Jewish Committee (AJC) and served as a member of Wesleyan University's Career Advisory Council from 2007 through 2012. Our board believes that Mr. Lieb's extensive REIT industry knowledge and experience make him well-suited to serve on our board.
Gregory J. Whyte **Age:** 58 **Committees:** Audit, Compensation (Chair), Nominating / Corporate Governance	**Experience:** Mr. Whyte will be appointed to the Orion Board of Directors prior to the Distribution. Mr. Whyte served as an independent director of TIER REIT, Inc. (NYSE: TIER) from 2017 to 2019. Mr. Whyte has been involved extensively in the REIT and publicly traded real estate securities industry since 1987, as both an equity research analyst and, more recently, in investment banking. From 2007 until 2016, Mr. Whyte was Senior Advisor in the Real Estate Leisure and Lodging Investment Banking group at UBS Securities. Prior to that, he was a Managing Director, Global Head of Real Estate Equity Research at Morgan Stanley (NYSE: MS) from 1991 to 2006 and was consistently named to the annual Institutional Investor All-America Research Team and Greenwich Associates Research Poll. From 1988 to 1990, Mr. Whyte was a senior research analyst at Lehman Brothers; and for UAL Merchant Bank in South Africa from 1984 to 1987. He received a Bachelor of Commerce, Business Finance from the University of Natal in 1982, and an Honours Degree, Advanced Business Finance from the University of Natal in 1983. He has been a member of NAREIT since 1988. Our board believes that Mr. Whyte's extensive REIT industry knowledge and experience make him well-suited to serve on our board.
Paul H. McDowell **Age:** 61 **Committees:** None	**Experience:** Mr. McDowell will be appointed to the Orion Board of Directors prior to the Distribution, and will serve as our Chief Executive Officer. Mr. McDowell has served as VEREIT, Inc.'s (NYSE:VER) Executive Vice President and Chief Operating Officer since October 2015. He previously served as VEREIT's Co-Head, Real Estate from January 2015 to September 2015 and VEREIT's President, Office and Industrial Group from November 2013 until December

2014. Prior to joining VEREIT, Mr. McDowell was a founder of CapLease Inc. ("CapLease"), a publicly traded net lease REIT, where he served as Chief Executive Officer from 2001 to 2014 and as Senior Vice President, General Counsel and Secretary from 1994 until 2001. Mr. McDowell served on the CapLease Board of Directors from 2003 to 2014 and was elected Chairman of the Board in December 2007. He served on the Board of Directors of CapLease's predecessor from 2001 until 2004. From 1991 until 1994, Mr. McDowell was corporate counsel for Sumitomo Corporation of America, the principal U.S. subsidiary of one of the world's largest integrated trading companies. From 1987 to 1990, Mr. McDowell was an associate in the corporate department at the Boston law firm of Nutter, McClennen & Fish LLP. He previously served as a member of the Dean's Advisory Council for Tulane University School of Liberal Arts. He received his Juris Doctor with honors from Boston University School of Law in 1987, and received a Bachelor of Arts from Tulane University in 1982.

Our board believes that Mr. McDowell's extensive REIT industry knowledge and public company governance experience make him well-suited to serve on our board.

Committees of the Board of Directors

Our board has three standing committees that perform certain delegated functions of the board: the Audit Committee, the Compensation Committee, and the Nominating/Corporate Governance Committee. Each committee is composed entirely of independent directors within the meaning of our director independence standards and our Corporate Governance Guidelines, which reflect the NYSE director independence standards and the audit committee requirements of the SEC.

Each committee operates under a written charter, all of which were reviewed by their respective committees during 2021. Our board may, from time to time, establish certain other committees to facilitate oversight over the management of the company. The charters of each of our standing committees are available on our company's website: www.ONLREIT.com.

Audit Committee

Members:	**Responsibilities**
Richard Lieb (Chair) Kathleen R. Allen, Ph.D. Gregory J. Whyte	• Oversee compliance with legal and regulatory requirements; • Oversee the integrity of our financial statements; • Provide assistance to our board of directors in its oversight of cybersecurity, information technology, and other data privacy risks, and enterprise-level risks that may affect our financial statements, operations, business continuity and reputation; • Provide assistance to our board of directors in its oversight of our guidelines and policies with respect to enterprise risk management;
Independent:	

Richard Lieb (Chair)
Kathleen R. Allen, Ph.D.
Gregory J. Whyte
	• Appoint, retain, and oversee our independent registered public accounting firm, approve any special assignments given to the independent registered public accounting firm, and review:
	  • The scope and results of the audit engagement with the independent registered public accounting firm, including the independent registered public accounting firm's letters to the Audit Committee;
	  • The independence and qualifications of the independent registered public accounting firm;
	  • The compensation of the independent registered public accounting firm;
	  • The performance of our internal audit function;
	  • Critical audit matters of the company; and
	  • Any significant proposed accounting changes.

Our board of directors has determined that Dr. Allen and Mr. Lieb qualify as audit committee financial experts, as defined in Item 407(d) of Regulation S-K, and that all members of the Audit Committee are financially literate under the current listing standards of the NYSE and meet the SEC independence requirements for audit committee membership.

Compensation Committee

Members:	**Responsibilities**
Gregory J. Whyte (Chair) Reginald H. Gilyard Kathleen R. Allen, Ph.D.	• Review and approve remuneration levels for our executive officers; • Review significant employee benefits programs; • Establish and administer executive compensation programs; • Conduct an annual review of our compensation philosophy and incentive programs to ensure they reflect the company's risk management philosophies, policies and processes;
Independent:	
Gregory J. Whyte (Chair) Reginald H. Gilyard Kathleen R. Allen, Ph.D.	• Conduct an annual review of and approve the goals and objectives relating to the compensation of the CEO, including a performance evaluation based on such goals and objectives to help determine and approve his compensation; • Review and approve all executive officers' severance arrangements as applicable; • Manage and annually review executive officer short term and long term incentive compensation; • Set performance metrics under all short term and long term incentive compensation plans as appropriate; and • Review the compensation of members of our board of directors.

Our board of directors has determined that all of the members of the Compensation Committee are "independent" within the meaning of our director independence standards, and the NYSE director independence standards (including those applicable to Compensation Committee members), and are "non-employee directors" within the meaning of Rule 16b-3 of the Exchange Act. The Compensation Committee may delegate any or all of its responsibilities to a subcommittee of the Compensation Committee to the extent permitted by applicable law.

Nominating/Corporate Governance Committee

	Responsibilities
Members: Reginald H. Gilyard (Chair) Kathleen R. Allen, Ph.D. Gregory J. Whyte **Independent:** Reginald H. Gilyard (Chair) Kathleen R. Allen, Ph.D. Gregory J. Whyte	• Provide counsel to our board of directors on a broad range of issues concerning the composition and operation of the board of directors; • Develop and review the qualifications and competencies required for membership on our board of directors; • Review and interview qualified candidates to serve on our board of directors; • Oversee the structure, membership, and rotation of the committees of our board of directors; • Oversee environmental, social, and governance issues; • Assess the effectiveness of the board of directors and executive management; • Oversee succession planning for our executive management; • Review and consider developments in corporate governance to ensure that best practices are being followed; and • Board refreshment.

As part of these responsibilities, the Nominating/Corporate Governance Committee will annually solicit input from each member of the board of directors to review the effectiveness of its operation and all committees thereof. The review will consist of an assessment of its governance and operating practices, which includes our Corporate Governance Guidelines that, as more fully described below, govern the operation of the board of directors.

Corporate Governance

We believe a company's reputation for integrity and serving its stockholders responsibly is of critical importance. We are committed to managing the company for the benefit of our stockholders and are focused on maintaining good corporate governance.

Corporate Governance Guidelines

Our company maintains Corporate Governance Guidelines that promote the functioning of the board of directors and its committees and set forth expectations as to how the board of directors should operate. The guidelines include information about the composition of the board of directors, orientation and continuing education, director compensation, board meetings, board committees, management succession, evaluation and compensation of key executive officers (which includes all named executive officers), expectations of directors, and information regarding the annual performance evaluation of the board of directors. A current copy is available on our company's website at www.ONLREIT.com.

Code of Business Ethics

We maintain a Code of Business Ethics that applies to our directors, officers, and other employees, and addresses items such as (i) our policy on political contributions, (ii) disclosures and financial reporting, and (iii) protection and use of company assets. The board of directors adopted the Code of Business Ethics to codify and formalize certain policies and principles that help ensure our business is conducted in accordance

with the highest standards of ethical behavior. We will conduct annual training with our employees regarding ethical behavior and require all employees to acknowledge the terms of, and abide by, our Code of Business Ethics. The full text of our Code of Business Ethics is available on our company's website at www.ONLREIT.com. We intend to disclose any future amendments to, or waivers of, certain provisions of our Code of Business Ethics applicable to our officers and directors on our website, within five business days following such amendment or waiver, or as otherwise required by the SEC or the NYSE.

Whistleblower Policy

Our board of directors oversees the company's "whistleblower" policy, which outlines a procedure for all interested parties, including employees, to submit confidential complaints, concerns, unethical business practices, violations or suspected violations for any and all matters pertaining to accounting, internal control, or auditing.

Anti-Hedging and Anti-Pledging Policies

To ensure proper alignment with our stockholders, we have established policies that prohibit our directors, officers, other employees, and their family members from engaging in any transaction that might allow them to realize gains from declines in our securities. Specifically, we prohibit our directors, officers, employees, and their family members from engaging in transactions using derivative securities, short selling our securities, trading in any puts, calls or covered calls, writing purchase or call options and short sales, or otherwise participating in hedging, "stop loss," or other speculative transactions involving our securities. In addition, margin purchases of our securities and pledging any of our securities as collateral to secure loans is prohibited. This prohibition means that our directors, officers, employees, and their family members are not permitted to hold our securities in a "margin account" nor are they permitted to pledge any of our securities for any loans or indebtedness.

Clawback Policy

Our board of directors has voluntarily adopted a formal clawback policy that applies to certain outstanding compensation awards and will apply to future awards. Our clawback policy provides that the company may recover certain cash and/or equity-based incentive compensation paid or granted to an executive officer during the three-year period preceding a "triggering event." A "triggering event" includes:

(i) a decision by the Audit Committee to effect an accounting restatement of previously published financial statements caused by material non-compliance by the company with any financial reporting requirement under the federal securities laws due to fraud, misconduct, negligence, or lack of sufficient oversight on the part of any named executive officer, and/or

(ii) a decision by the Compensation Committee that one or more performance metrics used for determining previously paid compensation was incorrectly calculated and, if calculated correctly, would have resulted in a lower payment to one or more executive officers.

The requirement to repay the incentive compensation that is recoverable under this policy shall only exist if the board of directors has actively taken steps to evaluate restating the company's financial statements or its operating results, or recalculating other associated metrics prior to the end of the fifth year following the year in question. The company will not be bound by the three-year recoupment period or this five-year limitation in cases involving fraud or intentional misconduct. As applicable SEC regulations are adopted, we will reassess our clawback policy and implement appropriate changes to ensure that our policy is fully compliant with SEC regulations.

Stockholder Recommendations

The Nominating/Corporate Governance Committee's policy is to consider candidates recommended by our stockholders. The stockholder must submit proof of Orion stock ownership along with a detailed résumé of the candidate and an explanation of the reasons why the stockholder believes the candidate is qualified for service on our board of directors. The stockholder must also demonstrate how the candidate satisfies our board of directors' criteria and provide such other information about the candidate as would be required by

the SEC rules to be included in a proxy statement, as well as our Bylaws. The consent of the candidate must be included along with a description of any arrangements or undertakings between the stockholder and the candidate regarding the recommendation. All communications are to be directed to the Chair of the Nominating/Corporate Governance Committee and sent to the address noted under "Communications with the Board" in this Information Statement on page 142.

A stockholder desiring to recommend a candidate for consideration by the Nominating/Corporate Governance Committee must deliver the recommendation along with the information noted above not more than 150 days nor less than 120 days prior to the first anniversary of the date the company's Proxy Statement is released to stockholders for the previous year's annual meeting of stockholders in order to be considered timely for consideration at next year's annual meeting of stockholders. Properly submitted stockholder recommendations will be evaluated by the Nominating/Corporate Governance Committee using the same criteria used to evaluate other director candidates.

Proxy Access

The company's stockholders do not possess the right to include nominees of candidates for election to the board through the "proxy access" provisions of the Orion Bylaws.

Board Independence

Our board of directors has determined that each of our current directors, except for Mr. McDowell, has no material relationship with us (either directly or indirectly through an immediate family member or as a partner, stockholder or officer of an organization that has a relationship with us) and is "independent" within the meaning of our director independence standards and NYSE director independence standards. Our board of directors established and employed categorical standards, which mirror NYSE independence requirements, in determining whether a relationship is material and thus would disqualify a director from being independent.

Non-Executive Independent Chairman of the Board

The Nominating/Corporate Governance Committee also evaluates the leadership structure of our board of directors. The positions of Non-Executive Chairman of the board of directors and CEO are separate in recognition of the differences between the two roles. Mr. Gilyard serves as our Non-Executive Chairman of the board of directors and presides as lead independent director, while Mr. McDowell serves as our CEO. The board of directors believes this is the most appropriate structure because it enables the independent directors to participate meaningfully in the leadership of our board of directors while utilizing most efficiently the leadership skills of both Messrs. McDowell] and Gilyard. In addition, separating the roles of Non-Executive Chairman and CEO allows our Non-Executive Chairman to serve as a liaison between the board of directors and executive management, while providing our CEO with the flexibility and focus needed to oversee our operations.

Board Role in Risk Oversight

Our board of directors has overall responsibility for risk oversight with a focus on the more significant risks facing our company, which includes the impact of COVID-19. The board of directors reviews and oversees our enterprise risk management ("ERM") program, which is a company-wide program designed to effectively and efficiently identify and assess management's visibility into critical company risks and to facilitate the incorporation of risk considerations into decision making. The ERM program will do this by clearly defining risks facing the company and bringing together executive management to discuss these risks. This will promote visibility and constructive dialogue around risk at the executive management and board levels, and facilitates appropriate risk response strategies. Throughout the year, as part of the ERM program, management and the board of directors will jointly discuss major risks that face our business.

While the board oversees the overall risk management process for Orion, each of the board's committees also assists the board in this oversight with respect to the following risks:

- The Audit Committee oversees our risk policies and processes relating to the financial statements and financial reporting procedures, focusing on internal controls, as well as key credit risks, liquidity risks,

cybersecurity risks, information technology risks, data privacy risks, market risks and compliance, and the guidelines, policies and procedures for monitoring and mitigating those risks and discuss major enterprise-level risk exposures;

- The Compensation Committee monitors the risks associated with management resources and structure, including evaluating the effect the compensation structure may have on risk decisions; and
- The Nominating/Corporate Governance Committee oversees the risk related to our governance structure and processes and risks arising from related party transactions.

By assigning such responsibilities, the board of directors believes it can more effectively identify and address risk. Throughout the year, the board of directors, and each of the board's committees will review and discuss specific risk topics in significant detail in their respective meetings. Given the importance of the CEO to the success of the company and generation of stockholder value, the board of directors ensures that the company is developing and nurturing a pipeline of senior talent, including one or more individuals capable of becoming the CEO.

Compensation Risk Assessment

The Compensation Committee reviews our company-wide incentive programs to assess whether the incentive programs for all employees, including our named executive officers, encourage desirable behavior as it relates to our long-term growth, and reflect our risk management philosophies, policies and processes.

Named Executive Officers and Executive Vice Presidents

Compensation for our officers and management is established after the Compensation Committee determines the appropriate performance metrics to best align the interests of management with the best interests of the company and support our ESG initiatives. The metrics are based on financial, operational, and individual performance goals. The metrics are primarily based on our performance relative to our peers, and a value creation goal, and secondarily based on financial and operational goals. In addition, as previously discussed, we have adopted a clawback policy that enables us to recover incentive compensation awards in the event of negligence or misconduct directly related to a material restatement of our financial results, or miscalculated performance metrics that, if calculated correctly, would have resulted in a lower payment.

All Other Employees

Management monitors the cash and equity incentive awards made to our employees and reviews those awards in light of the potential risks relative to the control environment, each respective employee's responsibilities, and the general policies and procedures of our company. The Compensation Committee has sought to align the interests of our employees with that of our stockholders through grants of restricted stock and/or restricted stock unit awards, thereby giving employees additional incentives to protect and align with long-term value creation. Based on its evaluation, the Compensation Committee does not believe that the compensation programs give rise to any risks that are reasonably likely to have a material adverse effect on our company.

Meetings and Attendance

Although we have no policy with regard to attendance of our directors at our annual meeting of stockholders, it is customary for, and we expect, all directors to attend.

To ensure free and open discussion among the independent directors, only independent directors attend executive sessions of our board of directors and Committee meetings unless, under certain circumstances, management is invited.

Communications with the Board

Stockholders and other interested parties may communicate with the Non-Executive Chairman of our board of directors or with the non-employee directors, as a group, by either of the following methods:

Email:
Non-Executive Chairman of the Board of Directors
c/o Corporate Secretary
2325 E. Camelback Road, Floor 8
Phoenix, AZ 85016

Mail:
Non-Executive Chairman of the Board of Directors
c/o Corporate Secretary
2325 E. Camelback Road, Floor 8
Phoenix, AZ 85016

All appropriate correspondence will be promptly forwarded by the Corporate Secretary to the Non-Executive Chairman of our board of directors.

EXECUTIVE AND DIRECTOR COMPENSATION

Executive Compensation

As a wholly owned subsidiary of Realty Income our compensation committee has not yet been formed, and all decisions with respect to the compensation of our executive officers have been made by Realty Income. Once our compensation committee is formed, executive compensation decisions following the completion of our separation from Realty Income will be made by our compensation committee. Our compensation committee will review all aspects of compensation and may make adjustments that it believes are appropriate in structuring our executive compensation arrangements.

Set forth below is an overview of the expected initial components of our executive compensation program for our Chief Executive Officer and the individuals whom we expect will be our next two most highly compensated executive officers in 2021 (our "named executive officers"). Upon the completion of our separation from Realty Income, we expect that our named executive officers will include Paul McDowell, our Chief Executive Officer, Gavin Brandon, our Chief Financial Officer, and Chris Day, our Chief Operating Officer.

We were formed by Realty Income to contribute the Office Properties in connection with the Distribution. The Office Properties that will be owned and operated by us have historically been owned and operated by Realty Income or VEREIT as an integrated part of the broader real estate portfolios of each company (and not as a separate line of business), and have been managed and overseen by the senior executive management team at Realty Income or VEREIT, as applicable, that has managed and overseen the overall asset portfolio of each company. During their employment with VEREIT prior to the Mergers, none of our named executive officers who provided services to VEREIT were dedicated to the particular Office Properties or class of assets held by our company. None of our named executive officers have provided any services to Realty Income (other than to Orion as a subsidiary of Realty Income during the limited period between the closing of the Mergers and the Distribution), and because our assets consist of assets previously owned by both Realty Income and VEREIT, our named executive officers will oversee and manage a business that is appreciably different than the business with respect to which they provided services prior to the Distribution. Neither we nor Realty Income paid any compensation to our named executive officers for the fiscal year ended December 31, 2020. Consequently, we have not included information regarding historical compensation paid by VEREIT to these individuals in this discussion.

This discussion may contain forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that we adopt in connection with or following the completion of our separation from Realty Income may differ materially from the programs summarized in this discussion.

Primary Elements of Compensation

Realty Income has retained Ferguson Partners Consulting L.P. ("FPC"), a nationally-known independent executive compensation and benefits consulting firm specializing in the real estate industry, to provide executive compensation consulting services with respect to the initial base salary, annual bonus and equity-based award levels for our named executive officers. The key elements of expected compensation for each of our named executive officers are summarized below.

Base Salary.

The base salary payable to each of our named executive officers will provide a fixed component of compensation that reflects the executive's position and responsibilities and is based on market analysis. We expect that the base salaries for our named executive officers will be established in the context of the nature of the named executive officer's particular position, the responsibilities associated with that position, length of service with our company and its predecessors, experience, expertise, knowledge and qualifications, market factors, the industry in which we operate and compete, recruitment and retention factors, our Chief Executive Officer's recommendations (with the exception of his own base salary) and our overall compensation philosophy. As further described below, the respective employment arrangements of our named executive officers provide for a specified or minimum base salary determined in accordance with these criteria. The

initial annual base salaries of our named executive officers are as follows: Mr. McDowell, $550,000; Mr. Brandon, $450,000; and Mr. Day, $325,000.

Annual Bonus Compensation.

Our named executive officers also are expected to be eligible to receive annual bonus compensation. The named executive officers have a direct influence on our operations and strategy. We expect that our compensation committee will adopt an annual bonus framework which fosters a performance-driven, pay-for-performance culture that aligns our named executive officers' interests with those of our stockholders while also rewarding the executive officers for superior individual achievements. As further described below, the respective employment arrangements of our named executive officers provide for an annual bonus with performance criteria to be determined in accordance with this framework. The initial target annual bonuses (as a percentage of base salary) of our named executive officers are as follows: Mr. McDowell, 100%; Mr. Brandon, 100%; and Mr. Day, 92%.

Long-Term Equity-Based Incentive Awards.

We anticipate having our named executive officers participate in long-term equity incentive compensation programs. We are still evaluating and determining the design of our long-term equity incentive awards. We expect that our compensation committee will design a framework for equity awards that aligns our named executive officers' compensation with the long-term performance of our company and links our named executive officers' interests directly with those of our stockholders.

In connection with our separation from Realty Income, we expect that each of our named executive officers will receive one or more equity awards covering shares of our common stock which will vest based on continued service following separation. The awards granted to our named executive officers are expected to cover a number of shares of our common stock having a grant date fair market value as follows: Mr. McDowell, $184,000; Mr. Brandon, $63,250; and Mr. Day, $46,000.

Employment Agreements

Prior to the completion of our separation from Realty Income, we intend to enter into employment agreements with each of our named executive officers. The employment agreements are expected to become effective on the date of our separation from Realty Income, and in the event that the Separation and Distribution Agreement is terminated or our separation from Realty Income does not occur for any reason, the employment agreements with our named executive officers will not become effective.

The material terms of the employment agreements with our named executive officers, as currently contemplated, are summarized below. The employment agreements have not been finalized and, accordingly, the terms of the employment agreements as described below are subject to change.

Paul McDowell

We intend to enter into an employment agreement with Mr. McDowell pursuant to which, Mr. McDowell will serve as our Chief Executive Officer. The employment agreement will continue until terminated. Pursuant to the employment agreement, Mr. McDowell will receive an annual base salary of $550,000 and will be eligible to earn an annual bonus targeted at 100% of his base salary, based upon achievement of performance goals established by the compensation committee. The payment of any annual bonus, to the extent any annual bonus becomes payable, will be contingent upon Mr. McDowell's continued employment through the applicable payment date. In addition, pursuant to the employment agreement, Mr. McDowell is eligible to receive annual long-term incentive equity awards during each calendar year of his employment with Orion beginning with calendar year 2022, as may be determined by the compensation committee. In addition, Mr. McDowell is eligible to participate in the health and welfare benefit plans and programs maintained by us for the benefit of our similarly situated executives and will accrue 4 weeks of vacation for each full calendar year of employment under our vacation policy.

If Mr. McDowell's employment is terminated due to his death or "disability" (as defined in his employment agreement), then in addition to accrued benefits, (i) Mr. McDowell will be entitled to any accrued

but unpaid annual bonus for the year prior to the year of termination, if applicable, and (ii) any outstanding time-vesting equity awards granted to Mr. McDowell will vest on a pro rata basis. Any outstanding performance-vesting equity awards will be treated in accordance with the applicable plan and award agreement.

If Mr. McDowell's employment with us is terminated by Orion without "cause" or by Mr. McDowell for "good reason" (each as defined in his employment agreement), then subject to his execution of an effective release of claims in favor of Orion and continued compliance with certain restrictive covenants, in addition to accrued benefits, Mr. McDowell will be entitled to (i) any accrued but unpaid annual bonus for the year prior to the year of termination, if applicable, (ii) an amount equal to the sum of his annual base salary and target annual bonus for the year of termination (the "cash severance") and (iii) continued medical coverage, at the same cost to Mr. McDowell as if he were an active employee, until the earliest of: (x) one year following the date of the termination; or (y) such time as Mr. McDowell obtains new employment that offers group medical coverage. In addition, all outstanding time-vesting equity awards granted to Mr. McDowell will vest in full. Any outstanding performance-vesting equity awards will be treated in accordance with the applicable plan and award agreement. Notwithstanding the foregoing, if Mr. McDowell's employment is terminated by the Company without cause or by Mr. McDowell for good reason during the period beginning on the date of, and ending 18 months following, a change in control (as defined in the employment agreement), then, in lieu of the cash severance, Mr. McDowell will be entitled to a cash severance payment equal to two times the sum of (x) his annual base salary plus (y) an amount equal to his annual target cash bonus as in effect on the date of his termination, payable in a cash lump sum.

In connection with entry in to the employment agreement, McDowell also executed an employee confidentiality and non-competition agreement, which includes customary confidentiality restrictions that apply indefinitely and non-compete and non-solicitation restrictions effective during employment and for 12 months thereafter.

Gavin Brandon

We intend to enter into an employment agreement with Mr. Brandon pursuant to which, Mr. Brandon will serve as our Chief Financial Officer. The employment agreement will continue until terminated. Pursuant to the employment agreement, Mr. Brandon will receive an annual base salary of $450,000 and will be eligible to earn an annual bonus targeted at 100% of his base salary, based upon achievement of performance goals established by the compensation committee in consultation with our Chief Executive Officer. The payment of any annual bonus, to the extent any annual bonus becomes payable, will be contingent upon Mr. Brandon's continued employment through the applicable payment date. Pursuant to the employment agreement, Mr. Brandon is also eligible to receive annual long-term incentive equity awards during each calendar year of his employment with Orion beginning with calendar year 2022, as may be determined by the compensation committee in consultation with the Chief Executive Officer. In addition, Mr. Brandon is eligible to participate in the health and welfare benefit plans and programs maintained by us for the benefit of our similarly situated executives and will accrue 4 weeks of vacation for each full calendar year of employment under our vacation policy.

If Mr. Brandon's employment is terminated due to his death or "disability" (as defined in his employment agreement), then in addition to accrued benefits, (i) Mr. Brandon will be entitled to any accrued but unpaid annual bonus for the year prior to the year of termination, if applicable, and (ii) any outstanding time-vesting equity awards granted to Mr. Brandon will vest on a pro rata basis.

If Mr. Brandon's employment with us is terminated by Orion without "cause" or by Mr. Brandon for "good reason" (each as defined in his employment agreement), then subject to his execution of an effective release of claims in favor of Orion and continued compliance with certain restrictive covenants, in addition to accrued benefits, Mr. Brandon will be entitled to (i) any accrued but unpaid annual bonus for the year prior to the year of termination, if applicable, (ii) an amount equal to the sum of his annual base salary and target annual bonus for the year of termination (the "cash severance") and (iii) continued medical coverage, at the same cost to Mr. Brandon as if he were an active employee, until the earliest of: (x) one year following the date of the termination; or (y) such time as Mr. Brandon obtains new employment that offers group medical coverage. In addition, all outstanding time-vesting equity awards granted to Mr. Brandon will vest in full. Any outstanding performance-vesting equity awards will be treated in accordance with the applicable plan and

award agreement. Notwithstanding the foregoing, if Mr. Brandon's employment is terminated by the Company without cause or by Mr. Brandon for good reason during the period beginning on the date of, and ending 18 months following, a change in control (as defined in the employment agreement), then, in lieu of the cash severance, Mr. Brandon will be entitled to a cash severance payment equal to the product of two times the sum of (x) his annual base salary plus (y) an amount equal to his annual target bonus as in effect on the date of his termination, payable in a cash lump sum.

In connection with entry in to the employment agreement, Mr. Brandon also executed an employee confidentiality and non-competition agreement, which includes customary confidentiality restrictions that apply indefinitely and non-compete and non-solicitation restrictions effective during employment and for 12 months thereafter.

Chris Day

We intend to enter into an employment agreement with Mr. Day pursuant to which, Mr. Day will serve as our Chief Operating Officer. The employment agreement will continue until terminated. Pursuant to the employment agreement, Mr. Day will receive an annual base salary of $325,000 and will be eligible to earn an annual bonus targeted at 92% of his base salary, based upon achievement of performance goals established by the compensation committee in consultation with our Chief Executive Officer. The payment of any annual bonus, to the extent any annual bonus becomes payable, will be contingent upon Mr. Day's continued employment through the applicable payment date. Pursuant to the employment agreement, Mr. Day is also eligible to receive annual long-term incentive equity awards during each calendar year of his employment with Orion beginning with calendar year 2022, as may be determined by the compensation committee in consultation with the Chief Executive Officer. In addition, Mr. Day is eligible to participate in the health and welfare benefit plans and programs maintained by us for the benefit of our similarly situated executives and will accrue 4 weeks of vacation for each full calendar year of employment under our vacation policy.

If Mr. Day's employment is terminated due to his death or "disability" (as defined in his employment agreement), then in addition to accrued benefits, (i) Mr. Day will be entitled to any accrued but unpaid annual bonus for the year prior to the year of termination, if applicable, and (ii) any outstanding time-vesting equity awards granted to Mr. Day will vest on a pro rata basis. Any outstanding performance-vesting equity awards will be treated in accordance with the applicable plan and award agreement.

If Mr. Day's employment with us is terminated by Orion without "cause" or by Mr. Day for "good reason" (each as defined in his employment agreement), then subject to his execution of an effective release of claims in favor of Orion and continued compliance with certain restrictive covenants, in addition to accrued benefits, Mr. Day will be entitled to (i) any accrued but unpaid annual bonus for the year prior to the year of termination, if applicable, (ii) an amount equal to the sum of his annual base salary and target annual bonus for the year of termination (the "cash severance") and (iii) continued medical coverage, at the same cost to Mr. Day as if he were an active employee, until the earliest of: (x) one year following the date of the termination; or (y) such time as Mr. Day obtains new employment that offers group medical coverage. In addition, all outstanding time-vesting equity awards granted to Mr. Day will vest in full. Any outstanding performance-vesting equity awards will be treated in accordance with the applicable plan and award agreement. Notwithstanding the foregoing, if Mr. Day's employment is terminated by the Company without cause or by Mr. Day for good reason during the period beginning on the date of, and ending 18 months following, a change in control (as defined in the employment agreement), then, in lieu of the cash severance, Mr. Day will be entitled to a cash severance payment equal to two times the sum of (x) his annual base salary plus (y) an amount equal to his annual target bonus as in effect on the date of his termination, payable in a cash lump sum.

In connection with entry in to the employment agreement, Mr. Day also executed an employee confidentiality and non-competition agreement, which includes customary confidentiality restrictions that apply indefinitely and non-compete and non-solicitation restrictions effective during employment and for 12 months thereafter.

Orion Office REIT Inc. 2021 Equity Incentive Plan

Prior to the completion of our separation from Realty Income, we intend to adopt the Orion Office REIT Inc. 2021 Equity Incentive Plan (the "2021 Plan"), under which we may grant cash and equity incentive awards

to eligible service providers in order to attract, motivate and retain the talent for which we compete. The material terms of the 2021 Plan, as currently contemplated, are summarized below. The 2021 Plan has not been finalized and, accordingly, the terms of the 2021 Plan as described below are subject to change.

Plan Administration. The 2021 Plan will be administered by either the compensation committee of our board of directors, our board of directors or by such other committee of our board of directors performing the functions of the compensation committee (in any case, the "Administrator"). The Administrator has full power to select, from among the individuals eligible for awards, the individuals to whom awards will be granted, to make any combination of awards to participants, to determine the specific terms and conditions of each award, subject to the provisions of the 2021 Plan, to accelerate the exercisability or vesting of any award in circumstances involving the grantee's death, disability, retirement or termination of employment or service relationship or a change in control and to otherwise administer the 2021 Plan and the awards granted thereunder. Subject to applicable law, the Administrator may delegate to our Chief Executive Officer, or his or her delegate, the authority to exercise any and all of the Administrator's authority and duties with respect to the granting of awards to individuals who are not subject to the reporting and other provisions of Section 16 of the Exchange Act and not himself or herself, subject to certain limitations.

Eligibility. All officers, employees, non-employee directors and consultants of Orion and its subsidiaries will be eligible to receive awards under the 2021 Plan. Persons eligible to participate in the 2021 Plan will be those officers, employees, non-employee directors and consultants as selected from time to time by the Administrator, as well as such other persons selected from time to time by the Administrator to whom issuances of shares under the 2021 Plan may be registered and permitted under applicable securities laws.

Shares of Common Stock Available. The maximum number of shares of our common stock that are expected to be authorized for issuance under the 2021 Plan is 3,700,000 shares, subject to adjustment as set forth in the 2021 Plan. Subject to such overall limitations, shares of our common stock may be issued up to such maximum number pursuant to any type or types of award; provided, however, that no more than 3,700,000 shares of our common stock may be issued in the form of incentive stock options. Shares of our common stock underlying awards granted under the 2021 Plan that are forfeited, canceled or otherwise terminated (other than by exercise) will be added back to the shares of common stock available for issuance under the 2021 Plan. Notwithstanding the foregoing, the following shares will not be added to shares authorized for grant under the 2021 Plan: (i) shares tendered or held back upon the exercise of stock options or settlement of an award to cover the exercise price or tax withholding and (ii) shares subject to stock appreciation rights that are not issued in connection with the stock settlement of the stock appreciation right upon exercise. In the event that we repurchase shares of our common stock on the open market, such shares shall not be added to the shares of common stock available for issuance under the 2021 Plan. The shares available for issuance under the 2021 Plan may be authorized but unissued shares of our common stock or shares of our common stock reacquired by us. Any shares of common stock issued pursuant to assumed or substituted awards granted in connection with the acquisition of another company will not reduce the number of shares authorized for grant under the 2021 Plan. In addition, in connection with the acquisition of another company, we may assume outstanding awards granted by another company as if they had been granted under the 2021 Plan or grant awards under the 2021 Plan in substitution of such outstanding awards, in each case, to the extent the applicable award recipient is eligible to be granted such an award under the 2021 Plan. Any shares of common stock issued pursuant to such assumed or substituted awards will not reduce the number of shares authorized for grant under the 2021 Plan.

The 2021 Plan provides that the sum of any cash compensation and the aggregate grant date fair value (determined as of the date of the grant under Financial Accounting Standards Board Accounting Standards Codification Topic 718, or any successor thereto) of all awards granted to a non-employee director as compensation for services as a non-employee director during any calendar year (the "director limit") may not exceed $1,000,000 (subject to exceptions for individual non-employee directors in extraordinary circumstances).

Types of Awards. The types of awards permitted under the 2021 Plan include stock options, stock appreciation rights, restricted stock unit awards, restricted stock awards, unrestricted stock awards, dividend equivalent rights and other equity-based awards. Subject to the overall limit on the number of shares that may be issued under the 2021 Plan, shares of common stock may be issued up to such maximum number pursuant

to any type of award; provided that no more than 3,700,000 shares of common stock (plus, to the extent permitted by the Code, any shares added back to the 2021 Plan as described above) may be issued in the form of incentive stock options.

- Stock Options. The 2021 Plan permits the granting of (1) options intended to qualify as incentive stock options under Section 422 of the Code and (2) options that do not so qualify. Options granted under the 2021 Plan will be non-qualified stock options if they fail to qualify as incentive stock options or exceed the annual limit on incentive stock options. Non-qualified stock options may be granted to any persons eligible to receive incentive stock options and to non-employee directors and consultants. Incentive stock options may be granted only to employees of Orion or any subsidiary. The exercise price of each option will be determined by the Administrator but may not be less than 100% of the fair market value of our shares of common stock on the date of grant, subject to certain exceptions set forth in the 2021 Plan. The term of each option will be fixed by the Administrator and may not exceed ten years from the date of grant. The Administrator will determine at what time or times each option may be exercised. Options may be made exercisable in installments. Upon exercise of options, the option exercise price must be paid in full either in cash, by certified or bank check or other instrument acceptable to the Administrator or by delivery (or attestation to the ownership following such procedures as we may prescribe) of shares of common stock that are not subject to restrictions under any other plan. Subject to applicable law, the exercise price may also be delivered to the company by a broker pursuant to irrevocable instructions to the broker from the optionee. In addition, the Administrator may permit non-qualified stock options to be exercised using a net exercise feature which reduces the number of shares of common stock issued to the optionee by the number of shares of common stock with a fair market value equal to the exercise price. To qualify as incentive stock options, options must meet additional federal tax requirements, including a $100,000 limit on the value of shares of common stock subject to incentive stock options that first become exercisable by a participant in any one calendar year.
- Stock Appreciation Rights. The Administrator may award stock appreciation rights to participants subject to such conditions and restrictions as the Administrator may determine, provided that the exercise price may not be less than 100% of the fair market value of our shares of common stock on the date of grant, subject to certain exceptions set forth in the 2021 Plan. Stock appreciation rights are settled in cash or shares of common stock. In addition, no stock appreciation right shall be exercisable more than ten years after the date the stock appreciation right is granted.
- Restricted Stock Units. Restricted stock unit awards are payable in the form of shares of common stock (or cash, to the extent expressly provided in the award agreement) and may be subject to such conditions and restrictions as the Administrator may determine. These conditions and restrictions may include the achievement of certain performance goals and/or continued employment with the company through a specified vesting period. In the Administrator's sole discretion, it may permit a participant to defer settlement of his or her restricted stock units to one or more dates specified in the applicable award agreement or elected by the participant.
- Restricted Stock. The Administrator may award shares of common stock to participants subject to such conditions and restrictions as the Administrator may determine. These conditions and restrictions may include the achievement of certain pre-established performance goals and/or continued employment or service through a specified restriction period. If the lapse of restrictions with respect to the shares of common stock is tied to attainment of vesting conditions, any cash dividends paid by the company during the vesting period will be retained by, or repaid by the grantee to, the company until and to the extent the vesting conditions are met with respect to the award; provided, that to the extent provided for in the applicable award agreement or by the Administrator, an amount equal to such cash dividends retained by the company or repaid by the grantee, may be paid to the grantee upon the lapsing of such restrictions.
- Unrestricted Stock. The 2021 Plan gives the Administrator discretion to grant stock awards free of any restrictions. Unrestricted stock may be granted to any participant in recognition of past services or other valid consideration and may be issued in lieu of cash compensation due to such participant.
- Dividend Equivalent Rights. Dividend equivalent rights are awards entitling the grantee to current or deferred payments equal to cash dividends on a specified number of shares of common stock. Dividend

equivalent rights may be settled in cash or stock and are subject to other conditions as the Administrator shall determine. Dividend equivalent rights may be granted to any grantee as a component of an award or as a freestanding award. For a dividend equivalent right granted as a component of an award under the 2021 Plan, such dividend equivalent right will be settled only upon settlement or payment of, or lapse of restrictions on, such award, and such dividend equivalent right will be forfeited under the same conditions as such award.

- Other Equity-Based Awards. The Administrator may grant units in the company's operating partnership or other units or any other membership or ownership interests (which may be expressed as units or otherwise) in a subsidiary (or other affiliate of the company), with any stock being issued in connection with the conversion of (or other distribution on account of) an interest granted under the provisions of the 2021 Plan.

Adjustments for Stock Dividends, Stock Splits, Etc. The 2021 Plan requires the Administrator to make appropriate equitable adjustments to the number and kind of shares of our common stock that are subject to issuance under the 2021 Plan, to certain limits in the 2021 Plan, and to outstanding awards under the 2021 Plan, as well as equitable adjustments to the purchase price or exercise price, as applicable, of outstanding awards under the 2021 Plan, to reflect any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or similar change in the company's capital stock, including as a result of any merger or consolidation or sale of all or substantially all of the assets of the company.

Sale Event. The 2021 Plan provides that in the event of a Sale Event, as defined in the 2021 Plan, outstanding awards may be assumed, continued or substituted with new awards of the successor entity. In connection with any Sale Event in which shares are exchanged for or converted into the right to receive cash, outstanding unvested awards may be converted into the right to receive an amount of cash equal to the per share cash consideration multiplied by the number of shares subject to such awards (net of any applicable exercise prices), subject to any remaining vesting provisions relating to such awards. To the extent that outstanding awards are not assumed, continued or substituted, such awards will terminate, unless otherwise provided in the award agreement, and each award that is terminated will become vested and fully exercisable and the company will take one of the following actions with respect to each such award (with the choice to be made by the Administrator in its sole discretion): (i) make or provide for a payment, in cash or in kind, to the grantee holding such awards, in an amount equal to the excess, if any, of (A) the per share consideration from such Sale Event multiplied by the number of shares subject to such awards (to the extent then vested, after taking into account any acceleration, at prices not in excess of the per share amount of such consideration) above (B) the aggregate exercise price for such shares subject to such awards; or (ii) in the event that such award is a stock option or stock appreciation right, permit the grantee holding such awards, within a specified period of time prior to such termination, as determined by the Administrator, to exercise the awards (to the extent such awards would be exercisable, after taking into account any acceleration).

Foreign Award Recipients, Clawback, Transferability and Withholding. Subject to the requirements of applicable U.S. law, in order to comply with the laws of other countries in which Orion or its subsidiaries operate or have employees or other individuals eligible for awards, the Administrator may (i) determine which subsidiaries will be covered by the 2021 Plan, (ii) determine which individuals located outside of the United States are eligible to participate in the 2021 Plan, (iii) modify the terms and conditions of awards granted to individuals outside the United States or (iv) establish subplans and modify exercise procedures and other terms and procedures, to the extent that the Administrator determines to be necessary or advisable to obtain approval or comply with any local governmental regulatory exemptions or approvals. All awards will be subject to any Company claw back policy as in effect from time to time. Except as the Administrator may determine or provide in an award agreement, awards under the 2021 Plan are generally non transferrable, except by will or the laws of descent and distribution, or pursuant to a domestic relations order and are generally exercisable only by the grantee (or the grantee's legal representative or guardian). Participants in the 2021 Plan are responsible for the payment of any federal, state or local taxes that we are required by law to withhold upon any exercise, vesting or settlement of awards, as applicable. Subject to approval by the Administrator, participants may elect to have the tax withholding obligations satisfied by authorizing us to withhold shares of common stock to be issued. Additionally, the Administrator may provide for mandatory share withholding up to the required withholding amount. The Administrator may also require tax withholding obligations to be satisfied by an arrangement where shares issued pursuant to an award are immediately sold and proceeds from such sale are remitted to us in an amount to satisfy such tax withholding obligations.

Amendments and Termination. Our board of directors may, at any time, amend or discontinue the 2021 Plan and the Administrator may, at any time, amend or cancel any outstanding award for the purpose of satisfying changes in law or for any other lawful purpose, provided that no such action shall materially and adversely affect rights under any outstanding award without the holder's consent. Other than as set forth in the 2021 Plan, the Administrator may not exercise its discretion to reduce the exercise price of outstanding stock option or stock appreciation rights or effect repricing through cancellation and re-grants or cancellation of stock options or stock appreciation rights in exchange for cash or other awards. Our board of directors, in its discretion, may determine to make any amendments to the 2021 Plan, subject to the approval of our stockholders for purposes of complying with the rules of any securities exchange or market system on which our stock is listed or ensuring that incentive stock options granted under the 2021 Plan are qualified under Section 422 of the Code. No awards may be granted under the 2021 Plan after the tenth anniversary of the date on which the 2021 Plan is adopted by our board of directors.

Director Compensation

We expect to establish a compensation program for our eligible non-employee directors that will be aligned with creating and sustaining equityholder value, whereby such directors will receive customary compensation for their service as members of our board of directors and its committees. Based on discussions with and assistance from FPC, it is expected that, following the Distribution, we will initially provide the compensation described below to our non-employee directors.

Cash Retainers and Fees

Board Member Retainer: $65,000

Additional Independent Chairman Retainer: $25,000

Chair of Audit Committee: $20,000

Chair of Compensation Committee: $15,000

Chair of Nominating and Governance Committee: $12,500

Board and Committee Meeting Fees (in excess of six per year): $1,500

Equity Compensation

In addition to the cash retainers and fees set forth above, each non-employee director is expected to receive an annual equity-based award with a value equal to $100,000 and the Independent Chairman is expected to receive an additional annual equity-based award with a value equal to $25,000. Annual equity-based awards will vest in full on the earlier to occur of (i) the first anniversary of the date of grant and (ii) the next annual meeting of our stockholders following the date of grant, subject to the director's continued service on the vesting date.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Related Person Transactions

This section summarizes material agreements between us and certain related parties and agreements between us and Realty Income that will govern the ongoing relationships between the two companies after the Distribution. The agreements with Realty Income are intended to provide for an orderly transition to our status as an independent, publicly traded company. Additional or modified agreements, arrangements and transactions, which would be negotiated at arm's-length, may be entered into between us and Realty Income after the Distribution. These summaries are qualified in their entirety by reference to the full text of the applicable agreements, which are filed as exhibits to the registration statement on Form 10 of which this information statement is a part, and are incorporated herein by reference.

Agreements with Realty Income

Following the Distribution, we and Realty Income will operate as independent public companies. To govern certain ongoing relationships between us and Realty Income after the Distribution, and to provide mechanisms for an orderly transition, we and Realty Income intend to enter into agreements pursuant to which certain services and rights will be provided for following the Distribution, and we and Realty Income will indemnify each other against certain liabilities arising from our respective businesses. The following is a summary of the terms of the material agreements we expect to enter into with Realty Income.

Separation and Distribution Agreement

As of or prior to the Distribution, we and Realty Income will enter into the Separation and Distribution Agreement. We and Realty Income will also enter into other agreements prior to the Distribution that will effectuate the Separation and the Distribution, provide a framework for our relationship with Realty Income after the Distribution and provide for the allocation between us and Realty Income of Realty Income's assets, liabilities and obligations (including its investments, property, employee, benefits and tax-related assets and liabilities) attributable to periods prior to, at and after Orion's separation from Realty Income, such as the Transition Services Agreement, the Tax Matters Agreement and the Employee Matters Agreement. The forms of the agreements listed above have been filed as exhibits to the registration statement on Form 10 of which this information statement is a part. For more information regarding these agreements, please refer to the discussion under "The Separation and the Distribution — The Separation and Distribution Agreement" and "The Separation and the Distribution — Related Agreements."

Transition Services Agreement

As of or prior to the Distribution, we and Realty Income will enter into a 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.

Tax Matters Agreement

As of or prior to the Distribution, we and Realty Income will enter into a Tax Matters Agreement that will govern the respective rights, responsibilities and obligations of Realty Income and us after the Distribution with respect to tax liabilities and benefits, tax attributes, the preparation and filing of tax returns, the control of audits and other tax proceedings, and certain other tax matters. Our obligations under the Tax Matters Agreement are not limited in amount or subject to any cap. Further, even if we are not responsible for tax liabilities of Realty Income and its subsidiaries under the Tax Matters Agreement, we nonetheless could be liable under applicable law for such liabilities if Realty Income were to fail to pay them. If we are required to pay any liabilities under the circumstances set forth in the Tax Matters Agreement or pursuant to applicable tax law, the amounts may be significant. The form of this agreement will be filed as an exhibit to the registration statement on Form 10 of which this information statement is a part.

Employee Matters Agreement

As of or prior to the Distribution, we and Realty Income will enter into an Employee Matters Agreement in connection with the Separation to allocate liabilities and responsibilities relating to employment matters, employee compensation and benefits plans and programs, and other related matters.

The Employee Matters Agreement will govern Realty Income's and our compensation and employee benefit obligations relating to current and former employees of each company (including individuals who were VEREIT employees immediately prior to the Merger Effective Time), and generally will allocate liabilities and responsibilities relating to employee compensation and benefit plans and programs.

The Employee Matters Agreement also may set forth the general principles relating to employee matters, including with respect to the assignment of employees, the assumption and retention of liabilities and related assets, expense reimbursements, workers' compensation, leaves of absence, the provision of comparable benefits, employee service credit, the sharing of employee information, and the duplication or acceleration of benefits.

Subleases with Realty Income

As of or prior to the Distribution, we intend to enter into subleases with respect to office space at 2325 E. Camelback Road, in Phoenix, Arizona (the "Arizona Sublease") and 19 West 44th Street in New York, New York, which we expect will serve as our corporate offices (the "New York Sublease" and, together with the Arizona Sublease, the "Subleases").

The Subleases will govern the sublease of the applicable portions of each property from Realty Income to us, upon terms generally consistent with the existing leases related to the properties, including rent. We expect that the Arizona Sublease will have an initial term of twelve months, and the New York Sublease will have an initial term of two years. The Subleases will be subject to approval from the respective landlords of each lease, which we intend to solicit prior to the Distribution.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Before the Distribution, all of the outstanding shares of Orion stock will be owned beneficially and of record by Realty Income or one of its subsidiaries. Immediately following the Distribution, Orion expects to have approximately 54,172,452 shares of common stock outstanding based upon approximately 380,174,042 shares of Realty Income common stock outstanding on June 30, 2021 and 229,149,616 shares of VEREIT common stock outstanding on June 30, 2021, and after giving effect to the Distribution Ratio of one share of Orion common stock for every ten shares of Realty Income common stock. The foregoing amounts do not reflect any equity issued by either Realty Income or VEREIT after June 30, 2021, including the 9,200,000 shares of Realty Income common stock issued in an underwritten offering in July 2021, nor subsequent issuances pursuant to Realty Income's "at-the-market" program related to the sale of up to an additional 60,000,000 shares of Realty Income common stock. Following the Distribution, Realty Income and its subsidiaries will not own any shares of Orion common stock.

The following table sets forth information with respect to the expected beneficial ownership of Orion common stock as of immediately after the Distribution (assuming the record date for the Distribution was October 1, 2021, and that they each maintain their respective ownership positions when the Distribution occurs) by (1) each person who is known by us who we believe will be a beneficial owner of more than 5% of Orion outstanding common stock immediately after the Distribution based on current publicly available information, (2) each identified director of Orion following the Distribution, (3) each identified named executive officer immediately after the Distribution and (4) all identified Orion executive officers and directors as a group immediately after the Distribution.

The SEC has defined "beneficial ownership" of a security to mean the possession, directly or indirectly, of voting power or investment power over such security. A stockholder is also deemed to be, as of any date, the beneficial owner of all securities that such stockholder has the right to acquire within 60 days after that date through (a) the exercise of any option, warrant or right, (b) the conversion of a security, (c) the power to revoke a trust, discretionary account or similar arrangement or (d) the automatic termination of a trust, discretionary account or similar arrangement. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, common stock subject to options or other rights (as set forth above) held by that person that are currently exercisable or will become exercisable within 60 days thereafter, are deemed outstanding, while such shares are not deemed outstanding for purposes of computing percentage ownership of any other person. Unless otherwise stated in the footnotes, shares are owned directly and the person has sole voting and investment power with respect to the securities owned by such person. Unless otherwise stated, the address of each named person is c/o Orion Office REIT Inc., 2325 E. Camelback Road, Floor 8, Phoenix, AZ 85016.

Name of Beneficial Owner	Expected Amount of Beneficial Ownership of Common Stock Immediately after the Distribution	Percent of Class
5% Shareholders		
The Vanguard Group, Inc.[1] 100 Vanguard Blvd. Malvern, PA 19355	7,611,582	14.1%
BlackRock, Inc.[2] 55 East 52nd Street New York, NY 10055	4,695,621	8.7%
Directors and Named Executive Officers		
Named Executive Officers		
Paul H. McDowell[3]	20,417	*
Gavin Brandon[4]	2,402	*
Gary Landriau[5]	911	*
Chris Day[6]	278	*

Name of Beneficial Owner	Expected Amount of Beneficial Ownership of Common Stock Immediately after the Distribution	Percent of Class
Non-Employee Directors		
Kathleen R. Allen, Ph.D.[7]	9,000	*
Reginald H. Gilyard	1,600	*
Richard Lieb[8]	480	*
Gregory J. Whyte	—	*
All directors and officers as a group (eight persons)	35,088	*

* Represents less than 1% of the shares of the Company's common stock outstanding.

(1) Based on the information provided pursuant to a statement on a Schedule 13G/A filed with the SEC on February 10, 2021 with respect to Realty Income common stock, The Vanguard Group, Inc. (the "Vanguard Group") has sole power to dispose or direct the disposition of 52,167,354 shares of Realty Income common stock and shared power to vote or direct the vote and shared power to dispose or direct the disposition of 1,334,833 and 2,289,230 shares of Realty Income common stock, respectively. The Vanguard Group does not have the sole power to vote or direct the vote of any shares of Realty Income common stock. Based on the information provided pursuant to a statement on a Schedule 13G/A filed with the SEC on February 10, 2021 with respect to VEREIT common stock, The Vanguard Group has sole power to dispose or direct the disposition of 29,722,397 shares of VEREIT common stock and shared power to vote or direct the vote and shared power to dispose or direct the disposition of 715,106 and 999,930 shares of VEREIT common stock, respectively. The Vanguard Group does not have the sole power to vote or direct the vote of any shares of VEREIT common stock.

(2) Based on the information provided pursuant to a statement on a Schedule 13G/A filed with the SEC on February 1, 2021 with respect to Realty Income common stock, BlackRock, Inc. has sole power to vote or direct the vote of 31,231,787 shares of Realty Income common stock, and sole power to dispose or direct the disposition of 34,281,689 shares of Realty Income common stock. BlackRock, Inc. does not have the shared power to vote or direct the vote of or the shared power to dispose or direct the disposition of any shares of Realty Income common stock. Based on the information provided pursuant to a statement on a Schedule 13G/A filed with the SEC on February 1, 2021 with respect to VEREIT common stock, BlackRock, Inc. has sole power to vote or direct the vote of 16,384,152 shares of VEREIT common stock, and sole power to dispose or direct the disposition of 17,978,049 shares of VEREIT common stock. BlackRock, Inc. does not have the shared power to vote or direct the vote of or the shared power to dispose or direct the disposition of any shares of VEREIT common stock.

(3) Mr. McDowell's total reflects (i) 55,122 shares of VEREIT common stock owned by Mr. McDowell, (ii) 160,028 options to purchase VEREIT common stock that are vested or expected to vest upon the closing of the Merger (assuming such options were exercised and settled prior to the record date for the Distribution), (iii) 30,921 time based restricted stock unit awards of VEREIT common stock that are expected to vest upon the closing of the Merger, and (iv) 43,530 unvested performance stock unit awards of VEREIT common stock that are expected to vest upon the closing of the Merger (assuming 100% achievement of the performance goals), all such awards assumed to be converted to awards of Realty Income Corporation consistent with the Merger Agreement.

(4) Mr. Brandon's total reflects (i) 6,895 shares of VEREIT common stock owned by Mr. Brandon, (ii) 16,002 options to purchase VEREIT common stock that are vested or expected to vest upon the closing of the Merger (assuming such options were exercised and settled prior to the record date for the Distribution), (iii) 6,412 time based restricted stock unit awards of VEREIT common stock that are expected to vest upon the closing of the Merger, and (iv) 4,756 unvested performance stock unit awards of VEREIT common stock that are expected to vest upon the closing of the Merger (assuming 100% achievement of the performance goals), all such awards assumed to be converted to awards of Realty Income Corporation consistent with the Merger Agreement.

(5) Mr. Landriau's total reflects (i) 5,031 shares of VEREIT common stock owned by Mr. Landriau and

(ii) 7,894 vested options to purchase VEREIT common stock (assuming such options were exercised and settled prior to the record date for the Distribution).

(6) Mr. Day's total reflects 3,940 shares of VEREIT common stock owned by Mr. Day.

(7) Dr. Allen's total includes 9,000 shares of Orion common stock expected to be owned of record by The Allen Family Trust dated December 5, 2006, of which she is a trustee and has shared voting and investment power.

(8) Mr. Lieb's total reflects 6,812 shares of VEREIT common stock.

DESCRIPTION OF MATERIAL INDEBTEDNESS

As of June 30, 2021, the portfolio had approximately $180.7 million of total combined debt outstanding, consisting of secured mortgage debt, all of which is expected to be repaid by Realty Income in full prior to the Distribution. To provide additional liquidity and facilitate growth, and in connection with the Separation, Orion LP expects to enter into a $175.0 million term loan facility (the "Orion Term Loan") and a $350.0 million revolving credit facility (the "Orion Revolving Credit Facility"), $86.1 million of which is expected to be initially outstanding). In addition, Orion LP expects to enter into a $355.0 million commercial mortgage backed security bridge loan ("CMBS Bridge Loan"), which Orion LP expects to refinance with commercial mortgage-backed security financing prior to the maturity of the CMBS Bridge Loan. Of the proceeds under the Orion Revolving Credit Facility and the CMBS Bridge Loan, $595.8 million will be distributed to the partners of Orion LP and, in turn, be contributed to Realty Income in accordance with the Separation and Distribution Agreement. The remainder of the proceeds are anticipated to be used to pay fees and expenses related to the origination of the Orion Credit Facilities and the CMBS Bridge Loan and to finance working capital needs. As a result of these transactions, following the completion of the separation, we expect to have approximately $616.1 million in consolidated outstanding indebtedness, $10.0 million in cash, and $263.9 million of availability under our revolving credit facility.

DESCRIPTION OF OUR CAPITAL STOCK

The following summary of the terms of the capital stock of Orion does not purport to be complete and is subject to and qualified in its entirety by reference to the Maryland General Corporation Law, or the MGCL, and the Orion Charter and the Orion Bylaws, which will be in effect prior to the Distribution. Copies of the Orion Charter and Orion Bylaws have been filed with the SEC and are incorporated by reference as exhibits to the registration statement of which this information statement is a part. See the section entitled "Where You Can Find More Information."

General

The Orion Charter, or our charter, provides that we may issue up to 100,000,000 shares of common stock, $0.01 par value per share, and 20,000,000 shares of preferred stock, $0.01 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 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.

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 Orion. 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, including common 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 currently intend 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 New York Stock Exchange under the symbol “ONL.”

Preferred Stock

General

Our charter provides that we may issue up to 100,000,000 shares of preferred stock, par value $0.01 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 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 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
- 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 Orion, 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 currently intend 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 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 REIT under 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 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 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).

Our charter provides that 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, our charter provides that 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 our charter provides that the 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.

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 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, our charter provides that 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.

Our charter provides that 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 Warrant

Warrant

Prior to the Distribution, we anticipate granting a warrant to purchase up to approximately 2% of the outstanding shares of our common stock at the time of the Distribution to an affiliate of Arch Street Capital Partners (the "Arch Street Warrant"). The Arch Street Warrant will entitle the holder to purchase shares of our common stock at a price per share equal to (1) the 30-day volume weighted average per share price of common stock for the first 30 trading days following the Distribution, multiplied by (2) 1.15 (as may be adjusted for any stock splits, dividends, combinations or similar transactions), at any time commencing 30 trading days after the completion of the Distribution. The Arch Street Warrant 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 common stock determined according to the formula set forth in the Arch Street Warrant. The Arch Street Warrant is anticipated to expire the earlier of (a) ten years after issuance and (b) the termination of the Arch Street Joint Venture.

The Arch Street Warrant is expected to be made pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act. The Arch Street Warrant will be exercisable and we will not be obligated to issue shares of our common stock upon exercise of a warrant unless common stock issuable upon such warrant exercise has been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the warrants. No underwriting discounts or commissions are expected to be paid with respect to the issuance of the Arch Street Warrant. The holder of the Arch Street Warrant 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 Warrant. 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 Warrant, 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

The following summary of certain provisions of Maryland law and of our charter and bylaws does not purport to be complete and is subject to and qualified in its entirety by reference to Maryland law, including the MGCL, and our charter and bylaws. Copies of our charter and bylaws have been filed with the SEC and are incorporated by reference as exhibits to the registration statement of which this prospectus is a part. See the section entitled "Where You Can Find More Information."

Our Board of Directors

Our board of directors immediately following the Distribution will consist of five directors. 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 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 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 Orion and any other person. As a result, any person described in the preceding sentence may be able to enter into business combinations with Orion 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 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.

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 beginning in 2022. 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.

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 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:

- 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.

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 Orion 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 Orion 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 Orion in any of the capacities described above and to any employee or agent of Orion or a predecessor of Orion.

We have entered into indemnification agreements with our current directors and executive officers that provide for indemnification to the maximum extent permitted by Maryland law.

Sale of Unregistered Securities

On July 15, 2021, Orion issued 100,000 shares of its common stock to Realty Income pursuant to Section 4(a)(2) of the Securities Act. Orion did not register the issuance of the issued shares under the Securities Act because such issuance did not constitute a public offering.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a general summary of certain material U.S. federal income tax consequences of the Distribution to U.S. holders and non-U.S. holders (each as defined below) of Realty Income common stock, Orion's election to be taxed as a REIT, and the ownership and disposition of Orion's common stock to U.S. holders and non-U.S. holders (each as defined below) of Orion common stock.

This summary is for general information only and is not tax advice. The information in this summary is based on:

- the Code;
- current, temporary and proposed Treasury Regulations promulgated under the Code;
- the legislative history of the Code;
- administrative interpretations and practices of the IRS; and
- court decisions;

in each case, as of the date of this information statement. In addition, the administrative interpretations and practices of the IRS include its practices and policies as expressed in private letter rulings that are not binding on the IRS except with respect to the particular taxpayers who requested and received those rulings. The sections of the Code and the corresponding Treasury Regulations that relate to qualification and taxation as a REIT are highly technical and complex. The following discussion sets forth certain material aspects of the sections of the Code that govern the U.S. federal income tax treatment of a REIT and its stockholders. This summary is qualified in its entirety by the applicable Code provisions, Treasury Regulations promulgated under the Code, and administrative and judicial interpretations thereof. Potential tax reforms may result in significant changes to the rules governing U.S. federal income taxation. New legislation, Treasury Regulations, administrative interpretations and practices and/or court decisions may significantly and adversely affect Orion's ability to qualify as a REIT, the U.S. federal income tax consequences of such qualification, or the U.S. federal income tax consequences of the Distribution and/or the ownership and disposition of Orion common stock, including those described in this discussion. Orion has not requested, and does not plan to request, any rulings from the IRS that it qualifies as a REIT or with respect to the U.S. federal income tax treatment of the Distribution, and the statements in this information statement are not binding on the IRS or any court. Thus, we can provide no assurance that the tax considerations contained in this discussion will not be challenged by the IRS or will be sustained by a court if challenged by the IRS. This summary does not discuss any state, local or non-U.S. tax consequences, or any tax consequences arising under any U.S. federal tax laws other than U.S. federal income tax laws, associated with the Distribution or the ownership or disposition of Orion common stock or Orion's election to be taxed as a REIT.

This discussion is limited to holders who hold shares of Realty Income common stock and, following the Distribution, Orion common stock, as "capital assets" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not purport to be a comprehensive discussion of all U.S. federal income tax consequences relevant to the Distribution or the ownership and disposition of Orion common stock and does not address all U.S. federal income tax consequences that may be relevant to a holder's particular circumstances, including the alternative minimum tax. In addition, except where specifically noted, it does not address consequences relevant to holders subject to special rules, including, without limitation:

- U.S. expatriates and former citizens or long-term residents of the United States;
- U.S. holders (as defined below) whose functional currency is not the U.S. dollar;
- persons holding Orion common stock or Realty Income common stock as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies, and other financial institutions;
- REITs or regulated investment companies;
- brokers, dealers or traders in securities;

- "controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid U.S. federal income tax;
- S corporations, partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes, or other flow-through entities (and investors therein);
- tax-exempt organizations or governmental organizations;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to Orion common stock or Realty Income common stock being taken into account in an applicable financial statement;
- persons deemed to sell Orion common stock or Realty Income common stock under the constructive sale provisions of the Code; and
- persons who hold or receive Orion common stock or Realty Income common stock pursuant to the exercise of any employee stock option or otherwise as compensation.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT INTENDED AS TAX ADVICE. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE DISTRIBUTION AND THE OWNERSHIP AND DISPOSITION OF ORION COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR ARISING UNDER OTHER U.S. FEDERAL TAX LAWS (INCLUDING ESTATE AND GIFT TAX LAWS) UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

For purposes of this discussion, a "U.S. holder" is a beneficial owner of Orion common stock or Realty Income common stock (which will include a beneficial owner of VEREIT common stock or VEREIT OP common units that receives Realty Income common stock in the Merger and continues to hold such stock as of the close of business on the record date for the Distribution), as applicable, that, for U.S. federal income tax purposes, is or is treated as:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code) have the authority to control all substantial decisions of the trust, or (2) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

For purposes of this discussion, a "non-U.S. holder" is any beneficial owner of Orion common stock or Realty Income common stock (which will include a beneficial owner of VEREIT common stock or VEREIT OP common units that receives Realty Income common stock in the Merger and continues to hold such stock as of the close of business on the record date for the Distribution), as applicable, that is neither a U.S. holder nor an entity treated as a partnership for U.S. federal income tax purposes.

If an entity treated as a partnership for U.S. federal income tax purposes holds Orion common stock or Realty Income common stock, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships holding Orion common stock or Realty Income common stock and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

Material U.S. Federal Income Tax Consequences of the Distribution

Treatment of the Distribution

The Distribution is expected to be treated as a taxable distribution to Realty Income common stockholders (which will include the former VEREIT stockholders that received Realty Income common stock

in the Merger and continue to hold such stock as of the close of business on the record date for the Distribution). Accordingly, each Realty Income stockholder will be treated as receiving a distribution from Realty Income in an amount equal to the fair market value of the Orion common stock received by such stockholder (including any fractional shares deemed received by the stockholder, as described below), determined as of the date of the Distribution. We refer to such amount as the "Distribution Amount." The receipt of the Distribution Amount by U.S. holders and non-U.S. holders of Realty Income common stock will generally be treated as described below.

The Distribution is also expected to be a taxable transaction for Realty Income in which Realty Income will recognize gain, but not loss, based on the difference between its tax basis in the Orion common stock and the fair market value of such stock as of the Distribution. Certain transactions that may be entered into in connection with the Separation and Distribution may also be taxable to Realty Income. To the extent Realty Income recognizes gain in connection with the Separation and Distribution, such gain generally should constitute qualifying income for purposes of the REIT gross income tests. In addition, Realty Income's earnings and profits will be increased, which may increase the portion of the Distribution treated as dividend income to Realty Income's stockholders.

Although Realty Income will ascribe a value to the Orion common stock distributed in the Distribution, this valuation is not binding on the IRS or any other tax authority. These taxing authorities could ascribe a higher valuation to the distributed shares of Orion common stock, particularly if, following the Distribution, those shares trade at prices significantly above the value ascribed to those shares by Realty Income. Such a higher valuation may affect the Distribution Amount and thus the tax consequences of the Distribution to Realty Income's stockholders.

If cash is paid in lieu of fractional shares of Orion common stock, any cash received by a Realty Income stockholder in lieu of a fractional Orion common share will be treated as if such fractional share had been (i) received by the stockholder as part of the Distribution and then (ii) sold by such stockholder, via the distribution agent, for the amount of cash received. As described below, the basis of the fractional share deemed received by a Realty Income stockholder, if any, will equal the fair market value of such share on the date of the Distribution, and the amount paid in lieu of a fractional share, if any, will be net of the distribution agent's brokerage fees.

Tax Basis and Holding Period of Orion Common Stock Received by Holders of Realty Income Common Stock

A Realty Income stockholder's tax basis in Orion common stock received in the Distribution (including any fractional shares deemed received) generally will equal the fair market value of such shares on the date of the Distribution, and the holding period for such shares will begin the day after the date of the Distribution. A Realty Income stockholder's holding period for its Realty Income shares will not be affected by the Distribution.

Tax Treatment of the Distribution to U.S. Holders of Realty Income Common Stock

Generally. The portion of the Distribution Amount that is payable out of Realty Income's current or accumulated earnings and profits will be treated as a dividend and, other than with respect to capital gain dividends and certain amounts which have previously been subject to corporate level tax, as discussed below, will be taxable to Realty Income's taxable U.S. holders as ordinary income when actually or constructively received. See "— Tax Rates" below. As long as Realty Income qualifies as a REIT, this portion of the Distribution Amount will not be eligible for the dividends-received deduction in the case of U.S. holders that are corporations or, except to the extent described in "— Tax Rates" below, the preferential rates on qualified dividend income applicable to non-corporate U.S. holders, including individuals. For purposes of determining whether distributions to holders of Realty Income's capital stock are out of Realty Income's current or accumulated earnings and profits, Realty Income's earnings and profits will be allocated first to its outstanding preferred stock, if any, and then to Realty Income's outstanding common stock.

To the extent that the Distribution Amount exceeds Realty Income's current and accumulated earnings and profits allocable to the Distribution Amount, it will be treated first as a tax-free return of capital to a U.S. holder to the extent of the U.S. holder's adjusted tax basis in its shares of Realty Income's common stock. This treatment will reduce the U.S. holder's adjusted tax basis in its shares of Realty Income's common stock by

such amount, but not below zero. If the Distribution Amount exceeds Realty Income's current and accumulated earnings and profits allocable to the Distribution Amount and such excess amount exceeds a U.S. holder's adjusted tax basis in its shares, the amount in excess of the U.S. holder's adjusted tax basis in its shares will be taxable as capital gain. Such gain will be taxable as long-term capital gain if the shares have been held for more than one year. U.S. holders may not include in their own income tax returns any of Realty Income's net operating losses or capital losses.

Capital Gain Dividends. Dividends that Realty Income properly designates as capital gain dividends will be taxable to Realty Income's taxable U.S. holders as a gain from the sale or disposition of a capital asset held for more than one year, to the extent that such gain does not exceed Realty Income's actual net capital gain for the taxable year, and may not exceed Realty Income's dividends paid for the taxable year, including dividends paid the following year that are treated as paid in the current year. U.S. holders that are corporations may, however, be required to treat up to 20% of certain capital gain dividends as ordinary income. If Realty Income properly designates any portion of a dividend as a capital gain dividend, then, except as otherwise required by law, Realty Income presently intends to allocate a portion of the total capital gain dividends paid or made available to holders of all classes of Realty Income's capital stock for the year to the holders of each class of Realty Income's capital stock in proportion to the amount that Realty Income's total dividends, as determined for U.S. federal income tax purposes, paid or made available to the holders of each such class of Realty Income's capital stock for the year bears to the total dividends, as determined for U.S. federal income tax purposes, paid or made available to holders of all classes of Realty Income's capital stock for the year.

Passive Activity Losses and Investment Interest Limitations. The Distribution will not be treated as passive activity income. As a result, U.S. holders generally will not be able to apply any "passive losses" against this income. A U.S. holder generally may elect to treat capital gain dividends and income designated as qualified dividend income, as described in "— Tax Rates" below, as investment income for purposes of computing the investment interest limitation, but in such case, the U.S. holder will be taxed at ordinary income rates on such amount. Otherwise, the Distribution, to the extent it does not constitute a return of capital, generally will be treated as investment income for purposes of computing the investment interest limitation.

Tax Rates. The maximum tax rate for non-corporate taxpayers for (1) long-term capital gains, including certain "capital gain dividends," generally is 20% (although depending on the characteristics of the assets which produced these gains and on designations which Realty Income may make, certain capital gain dividends may be taxed at a 25% rate) and (2) "qualified dividend income" generally is 20%. In general, dividends payable by REITs are not eligible for the reduced tax rate on qualified dividend income, except to the extent that certain holding period requirements have been met and the REIT's dividends are attributable to dividends received from taxable corporations (such as its TRSs) or to income that was subject to tax at the corporate/REIT level (for example, if the REIT distributed taxable income that it retained and paid tax on in the prior taxable year). Capital gain dividends will only be eligible for the rates described above to the extent that they are properly designated by the REIT as "capital gain dividends." U.S. holders that are corporations may be required to treat up to 20% of some capital gain dividends as ordinary income. In addition, non-corporate U.S. holders, including individuals, generally may deduct up to 20% of dividends from a REIT, other than capital gain dividends and dividends treated as qualified dividend income, for taxable years beginning before January 1, 2026 for purposes of determining their U.S. federal income tax (but not for purposes of the 3.8% Medicare tax), subject to certain holding period requirements and other limitations.

Tax Treatment of the Distribution to Tax-Exempt Holders of Realty Income Common Stock

Dividend income from Realty Income and gain arising upon the Distribution to the extent it is treated as a sale of shares of Realty Income common stock generally should not be unrelated business taxable income, or UBTI, to a tax-exempt holder, except as described below. This income or gain will be UBTI, however, to the extent a tax-exempt holder holds its shares as "debt-financed property" within the meaning of the Code. Generally, "debt-financed property" is property the acquisition or holding of which was financed through a borrowing by the tax-exempt holder.

For tax-exempt holders that are social clubs, voluntary employee benefit associations or supplemental unemployment benefit trusts exempt from U.S. federal income taxation under Sections 501(c)(7), (c)(9) or (c)(17) of the Code, respectively, income from an investment in Realty Income's shares will constitute UBTI unless the organization is able to properly claim a deduction for amounts set aside or placed in reserve for

specific purposes so as to offset the income generated by its investment in Realty Income's shares. These holders should consult their tax advisors concerning these "set aside" and reserve requirements.

Notwithstanding the above, however, a portion of the dividends paid by a "pension-held REIT" may be treated as UBTI as to certain trusts that hold more than 10%, by value, of the interests in the REIT. A REIT will not be a "pension-held REIT" if it is able to satisfy the "not closely held" requirement without relying on the "look-through" exception with respect to certain trusts or if such REIT is not "predominantly held" by "qualified trusts." As a result of restrictions on ownership and transfer of Realty Income's stock contained in Realty Income's charter, Realty Income does not expect to be classified as a "pension-held REIT," and as a result, the tax treatment described in the first sentence of this paragraph should be inapplicable to Realty Income's holders. However, because Realty Income's common stock is (and, Realty Income anticipates, will continue to be) publicly traded, Realty Income cannot guarantee that this will be the case at the time of the Distribution.

Tax Treatment of the Distribution to Non-U.S. Holders of Realty Income Common Stock

The following discussion addresses the rules governing U.S. federal income taxation of the Distribution to non-U.S. holders. These rules are complex, and no attempt is made herein to provide more than a brief summary of such rules. Accordingly, the discussion does not address all aspects of U.S. federal income taxation and does not address other federal, state, local or non-U.S. tax consequences that may be relevant to a non-U.S. holder in light of its particular circumstances. We urge non-U.S. holders to consult their tax advisors to determine the impact of U.S. federal, state, local and non-U.S. income and other tax laws and any applicable tax treaty on the Distribution, including any reporting requirements.

Generally. The portion of the Distribution Amount that is neither attributable to gains from sales or exchanges by Realty Income of United States real property interests, or USRPIs, nor designated by Realty Income as a capital gain dividend (except as described below) will be treated as a dividend of ordinary income to the extent it is made out of Realty Income's current or accumulated earnings and profits allocable to the Distribution Amount. This portion of the Distribution Amount ordinarily will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty, unless the Distribution is treated as effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such dividend is attributable). Under certain treaties, however, lower withholding rates generally applicable to dividends do not apply to dividends from a REIT. Certain certification and disclosure requirements must be satisfied for a non-U.S. holder to be exempt from withholding under the effectively connected income exemption. Dividends that are treated as effectively connected with a U.S. trade or business generally will not be subject to withholding but will be subject to U.S. federal income tax on a net basis at the regular rates, in the same manner as dividends paid to U.S. holders are subject to U.S. federal income tax. Any such dividends received by a non-U.S. holder that is a corporation may also be subject to an additional branch profits tax at a 30% rate (applicable after deducting U.S. federal income taxes paid on such effectively connected income) or such lower rate as may be specified by an applicable income tax treaty.

Except as otherwise provided below, Realty Income expects to withhold U.S. federal income tax at the rate of 30% on the Distribution made to a non-U.S. holder unless:

(1) a lower treaty rate applies and the non-U.S. holder furnishes an IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) evidencing eligibility for that reduced treaty rate; or

(2) the non-U.S. holder furnishes an IRS Form W-8ECI (or other applicable documentation) claiming that the Distribution is income effectively connected with the non-U.S. holder's trade or business.

To the extent the Distribution Amount exceeds Realty Income's current and accumulated earnings and profits allocable to the Distribution Amount, it will not be taxable to a non-U.S. holder to the extent that such excess amount does not exceed the adjusted tax basis of the non-U.S. holder's common stock, but rather will reduce the non-U.S. holder's adjusted tax basis of such stock. To the extent that the Distribution Amount in excess of Realty Income's allocable current and accumulated earnings and profits exceeds the non-U.S. holder's adjusted tax basis in such common stock, it generally will give rise to gain from the sale or exchange of such

stock, the tax treatment of which is described below. However, such excess amount may be treated as dividend income for certain non-U.S. holders. For withholding purposes, Realty Income expects to treat all distributions as made out of its current or accumulated earnings and profits. However, amounts withheld may be refundable if it is subsequently determined that the Distribution Amount was, in fact, in excess of Realty Income's allocable current and accumulated earnings and profits, provided that certain conditions are met.

Capital Gain Dividends and Distributions Attributable to a Sale or Exchange of United States Real Property Interests. Distributions to a non-U.S. holder that Realty Income properly designates as capital gain dividends, other than those arising from the disposition of a USRPI, generally should not be subject to U.S. federal income taxation, unless:

(1) the investment in Realty Income's common stock is treated as effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such dividends are attributable), in which case the non-U.S. holder will be subject to the same treatment as U.S. holders with respect to such gain, except that a non-U.S. holder that is a corporation may also be subject to a branch profits tax of up to 30%, as discussed above; or

(2) the non-U.S. holder is a nonresident alien individual who is present in the United States for 183 days or more during the taxable year and certain other conditions are met, in which case the non-U.S. holder will be subject to U.S. federal income tax at a rate of 30% on the non-U.S. holder's capital gains (or such lower rate specified by an applicable income tax treaty), which may be offset by U.S. source capital losses of such non-U.S. holder (even though the individual is not considered a resident of the United States), provided the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses.

Pursuant to the Foreign Investment in Real Property Tax Act, which is referred to as "FIRPTA," distributions to a non-U.S. holder that are attributable to gain from sales or exchanges by Realty Income of USRPIs (including gain realized in the Separation and Distribution), whether or not designated as capital gain dividends, will cause the non-U.S. holder to be treated as recognizing such gain as income effectively connected with a U.S. trade or business. Non-U.S. holders generally would be taxed at the regular rates applicable to U.S. holders, subject to any applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals. Realty Income also will be required to withhold and to remit to the IRS 21% of any distribution to non-U.S. holders attributable to gain from sales or exchanges by Realty Income of USRPIs. Distributions subject to FIRPTA may also be subject to a 30% branch profits tax in the hands of a non-U.S. holder that is a corporation. The amount withheld is creditable against the non-U.S. holder's U.S. federal income tax liability. However, any distribution with respect to any class of stock that is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market located in the United States is not subject to FIRPTA, and therefore, not subject to the 21% U.S. withholding tax described above, if the non-U.S. holder did not own more than 10% of such class of stock at any time during the one-year period ending on the date of the Distribution. Instead, such distributions generally will be treated as ordinary dividend distributions and subject to withholding in the manner described above with respect to ordinary dividends. In addition, distributions to certain non-U.S. publicly traded shareholders that meet certain record-keeping and other requirements ("qualified shareholders") are exempt from FIRPTA, except to the extent owners of such qualified shareholders that are not also qualified shareholders own, actually or constructively, more than 10% of Realty Income's capital stock. Furthermore, distributions to "qualified foreign pension funds" or entities all of the interests of which are held by "qualified foreign pension funds" are exempt from FIRPTA. Non-U.S. holders should consult their tax advisors regarding the application of these rules.

Deemed Sale of Realty Income's Common Stock. To the extent the Distribution Amount is treated as gain from the sale or exchange by a non-U.S. holder of its Realty Income common stock, the gain realized by such non-U.S. holder generally will not be subject to U.S. federal income tax unless such stock constitutes a USRPI. In general, stock of a domestic corporation that constitutes a "United States real property holding corporation," or USRPHC, will constitute a USRPI. Realty Income believes that it is a USRPHC. Realty Income's common stock will not, however, constitute a USRPI so long as Realty Income is a "domestically controlled qualified investment entity." A "domestically controlled qualified investment entity" includes a REIT in which at all times during a five-year testing period less than 50% in value of its stock is held directly

or indirectly by non-United States persons, subject to certain rules. For purposes of determining whether a REIT is a "domestically controlled qualified investment entity," a person who at all applicable times holds less than 5% of a class of stock that is "regularly traded" is treated as a United States person unless the REIT has actual knowledge that such person is not a United States person. Realty Income believes, but cannot guarantee, that it is a "domestically controlled qualified investment entity." Because Realty Income's common stock is (and, Realty Income anticipates, will continue to be) publicly traded, no assurance can be given that Realty Income will be a "domestically controlled qualified investment entity" at the time a non-U.S. holder is treated as selling or exchanging its Realty Income common stock with respect to the Distribution.

Even if Realty Income does not qualify as a "domestically controlled qualified investment entity" at the time a non-U.S. holder is treated as selling or exchanging its Realty Income common stock with respect to the Distribution, gain realized by such non-U.S. holder from the deemed sale or exchange would not be subject to U.S. federal income tax under FIRPTA as a sale or exchange of a USRPI if:

(1) Realty Income's common stock is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market such as the New York Stock Exchange; and

(2) such non-U.S. holder owned, actually and constructively, 10% or less of Realty Income's common stock throughout the shorter of the five-year period ending on the date of the Distribution or the non-U.S. holder's holding period.

In addition, such a deemed sale or exchange of Realty Income's common stock by qualified shareholders would be exempt from FIRPTA, except to the extent owners of such qualified shareholders that are not also qualified shareholders own, actually or constructively, more than 10% of Realty Income's capital stock. Furthermore, such a deemed sale or exchange of Realty Income's common stock by "qualified foreign pension funds" or entities all of the interests of which are held by "qualified foreign pension funds" would be exempt from FIRPTA. Non-U.S. holders should consult their tax advisors regarding the application of these rules.

Notwithstanding the foregoing, to the extent the Distribution Amount is treated as gain from a sale or exchange of Realty Income's common stock and is not otherwise subject to FIRPTA, such gain will be taxable to a non-U.S. holder if either (a) the investment in Realty Income's common stock is treated as effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such gain is attributable), in which case the non-U.S. holder will be subject to the same treatment as U.S. holders with respect to such gain, except that a non-U.S. holder that is a corporation may also be subject to the 30% branch profits tax (or such lower rate as may be specified by an applicable income tax treaty) on such gain, as adjusted for certain items, or (b) the non-U.S. holder is a nonresident alien individual who is present in the United States for 183 days or more during the taxable year and certain other conditions are met, in which case the non-U.S. holder will be subject to a 30% tax on the non-U.S. holder's capital gains (or such lower rate specified by an applicable income tax treaty), which may be offset by U.S. source capital losses of the non-U.S. holder (even though the individual is not considered a resident of the United States), provided the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses. In addition, even if Realty Income is a domestically controlled qualified investment entity, upon disposition of Realty Income's common stock, a non-U.S. holder may be treated as having gain from the sale or other taxable disposition of a USRPI if the non-U.S. holder (1) disposes of such stock within a 30-day period preceding the ex-dividend date of the Distribution, any portion of which, but for the disposition, would have been treated as gain from the sale or exchange of a USRPI and (2) acquires, or enters into a contract or option to acquire, or is deemed to acquire, other shares of that stock during the 61-day period beginning with the first day of the 30-day period described in clause (1), unless such stock is "regularly traded" and the non-U.S. holder did not own more than 10% of the stock at any time during the one-year period ending on the date of the distribution described in clause (1).

To the extent the Distribution Amount is treated as gain from a sale or exchange of Realty Income's common stock and such gain is subject to taxation under FIRPTA, the non-U.S. holder would be required to file a U.S. federal income tax return and would be subject to regular U.S. federal income tax with respect to such gain in the same manner as a taxable U.S. holder (subject to any applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals).

Information Reporting and Backup Withholding

U.S. Holders. The distribution of Orion common stock in the Distribution to a U.S. holder may be subject to information reporting and backup withholding. Certain U.S. holders are exempt from backup withholding, including corporations and certain tax-exempt organizations. A U.S. holder will be subject to backup withholding if such holder is not otherwise exempt and:

- the holder fails to furnish the holder's taxpayer identification number, which for an individual is ordinarily his or her social security number;
- the holder furnishes an incorrect taxpayer identification number;
- the applicable withholding agent is notified by the IRS that the holder previously failed to properly report payments of interest or dividends; or
- the holder fails to certify under penalties of perjury that the holder has furnished a correct taxpayer identification number and that the IRS has not notified the holder that the holder is subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS. U.S. holders should consult their tax advisors regarding their qualification for an exemption from backup withholding and the procedures for obtaining such an exemption.

Non-U.S. Holders. The distribution of Orion common stock in the Distribution to a non-U.S. holder generally will not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the holder is a United States person and the holder either certifies its non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E or W-8ECI, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with the distribution of Orion common stock in the Distribution to a non-U.S. holder, regardless of whether such distribution constitutes a dividend or whether any tax was actually withheld. In addition, proceeds of a sale of such stock within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting, if the applicable withholding agent receives the certification described above and does not have actual knowledge or reason to know that such holder is a United States person, or the holder otherwise establishes an exemption. Proceeds of a sale of such stock conducted through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the non-U.S. holder resides or is established

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a non-U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Medicare Contribution Tax on Unearned Income

Certain U.S. holders that are individuals, estates or trusts are required to pay an additional 3.8% tax on, among other things, dividends on stock and capital gains from the sale or other disposition of stock, subject to certain limitations. U.S. holders should consult their tax advisors regarding the effect, if any, of these rules on the Distribution.

Additional Withholding on Payments Made to Foreign Accounts

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such sections commonly referred to as the Foreign Account Tax Compliance Act, or FATCA) on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on Realty Income's common stock or (subject to the proposed Treasury Regulations

discussed below) gross proceeds from the sale or other disposition of Realty Income's common stock, in each case paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in clause (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on Realty Income's common stock. While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of stock on or after January 1, 2019, proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued. Because Realty Income may not know the extent to which the Distribution Amount is a dividend for U.S. federal income tax purposes at the time it is made, for purposes of these withholding rules Realty Income may treat the entire Distribution Amount as a dividend.

Holders should consult their tax advisors regarding the potential application of withholding under FATCA to the Distribution.

Time for Determination of the Tax Consequences of the Distribution

The tax consequences of the Distribution will be affected by a number of facts that are yet to be determined, including Realty Income's final earnings and profits for the taxable year that includes the Distribution (including as a result of the income and gain Realty Income recognizes in connection with the Distribution and related transactions), the fair market value of Orion common shares on the date of the Distribution and the extent to which Realty Income recognizes gain on the sales of USRPIs or other capital assets. Thus, a definitive calculation of the U.S. federal income tax consequences of the Distribution will not be possible until after the end of the taxable year that includes the Distribution. Realty Income will provide its stockholders with tax information on an IRS Form 1099-DIV, informing them of the character of distributions made during the taxable year, including the Distribution.

Material U.S. Federal Income Tax Considerations Regarding Orion's Taxation as a REIT

The following is a general summary of certain material U.S. federal income tax considerations regarding our election to be taxed as a REIT and the ownership and disposition of our common stock. For purposes of this discussion, references to "we," "our" and "us" mean only Orion and do not include any of its subsidiaries or Realty Income, except as otherwise indicated.

Taxation of Orion

General

We intend to elect to be taxed as a REIT under Sections 856 through 860 of the Code, commencing with our initial taxable year ending December 31, 2021. We intend to be organized and to operate in a manner that will allow us to qualify for taxation as a REIT under the Code commencing with such taxable year, and we intend to continue to be organized and operate in this manner. However, qualification and taxation as a REIT depend upon our ability to meet the various qualification tests imposed under the Code, including through actual operating results, asset composition, distribution levels and diversity of stock ownership. Accordingly, no assurance can be given that we will be organized or will be able to operate in a manner so as to qualify or remain qualified as a REIT. See "— Failure to Qualify" for potential tax consequences if we fail to qualify as a REIT.

Latham & Watkins LLP has acted as our tax counsel in connection with this information statement and our intended election to be taxed as a REIT. In connection with the Distribution, we expect to receive an opinion from Latham & Watkins LLP to the effect that, commencing with our taxable year ending December 31, 2021, we have been organized and have operated in conformity with the requirements for qualification and taxation as a REIT under the Code, and our proposed method of operation will enable us to continue to meet the requirements for qualification and taxation as a REIT under the Code. It must be emphasized that this opinion will be based on various assumptions and representations as to factual matters, including representations made by us in factual certificates provided by one or more of Realty Income's and our officers. In addition, this opinion will be based upon our factual representations set forth in this information statement. Moreover, our qualification and taxation as a REIT depend upon our ability to meet the various qualification tests imposed under the Code, which are discussed below, including through actual operating results, asset composition, distribution levels and diversity of stock ownership, the results of which will not be reviewed by Latham & Watkins LLP. Accordingly, no assurance can be given that our actual results of operations for any particular taxable year will satisfy those requirements. Further, the anticipated U.S. federal income tax treatment described herein may be changed, perhaps retroactively, by legislative, administrative or judicial action at any time. Latham & Watkins LLP has no obligation to update its opinion subsequent to the date of such opinion.

Provided we qualify for taxation as a REIT, we generally will not be required to pay U.S. federal corporate income taxes on our REIT taxable income that is currently distributed to our stockholders. This treatment substantially eliminates the "double taxation" that ordinarily results from investment in a C corporation. A C corporation is a corporation that generally is required to pay tax at the corporate level. Double taxation means taxation once at the corporate level when income is earned and once again at the stockholder level when the income is distributed. We will, however, be required to pay U.S. federal income tax as follows:

- First, we will be required to pay regular U.S. federal corporate income tax on any undistributed REIT taxable income, including undistributed capital gain.
- Second, if we have (1) net income from the sale or other disposition of "foreclosure property" held primarily for sale to customers in the ordinary course of business or (2) other nonqualifying income from foreclosure property, we will be required to pay regular U.S. federal corporate income tax on this income. To the extent that income from foreclosure property is otherwise qualifying income for purposes of the 75% gross income test, this tax is not applicable. Subject to certain other requirements, foreclosure property generally is defined as property we acquired through foreclosure or after a default on a loan secured by the property or a lease of the property. See "— Foreclosure Property."
- Third, we will be required to pay a 100% tax on any net income from prohibited transactions. Prohibited transactions are, in general, sales or other taxable dispositions of property, other than foreclosure property, held as inventory or primarily for sale to customers in the ordinary course of business.
- Fourth, if we fail to satisfy the 75% gross income test or the 95% gross income test, as described below, but have otherwise maintained our qualification as a REIT because certain other requirements are met, we will be required to pay a tax equal to (1) the greater of (A) the amount by which we fail to satisfy the 75% gross income test and (B) the amount by which we fail to satisfy the 95% gross income test, multiplied by (2) a fraction intended to reflect our profitability.
- Fifth, if we fail to satisfy any of the asset tests (other than a de minimis failure of the 5% or 10% asset test), as described below, due to reasonable cause and not due to willful neglect, and we nonetheless maintain our REIT qualification because of specified cure provisions, we will be required to pay a tax equal to the greater of $50,000 or the U.S. federal corporate income tax rate multiplied by the net income generated by the nonqualifying assets that caused us to fail such test.
- Sixth, if we fail to satisfy any provision of the Code that would result in our failure to qualify as a REIT (other than a violation of the gross income tests or certain violations of the asset tests, as described below) and the violation is due to reasonable cause and not due to willful neglect, we may retain our REIT qualification but we will be required to pay a penalty of $50,000 for each such failure.
- Seventh, we will be required to pay a 4% excise tax to the extent we fail to distribute during each calendar year at least the sum of (1) 85% of our ordinary income for the year, (2) 95% of our capital gain net income for the year, and (3) any undistributed taxable income from prior periods.

- Eighth, if we acquire any asset from a corporation that is or has been a C corporation in a transaction in which our tax basis in the asset is less than the fair market value of the asset, in each case determined as of the date on which we acquired the asset, and we subsequently recognize gain on the disposition of the asset during the five-year period beginning on the date on which we acquired the asset, then we generally will be required to pay regular U.S. federal corporate income tax on this gain to the extent of the excess of (1) the fair market value of the asset over (2) our adjusted tax basis in the asset, in each case determined as of the date on which we acquired the asset. The results described in this paragraph with respect to the recognition of gain assume that the C corporation will refrain from making an election to receive different treatment under applicable Treasury Regulations on its tax return for the year in which we acquire the asset from the C corporation. Under applicable Treasury Regulations, any gain from the sale of property we acquired in an exchange under Section 1031 (a like-kind exchange) or Section 1033 (an involuntary conversion) of the Code generally is excluded from the application of this built-in gains tax.
- Ninth, our subsidiaries that are C corporations and are not qualified REIT subsidiaries, including our TRSs described below, generally will be required to pay regular U.S. federal corporate income tax on their earnings.
- Tenth, we will be required to pay a 100% tax on any "redetermined rents," "redetermined deductions," "excess interest" or "redetermined TRS service income," as described below under "— Penalty Tax." In general, redetermined rents are rents from real property that are overstated as a result of services furnished to any of our tenants by a TRS of ours. Redetermined deductions and excess interest generally represent amounts that are deducted by a TRS of ours for amounts paid to us that are in excess of the amounts that would have been deducted based on arm's length negotiations. Redetermined TRS service income generally represents income of a TRS that is understated as a result of services provided to us or on our behalf.
- Eleventh, we may elect to retain and pay income tax on our net capital gain. In that case, a stockholder would include its proportionate share of our undistributed capital gain (to the extent we make a timely designation of such gain to the stockholder) in its income, would be deemed to have paid the tax that we paid on such gain, and would be allowed a credit for its proportionate share of the tax deemed to have been paid, and an adjustment would be made to increase the tax basis of the stockholder in our capital stock.
- Twelfth, if we fail to comply with the requirement to send annual letters to our stockholders holding at least a certain percentage of our stock, as determined under applicable Treasury Regulations, requesting information regarding the actual ownership of our stock, and the failure is not due to reasonable cause or is due to willful neglect, we will be subject to a $25,000 penalty, or if the failure is intentional, a $50,000 penalty.

We and our subsidiaries may be subject to a variety of taxes other than U.S. federal income tax, including payroll taxes and state and local income, property and other taxes on our assets and operations.

Requirements for Qualification as a REIT

The Code defines a REIT as a corporation, trust or association:

(1) that is managed by one or more trustees or directors;

(2) that issues transferable shares or transferable certificates to evidence its beneficial ownership;

(3) that would be taxable as a domestic corporation, but for Sections 856 through 860 of the Code;

(4) that is not a financial institution or an insurance company within the meaning of certain provisions of the Code;

(5) that is beneficially owned by 100 or more persons;

(6) not more than 50% in value of the outstanding stock of which is owned, actually or constructively, by five or fewer individuals, including certain specified entities, during the last half of each taxable year; and

(7) that meets other tests, described below, regarding the nature of its income and assets and the amount of its distributions.

The Code provides that conditions (1) to (4), inclusive, must be met during the entire taxable year and that condition (5) must be met during at least 335 days of a taxable year of 12 months, or during a proportionate part of a taxable year of less than 12 months. Conditions (5) and (6) do not apply until after the first taxable year for which an election is made to be taxed as a REIT. For purposes of condition (6), the term "individual" includes a supplemental unemployment compensation benefit plan, a private foundation or a portion of a trust permanently set aside or used exclusively for charitable purposes, but generally does not include a qualified pension plan or profit sharing trust.

We believe that we will be organized, will operate and will issue sufficient shares of our common stock with sufficient diversity of ownership to allow us to satisfy conditions (1) through (7), inclusive, during the relevant time periods. In addition, our charter provides for restrictions regarding ownership and transfer of our shares that are intended to assist us in continuing to satisfy the share ownership requirements described in conditions (5) and (6) above. A description of the share ownership and transfer restrictions relating to our common stock is contained in the discussion under the heading (see "— Restrictions on Ownership and Transfers of Stock"). These restrictions, however, may not ensure that we will, in all cases, be able to satisfy, the share ownership requirements described in conditions (5) and (6) above. If we fail to satisfy these share ownership requirements, then except as provided in the next sentence, our status as a REIT will terminate. If, however, we comply with the rules contained in applicable Treasury Regulations that require us to ascertain the actual ownership of our shares and we do not know, or would not have known through the exercise of reasonable diligence, that we failed to meet the requirement described in condition (6) above, we will be treated as having met this requirement. See "— Failure to Qualify."

In addition, we may not maintain our status as a REIT unless our taxable year is the calendar year. We will have a calendar taxable year.

Ownership of Interests in Partnerships, Limited Liability Companies and Qualified REIT Subsidiaries

In the case of a REIT that is a partner in a partnership (for purposes of this discussion, references to "partnership" include a limited liability company treated as a partnership for U.S. federal income tax purposes, and references to "partner" include a member in such a limited liability company), Treasury Regulations provide that the REIT will be deemed to own its proportionate share of the assets of the partnership based on its interest in partnership capital, subject to special rules relating to the 10% asset test described below. Also, the REIT will be deemed to be entitled to its proportionate share of the income of that entity. The assets and gross income of the partnership retain the same character in the hands of the REIT for purposes of Section 856 of the Code, including satisfying the gross income tests and the asset tests. Thus, our pro rata share of the assets and items of income of our operating partnership, including our operating partnership's share of these items of any partnership or disregarded entity for U.S. federal income tax purposes in which it owns an interest, is treated as our assets and items of income for purposes of applying the requirements described in this discussion, including the gross income and asset tests described below. A brief summary of the rules governing the U.S. federal income taxation of partnerships is set forth below in "— Tax Aspects of Orion LP, the Subsidiary Partnerships and the Limited Liability Companies."

We have control of our operating partnership and intend to generally have control of any subsidiary partnerships and intend to operate them in a manner consistent with the requirements for our qualification as a REIT. We may from time to time be a limited partner or non-managing member in some of our partnerships. If a partnership in which we own an interest takes or expects to take actions that could jeopardize our status as a REIT or require us to pay tax, we may be forced to dispose of our interest in such entity. In addition, it is possible that a partnership could take an action which could cause us to fail a gross income or asset test, and that we would not become aware of such action in time to dispose of our interest in the partnership or take other corrective action on a timely basis. In such a case, we could fail to qualify as a REIT unless we were entitled to relief, as described below.

We may from time to time own and operate certain properties through wholly owned subsidiaries that we intend to be treated as "qualified REIT subsidiaries" under the Code. A corporation (or other entity treated as a corporation for U.S. federal income tax purposes) will qualify as our qualified REIT subsidiary if we own

100% of the corporation's outstanding stock and do not elect with the subsidiary to treat it as a TRS as described below. A qualified REIT subsidiary is not treated as a separate corporation, and all assets, liabilities and items of income, gain, loss, deduction and credit of a qualified REIT subsidiary are treated as assets, liabilities and items of income, gain, loss, deduction and credit of the parent REIT for all purposes under the Code, including all REIT qualification tests. Thus, in applying the U.S. federal income tax requirements described in this discussion, any qualified REIT subsidiaries we own are ignored, and all assets, liabilities and items of income, gain, loss, deduction and credit of such corporations are treated as our assets, liabilities and items of income, gain, loss, deduction and credit. A qualified REIT subsidiary is not subject to U.S. federal income tax, and our ownership of the stock of a qualified REIT subsidiary will not violate the restrictions on ownership of securities, as described below under "— Asset Tests."

Ownership of Interests in Taxable REIT Subsidiaries

Our operating partnership currently owns an interest in one or more TRSs, and we or our operating partnership may acquire securities in additional TRSs in the future. A TRS is a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) other than a REIT in which a REIT directly or indirectly holds stock, and that has made a joint election with such REIT to be treated as a TRS. If a TRS owns more than 35% of the total voting power or value of the outstanding securities of another corporation, such other corporation will also be treated as a TRS. Other than some activities relating to lodging and health care facilities, a TRS may generally engage in any business, including the provision of customary or non-customary services to tenants of its parent REIT. A TRS is subject to U.S. federal income tax as a regular C corporation. A REIT is not treated as holding the assets of a TRS or as receiving any income that the TRS earns. Rather, the stock issued by the TRS is an asset in the hands of the REIT, and the REIT generally recognizes as income the dividends, if any, that it receives from the TRS. A REIT's ownership of securities of a TRS is not subject to the 5% or 10% asset test described below. See "— Asset Tests." Taxpayers are subject to a limitation on their ability to deduct net business interest generally equal to 30% of adjusted taxable income, subject to certain exceptions. While not certain, this provision may limit the ability of our TRSs to deduct interest, which could increase their taxable income.

Income Tests

We must satisfy two gross income requirements annually to maintain our qualification as a REIT. First, in each taxable year we must derive directly or indirectly at least 75% of our gross income (excluding gross income from prohibited transactions, certain hedging transactions and certain foreign currency gains) from investments relating to real property or mortgages on real property, including "rents from real property," dividends from other REITs and, in certain circumstances, interest, or certain types of temporary investments. Second, in each taxable year we must derive at least 95% of our gross income (excluding gross income from prohibited transactions, certain hedging transactions, and certain foreign currency gains) from the real property investments described above or dividends, interest and gain from the sale or disposition of stock or securities, or from any combination of the foregoing. For these purposes, the term "interest" generally does not include any amount received or accrued, directly or indirectly, if the determination of all or some of the amount depends in any way on the income or profits of any person. However, an amount received or accrued generally will not be excluded from the term "interest" solely by reason of being based on a fixed percentage or percentages of receipts or sales.

Rents we receive from a tenant will qualify as "rents from real property" for the purpose of satisfying the gross income requirements for a REIT described above only if all of the following conditions are met:

- The amount of rent is not based in whole or in part on the income or profits of any person. However, an amount we receive or accrue generally will not be excluded from the term "rents from real property" solely because it is based on a fixed percentage or percentages of receipts or sales or if it is based on the net income of a tenant which derives substantially all of its income with respect to such property from subleasing of substantially all of such property, to the extent that the rents paid by the subtenants would qualify as rents from real property if we earned such amounts directly;
- Neither we nor an actual or constructive owner of 10% or more of our capital stock actually or constructively owns 10% or more of the interests in the assets or net profits of a non-corporate tenant, or, if the tenant is a corporation, 10% or more of the total combined voting power of all classes of

stock entitled to vote or 10% or more of the total value of all classes of stock of the tenant. Rents we receive from such a tenant that is a TRS of ours, however, will not be excluded from the definition of "rents from real property" as a result of this condition if at least 90% of the space at the property to which the rents relate is leased to third parties, and the rents paid by the TRS are substantially comparable to rents paid by our other tenants for comparable space.

- Whether rents paid by a TRS are substantially comparable to rents paid by other tenants is determined at the time the lease with the TRS is entered into, extended, and modified, if such modification increases the rents due under such lease. Notwithstanding the foregoing, however, if a lease with a "controlled taxable REIT subsidiary" is modified and such modification results in an increase in the rents payable by such TRS, any such increase will not qualify as "rents from real property." For purposes of this rule, a "controlled taxable REIT subsidiary" is a TRS in which the parent REIT owns stock possessing more than 50% of the voting power or more than 50% of the total value of the outstanding stock of such TRS;
- Rent attributable to personal property, leased in connection with a lease of real property, is not greater than 15% of the total rent received under the lease. If this condition is not met, then the portion of the rent attributable to personal property will not qualify as "rents from real property." To the extent that rent attributable to personal property, leased in connection with a lease of real property, exceeds 15% of the total rent received under the lease, we may transfer a portion of such personal property to a TRS; and
- We generally may not operate or manage the property or furnish or render services to our tenants, subject to a 1% de minimis exception and except as provided below. We may, however, perform services that are "usually or customarily rendered" in connection with the rental of space for occupancy only and are not otherwise considered "rendered to the occupant" of the property. Examples of these services include the provision of light, heat, or other utilities, trash removal and general maintenance of common areas. In addition, we may employ an independent contractor from whom we derive no revenue to provide customary services to our tenants, or a TRS (which may be wholly or partially owned by us) to provide both customary and non-customary services to our tenants without causing the rent we receive from those tenants to fail to qualify as "rents from real property."

We generally do not intend, and, as the general partner of our operating partnership, we do not intend to permit our operating partnership, to take actions we believe will cause us to fail to satisfy the rental conditions described above. However, we may intentionally fail to satisfy some of these conditions to the extent we determine, based on the advice of our tax counsel, that the failure will not jeopardize our tax status as a REIT. In addition, with respect to the limitation on the rental of personal property, we generally have not obtained appraisals of the real property and personal property leased to tenants. Accordingly, there can be no assurance that the IRS will not disagree with our determinations of value.

From time to time, we may enter into hedging transactions with respect to one or more of our assets or liabilities. Our hedging activities may include entering into interest rate swaps, caps, and floors, options to purchase these items, and futures and forward contracts. Income from a hedging transaction, including gain from the sale or disposition of such a transaction, that is clearly identified as a hedging transaction as specified in the Code will not constitute gross income under, and thus will be exempt from, the 75% and 95% gross income tests. The term "hedging transaction," as used above, generally means (A) any transaction we enter into in the normal course of our business primarily to manage risk of (1) interest rate changes or fluctuations with respect to borrowings made or to be made by us to acquire or carry real estate assets, or (2) currency fluctuations with respect to an item of qualifying income under the 75% or 95% gross income test or any property which generates such income and (B) new transactions entered into to hedge the income or loss from prior hedging transactions, where the property or indebtedness which was the subject of the prior hedging transaction was extinguished or disposed of. To the extent that we do not properly identify such transactions as hedges or we hedge with other types of financial instruments, the income from those transactions is not likely to be treated as qualifying income for purposes of the gross income tests. We intend to structure any hedging transactions in a manner that does not jeopardize our status as a REIT.

To the extent our TRSs pay dividends or interest, our allocable share of such dividend or interest income will qualify under the 95%, but not the 75%, gross income test (except that our allocable share of such interest

would also qualify under the 75% gross income test to the extent the interest is paid on a loan that is adequately secured by real property).

We will monitor the amount of the dividend and other income from each of our TRSs and will take actions intended to keep this income, and any other nonqualifying income, within the limitations of the gross income tests. Although we expect these actions will be sufficient to prevent a violation of the gross income tests, we cannot guarantee that such actions will in all cases prevent such a violation.

If we fail to satisfy one or both of the 75% or 95% gross income tests for any taxable year, we may nevertheless qualify as a REIT for the year if we are entitled to relief under certain provisions of the Code. We generally may make use of the relief provisions if:

- following our identification of the failure to meet the 75% or 95% gross income tests for any taxable year, we file a schedule with the IRS setting forth each item of our gross income for purposes of the 75% or 95% gross income tests for such taxable year in accordance with Treasury Regulations to be issued; and
- our failure to meet these tests was due to reasonable cause and not due to willful neglect.

It is not possible, however, to state whether in all circumstances we would be entitled to the benefit of these relief provisions. For example, if we fail to satisfy the gross income tests because nonqualifying income that we intentionally accrue or receive exceeds the limits on nonqualifying income, the IRS could conclude that our failure to satisfy the tests was not due to reasonable cause. If these relief provisions do not apply to a particular set of circumstances, we will not qualify as a REIT. See "— Failure to Qualify" below. As discussed above in "— General," even if these relief provisions apply, and we retain our status as a REIT, a tax would be imposed with respect to our nonqualifying income. We may not always be able to comply with the gross income tests for REIT qualification despite periodic monitoring of our income.

Prohibited Transaction Income

Any gain that we realize on the sale of property (other than any foreclosure property) held as inventory or otherwise held primarily for sale to customers in the ordinary course of business, including our share of any such gain realized by our operating partnership, either directly or through its subsidiary partnerships, will be treated as income from a prohibited transaction that is subject to a 100% penalty tax, unless certain safe harbor exceptions apply. This prohibited transaction income may also adversely affect our ability to satisfy the gross income tests for qualification as a REIT. Under existing law, whether property is held as inventory or primarily for sale to customers in the ordinary course of a trade or business is a question of fact that depends on all the facts and circumstances surrounding the particular transaction. As the general partner of our operating partnership, we intend to cause our operating partnership to hold its properties for investment with a view to long-term appreciation, to engage in the business of acquiring, developing and owning its properties and to make occasional sales of the properties as are consistent with our investment objectives. We do not intend, and do not intend to permit our operating partnership or its subsidiary partnerships, to enter into any sales that are prohibited transactions. However, the IRS may successfully contend that some or all of the sales made by our operating partnership or its subsidiary partnerships are prohibited transactions. We would be required to pay the 100% penalty tax on our allocable share of the gains resulting from any such sales. The 100% penalty tax will not apply to gains from the sale of assets that are held through a TRS, but such income will be subject to regular U.S. federal corporate income tax.

Penalty Tax

Any redetermined rents, redetermined deductions, excess interest or redetermined TRS service income we generate will be subject to a 100% penalty tax. In general, redetermined rents are rents from real property that are overstated as a result of any services furnished to any of our tenants by a TRS of ours, redetermined deductions and excess interest represent any amounts that are deducted by a TRS of ours for amounts paid to us that are in excess of the amounts that would have been deducted based on arm's length negotiations, and redetermined TRS service income is income of a TRS that is understated as a result of services provided to us or on our behalf. Rents we receive will not constitute redetermined rents if they qualify for certain safe harbor provisions contained in the Code.

We do not expect to be subject to this penalty tax, although any rental or service arrangements we enter into from time to time may not satisfy the safe-harbor provisions described above. These determinations are inherently factual, and the IRS has broad discretion to assert that amounts paid between related parties should be reallocated to clearly reflect their respective incomes. If the IRS successfully made such an assertion, we would be required to pay a 100% penalty tax on any overstated rents paid to us, or any excess deductions or understated income of our TRSs.

Asset Tests

At the close of each calendar quarter of our taxable year, we must also satisfy certain tests relating to the nature and diversification of our assets. First, at least 75% of the value of our total assets must be represented by real estate assets, cash, cash items and U.S. government securities. For purposes of this test, the term "real estate assets" generally means real property (including interests in real property and interests in mortgages on real property or on both real property and, to a limited extent, personal property), shares (or transferable certificates of beneficial interest) in other REITs, any stock or debt instrument attributable to the investment of the proceeds of a stock offering or a public offering of debt with a term of at least five years (but only for the one-year period beginning on the date the REIT receives such proceeds), debt instruments of publicly offered REITs, and personal property leased in connection with a lease of real property for which the rent attributable to personal property is not greater than 15% of the total rent received under the lease.

Second, not more than 25% of the value of our total assets may be represented by securities (including securities of TRSs), other than those securities includable in the 75% asset test.

Third, of the investments included in the 25% asset class, and except for certain investments in other REITs, our qualified REIT subsidiaries and TRSs, the value of any one issuer's securities may not exceed 5% of the value of our total assets , and we may not own more than 10% of the total vote or value of the outstanding securities of any one issuer. Certain types of securities we may own are disregarded as securities solely for purposes of the 10% value test, including, but not limited to, securities satisfying the "straight debt" safe harbor, securities issued by a partnership that itself would satisfy the 75% income test if it were a REIT, any loan to an individual or an estate, any obligation to pay rents from real property and any security issued by a REIT. In addition, solely for purposes of the 10% value test, the determination of our interest in the assets of a partnership in which we own an interest will be based on our proportionate interest in any securities issued by the partnership, excluding for this purpose certain securities described in the Code. From time to time we may own securities (including debt securities) of issuers that do not qualify as a REIT, a qualified REIT subsidiary or a TRS. We intend that our ownership of any such securities will be structured in a manner that allows us to comply with the asset tests described above.

Fourth, not more than 20% of the value of our total assets may be represented by the securities of one or more TRSs. Our operating partnership currently owns an interest in one or more TRSs, and we or our operating partnership may acquire securities in additional TRSs in the future. So long as each of these companies qualifies as a TRS of ours, we will not be subject to the 5% asset test, the 10% voting securities limitation or the 10% value limitation with respect to our ownership of the securities of such companies. We believe the aggregate value of our TRSs will not exceed 20% of the aggregate value of our gross assets. We generally do not intend to obtain independent appraisals to support these conclusions. In addition, there can be no assurance that the IRS will not disagree with our determinations of value.

Fifth, not more than 25% of the value of our total assets may be represented by debt instruments of publicly offered REITs to the extent those debt instruments would not be real estate assets but for the inclusion of debt instruments of publicly offered REITs in the meaning of real estate assets, as described above (e.g., a debt instrument issued by a publicly offered REIT that is not secured by a mortgage on real property).

The asset tests must be satisfied at the close of each calendar quarter of our taxable year in which we (directly or through any partnership or qualified REIT subsidiary) acquire securities in the applicable issuer, and also at the close of each calendar quarter in which we increase our ownership of securities of such issuer (including as a result of an increase in our interest in any partnership that owns such securities). For example, our indirect ownership of securities of each issuer may increase as a result of our capital contributions to, or the redemption of other partners' interests in, a partnership in which we have an ownership interest. Also, after initially meeting the asset tests at the close of any quarter, we will not lose our status as a REIT for failure

to satisfy the asset tests at the end of a later quarter solely by reason of changes in asset values. If we fail to satisfy an asset test because we acquire securities or other property during a quarter (including as a result of an increase in our interest in any partnership), we may cure this failure by disposing of sufficient nonqualifying assets within 30 days after the close of that quarter. We intend to maintain adequate records of the value of our assets to ensure compliance with the asset tests. If we fail to cure any noncompliance with the asset tests within the 30-day cure period, we would cease to qualify as a REIT unless we are eligible for certain relief provisions discussed below.

Certain relief provisions may be available to us if we discover a failure to satisfy the asset tests described above after the 30-day cure period. Under these provisions, we will be deemed to have met the 5% and 10% asset tests if the value of our nonqualifying assets (i) does not exceed the lesser of (a) 1% of the total value of our assets at the end of the applicable quarter or (b) $10,000,000, and (ii) we dispose of the nonqualifying assets or otherwise satisfy such tests within (a) six months after the last day of the quarter in which the failure to satisfy the asset tests is discovered or (b) the period of time prescribed by Treasury Regulations to be issued. For violations of any of the asset tests due to reasonable cause and not due to willful neglect and that are, in the case of the 5% and 10% asset tests, in excess of the de minimis exception described above, we may avoid disqualification as a REIT after the 30-day cure period by taking steps including (i) the disposition of sufficient nonqualifying assets, or the taking of other actions, which allow us to meet the asset tests within (a) six months after the last day of the quarter in which the failure to satisfy the asset tests is discovered or (b) the period of time prescribed by Treasury Regulations to be issued, (ii) paying a tax equal to the greater of (a) $50,000 or (b) the U.S. federal corporate income tax rate multiplied by the net income generated by the nonqualifying assets, and (iii) disclosing certain information to the IRS.

Although we plan to take steps to ensure that we satisfy such tests for any quarter with respect to which retesting is to occur, there can be no assurance that we will always be successful, or will not require a reduction in our operating partnership's overall interest in an issuer (including in a TRS). If we fail to cure any noncompliance with the asset tests in a timely manner, and the relief provisions described above are not available, we would cease to qualify as a REIT. See "— Failure to Qualify."

Annual Distribution Requirements

To maintain our qualification as a REIT, we are required to distribute dividends, other than capital gain dividends, to our stockholders each year in an amount at least equal to the sum of:

- 90% of our REIT taxable income; and
- 90% of our after-tax net income, if any, from foreclosure property; minus
- the excess of the sum of certain items of non-cash income over 5% of our REIT taxable income.

For these purposes, our REIT taxable income is computed without regard to the dividends paid deduction and our net capital gain. In addition, for purposes of this test, non-cash income generally means income attributable to leveled stepped rents, original issue discount, cancellation of indebtedness, or a like-kind exchange that is later determined to be taxable.

In addition, our REIT taxable income will be reduced by any taxes we are required to pay on any gain we recognize from the disposition of any asset we acquired from a corporation that is or has been a C corporation in a transaction in which our tax basis in the asset is less than the fair market value of the asset, in each case determined as of the date on which we acquired the asset, within the five-year period following our acquisition of such asset, as described above under "— General."

Except as provided below, a taxpayer's deduction for net business interest expense will generally be limited to 30% of its taxable income, as adjusted for certain items of income, gain, deduction or loss. Any business interest deduction that is disallowed due to this limitation may be carried forward to future taxable years, subject to special rules applicable to partnerships. If we or any of our subsidiary partnerships (including our operating partnership) are subject to this interest expense limitation, our REIT taxable income for a taxable year may be increased. Taxpayers that conduct certain real estate businesses may elect not to have this interest expense limitation apply to them, provided that they use an alternative depreciation system to depreciate certain property. We believe that we or any of our subsidiary partnerships that are subject to this interest

expense limitation will be eligible to make this election. If such election is made, although we or such subsidiary partnership, as applicable, would not be subject to the interest expense limitation described above, depreciation deductions may be reduced and, as a result, our REIT taxable income for a taxable year may be increased.

We generally must pay, or be treated as paying, the distributions described above in the taxable year to which they relate. At our election, a distribution will be treated as paid in a taxable year if it is declared before we timely file our tax return for such year and paid on or before the first regular dividend payment after such declaration, provided such payment is made during the 12-month period following the close of such year. These distributions are treated as received by our stockholders in the year in which they are paid. This is so even though these distributions relate to the prior year for purposes of the 90% distribution requirement. In order to be taken into account for purposes of our distribution requirement, except as provided below, the amount distributed must not be preferential — i.e., every stockholder of the class of stock to which a distribution is made must be treated the same as every other stockholder of that class, and no class of stock may be treated other than according to its dividend rights as a class. This preferential dividend limitation will not apply to distributions made by us, provided we qualify as a "publicly offered REIT." We believe that we are, and expect we will continue to be, a publicly offered REIT. To the extent that we do not distribute all of our net capital gain, or distribute at least 90%, but less than 100%, of our REIT taxable income, as adjusted, we will be required to pay regular U.S. federal corporate income tax on the undistributed amount. We intend to make timely distributions sufficient to satisfy these annual distribution requirements and to minimize our corporate tax obligations. In this regard, the partnership agreement of our operating partnership authorizes us, as the general partner of our operating partnership, to take such steps as may be necessary to cause our operating partnership to distribute to its partners an amount sufficient to permit us to meet these distribution requirements and to minimize our corporate tax obligation.

We expect that our REIT taxable income will be less than our cash flow because of depreciation and other non-cash charges included in computing REIT taxable income. Accordingly, we anticipate that we generally will have sufficient cash or liquid assets to enable us to satisfy the distribution requirements described above. However, from time to time, we may not have sufficient cash or other liquid assets to meet these distribution requirements due to timing differences between the actual receipt of income and actual payment of deductible expenses, and the inclusion of income and deduction of expenses in determining our taxable income. In addition, we may decide to retain our cash, rather than distribute it, in order to repay debt or for other reasons. If these timing differences occur, we may borrow funds to pay dividends or pay dividends in the form of taxable stock distributions in order to meet the distribution requirements, while preserving our cash.

Under some circumstances, we may be able to rectify an inadvertent failure to meet the 90% distribution requirement for a year by paying "deficiency dividends" to our stockholders in a later year, which may be included in our deduction for dividends paid for the earlier year. In that case, we may be able to avoid being taxed on amounts distributed as deficiency dividends, subject to the 4% excise tax described below. However, we will be required to pay interest to the IRS based upon the amount of any deduction claimed for deficiency dividends. While the payment of a deficiency dividend will apply to a prior year for purposes of our REIT distribution requirements, it will be treated as an additional distribution to our stockholders in the year such dividend is paid.

Furthermore, we will be required to pay a 4% excise tax to the extent we fail to distribute during each calendar year at least the sum of 85% of our ordinary income for such year, 95% of our capital gain net income for the year and any undistributed taxable income from prior periods. Any ordinary income and net capital gain on which U.S. federal corporate income tax is imposed for any year is treated as an amount distributed during that year for purposes of calculating this excise tax.

For purposes of the 90% distribution requirement and excise tax described above, dividends declared during the last three months of the taxable year, payable to stockholders of record on a specified date during such period and paid during January of the following year, will be treated as paid by us and received by our stockholders on December 31 of the year in which they are declared.

Like-Kind Exchanges

We may dispose of real property that is not held primarily for sale in transactions intended to qualify as like-kind exchanges under the Code. Such like-kind exchanges are intended to result in the deferral of gain for

U.S. federal income tax purposes. The failure of any such transaction to qualify as a like-kind exchange could require us to pay U.S. federal income tax, possibly including the 100% prohibited transaction tax, or deficiency dividends, depending on the facts and circumstances surrounding the particular transaction.

Tax Liabilities and Attributes Inherited in Connection with Acquisitions

From time to time, we or our operating partnership may acquire other corporations or entities and, in connection with such acquisitions, we may succeed to the historical tax attributes and liabilities of such entities. For example, if we acquire a C corporation and subsequently dispose of its assets within five years of the acquisition, we could be required to pay the built-in gain tax described above under "— General." In addition, in order to qualify as a REIT, at the end of any taxable year, we must not have any earnings and profits accumulated in a non-REIT year. As a result, if we acquire a C corporation, we must distribute the corporation's earnings and profits accumulated prior to the acquisition before the end of the taxable year in which we acquire the corporation. We also could be required to pay the acquired entity's unpaid taxes even though such liabilities arose prior to the time we acquired the entity.

Moreover, we may from time to time acquire other REITs through a merger or acquisition. If any such REIT failed to qualify as a REIT for any of its taxable years, such REIT would be liable for (and we or our subsidiary, as the surviving corporation in the merger or acquisition, would be obligated to pay) regular U.S. federal corporate income tax on its taxable income for such taxable years. In addition, if such REIT was a C corporation at the time of the merger or acquisition, the tax consequences described in the preceding paragraph generally would apply. If such REIT failed to qualify as a REIT for any of its taxable years, but qualified as a REIT at the time of such merger or acquisition, and we acquired such REIT's assets in a transaction in which our tax basis in the assets of such REIT is determined, in whole or in part, by reference to such REIT's tax basis in such assets, we generally would be subject to tax on the built-in gain on each asset of such REIT as described above if we were to dispose of the asset in a taxable transaction during the five-year period following such REIT's requalification as a REIT, subject to certain exceptions. Moreover, even if such REIT qualified as a REIT at all relevant times, we would similarly be liable for other unpaid taxes (if any) of such REIT (such as the 100% tax on gains from any sales treated as "prohibited transactions" as described above under "— Prohibited Transaction Income").

Furthermore, after our acquisition of another corporation or entity, the asset and income tests will apply to all of our assets, including the assets we acquire from such corporation or entity, and to all of our income, including the income derived from the assets we acquire from such corporation or entity. As a result, the nature of the assets that we acquire from such corporation or entity and the income we derive from those assets may have an effect on our tax status as a REIT.

Foreclosure Property

The foreclosure property rules permit us (by our election) to foreclose or repossess properties without being disqualified as a REIT as a result of receiving income that does not qualify under the gross income tests. However, in such a case, we would be subject to the U.S. federal corporate income tax on the net non-qualifying income from "foreclosure property," and the after-tax amount would increase the dividends we would be required to distribute to stockholders. See "— Annual Distribution Requirements." This corporate tax would not apply to income that qualifies under the REIT 75% income test.

Foreclosure property treatment is generally available for an initial period of three years and may, in certain circumstances, be extended for an additional three years. However, foreclosure property treatment will end on the first day on which we enter into a lease of the applicable property that will give rise to income that does not qualify under the REIT 75% income test, but will not end if the lease will give rise only to qualifying income under such test. Foreclosure property treatment also will end if any construction takes place on the property (other than completion of a building or other improvement that was more than 10% complete before default became imminent).

Failure to Qualify

If we discover a violation of a provision of the Code that would result in our failure to qualify as a REIT, certain specified cure provisions may be available to us. Except with respect to violations of the gross income

tests and asset tests (for which the cure provisions are described above), and provided the violation is due to reasonable cause and not due to willful neglect, these cure provisions generally impose a $50,000 penalty for each violation in lieu of a loss of REIT status. If we fail to satisfy the requirements for taxation as a REIT in any taxable year, and the relief provisions do not apply, we will be required to pay regular U.S. federal corporate income tax on our taxable income. Distributions to stockholders in any year in which we fail to qualify as a REIT will not be deductible by us. As a result, we anticipate that our failure to qualify as a REIT would reduce the cash available for distribution by us to our stockholders. In addition, if we fail to qualify as a REIT, we will not be required to distribute any amounts to our stockholders and all distributions to stockholders will be taxable as regular corporate dividends to the extent of our current and accumulated earnings and profits. In such event, corporate stockholders may be eligible for the dividends-received deduction. In addition, non-corporate stockholders, including individuals, may be eligible for the preferential tax rates on qualified dividend income. Non-corporate stockholders, including individuals, generally may deduct up to 20% of dividends from a REIT, other than capital gain dividends and dividends treated as qualified dividend income, for taxable years beginning before January 1, 2026 for purposes of determining their U.S. federal income tax (but not for purposes of the 3.8% Medicare tax), subject to certain holding period requirements and other limitations. If we fail to qualify as a REIT, such stockholders may not claim this deduction with respect to dividends paid by us. Unless entitled to relief under specific statutory provisions, we would also be ineligible to elect to be treated as a REIT for the four taxable years following the year for which we lose our qualification. It is not possible to state whether in all circumstances we would be entitled to this statutory relief.

Tax Aspects of Orion LP, the Subsidiary Partnerships and the Limited Liability Companies

General

All of our investments will be held indirectly through our operating partnership. In addition, our operating partnership may hold certain of its investments indirectly through subsidiary partnerships and limited liability companies that we intend will be treated as partnerships or disregarded entities for U.S. federal income tax purposes. In general, entities that are treated as partnerships or disregarded entities for U.S. federal income tax purposes are "pass-through" entities which are not required to pay U.S. federal income tax. Rather, partners of such partnerships are allocated their shares of the items of income, gain, loss, deduction and credit of the partnership, and are potentially required to pay tax on this income, without regard to whether they receive a distribution from the partnership. We will include in our income our share of these partnership items for purposes of the various gross income tests, the computation of our REIT taxable income, and the REIT distribution requirements. Moreover, for purposes of the asset tests, we will include our pro rata share of assets held by our operating partnership, including its share of the assets of its subsidiary partnerships, based on our capital interests in each such entity. See "— Taxation of Orion — Ownership of Interests in Partnerships, Limited Liability Companies and Qualified REIT Subsidiaries." A disregarded entity is not treated as a separate entity for U.S. federal income tax purposes, and all assets, liabilities and items of income, gain, loss, deduction and credit of a disregarded entity are treated as assets, liabilities and items of income, gain, loss, deduction and credit of its parent that is not a disregarded entity (e.g., our operating partnership) for all purposes under the Code, including all REIT qualification tests.

Entity Classification

Our interests in our operating partnership and the subsidiary partnerships and limited liability companies involve special tax considerations, including the possibility that the IRS might challenge the status of these entities as partnerships or disregarded entities for U.S. federal income tax purposes. For example, an entity that would otherwise be treated as a partnership for U.S. federal income tax purposes may nonetheless be taxable as a corporation if it is a "publicly traded partnership" and certain other requirements are met. A partnership would be treated as a publicly traded partnership if its interests are traded on an established securities market or are readily tradable on a secondary market or a substantial equivalent thereof, within the meaning of applicable Treasury Regulations. We do not anticipate that our operating partnership or any subsidiary partnership will be treated as a publicly traded partnership that is taxable as a corporation. However, if any such entity were treated as a corporation, it would be required to pay an entity-level tax on its income. In this situation, the character of our assets and items of gross income would change and could prevent us from satisfying the REIT asset tests and possibly the REIT income tests. See "— Taxation of Orion — Asset Tests" and "— Income Tests." This, in turn, could prevent us from qualifying as a REIT. See

"— Taxation of Orion — Failure to Qualify" for a discussion of the effect of our failure to meet these tests. In addition, a change in the tax status of our operating partnership or a subsidiary treated as a partnership or disregarded entity to a corporation might be treated as a taxable event. If so, we might incur a tax liability without any related cash payment. We believe our operating partnership and each of the subsidiary partnerships and limited liability companies are and will continue to be treated as partnerships or disregarded entities for U.S. federal income tax purposes.

Allocations of Items of Income, Gain, Loss and Deduction

A partnership agreement (or, in the case of a limited liability company treated as a partnership for U.S. federal income tax purposes, the limited liability company agreement) generally will determine the allocation of income and loss among partners. These allocations, however, will be disregarded for tax purposes if they do not comply with the provisions of Section 704(b) of the Code and the Treasury Regulations thereunder. Generally, Section 704(b) of the Code and the Treasury Regulations thereunder require that partnership allocations respect the economic arrangement of the partners. If an allocation of partnership income or loss does not comply with the requirements of Section 704(b) of the Code and the Treasury Regulations thereunder, the item subject to the allocation will be reallocated in accordance with the partners' interests in the partnership. This reallocation will be determined by taking into account all of the facts and circumstances relating to the economic arrangement of the partners with respect to such item. The allocations of taxable income and loss of our operating partnership and any subsidiaries that are treated as partnerships for U.S. federal income tax purposes are intended to comply with the requirements of Section 704(b) of the Code and the Treasury Regulations thereunder.

Tax Allocations With Respect to the Properties

Under Section 704(c) of the Code, items of income, gain, loss and deduction attributable to appreciated or depreciated property that is contributed to a partnership in exchange for an interest in the partnership must be allocated in a manner so that the contributing partner is charged with the unrealized gain or benefits from the unrealized loss associated with the property at the time of the contribution. The amount of the unrealized gain or unrealized loss generally is equal to the difference between the fair market value or book value and the adjusted tax basis of the contributed property at the time of contribution (this difference is referred to as a book-tax difference), as adjusted from time to time. These allocations are solely for U.S. federal income tax purposes and do not affect the book capital accounts or other economic or legal arrangements among the partners.

Our operating partnership may, from time to time, acquire interests in property in exchange for interests in our operating partnership. In that case, the tax basis of these property interests generally will carry over to our operating partnership, notwithstanding their different book (i.e., fair market) value. The partnership agreement requires that income and loss allocations with respect to these properties be made in a manner consistent with Section 704(c) of the Code. Treasury Regulations issued under Section 704(c) of the Code provide partnerships with a choice of several methods of accounting for book-tax differences. Depending on the method we choose in connection with any particular contribution, the carryover basis of each of the contributed interests in the properties in the hands of our operating partnership (1) could cause us to be allocated lower amounts of depreciation deductions for tax purposes than would be allocated to us if any of the contributed properties were to have a tax basis equal to its respective fair market value at the time of the contribution and (2) could cause us to be allocated taxable gain in the event of a sale of such contributed interests or properties in excess of the economic or book income allocated to us as a result of such sale, with a corresponding benefit to the other partners in our operating partnership. An allocation described in clause (2) above might cause us or the other partners to recognize taxable income in excess of cash proceeds in the event of a sale or other disposition of property, which might adversely affect our ability to comply with the REIT distribution requirements. See "— Taxation of Orion — Requirements for Qualification as a REIT" and "— Annual Distribution Requirements."

Any property acquired by our operating partnership in a taxable transaction will initially have a tax basis equal to its fair market value, and Section 704(c) of the Code generally will not apply.

Partnership Audit Rules

The Bipartisan Budget Act of 2015 changed the rules applicable to U.S. federal income tax audits of partnerships. Under the new rules (which are generally effective for taxable years beginning after December 31, 2017), among other changes and subject to certain exceptions, any audit adjustment to items of income, gain, loss, deduction, or credit of a partnership (and any partner's distributive share thereof) is determined, and taxes, interest, or penalties attributable thereto are assessed and collected, at the partnership level. It is possible that these rules could result in partnerships in which we directly or indirectly invest, including our operating partnership, being required to pay additional taxes, interest and penalties as a result of an audit adjustment, and we, as a direct or indirect partner of these partnerships, could be required to bear the economic burden of those taxes, interest, and penalties even though we, as a REIT, may not otherwise have been required to pay additional corporate-level taxes as a result of the related audit adjustment. Investors are urged to consult their tax advisors with respect to these rules and their potential impact on their ownership of our common stock.

Material U.S. Federal Income Tax Consequences to Holders of Our Common Stock

The following discussion is a summary of the material U.S. federal income tax consequences to U.S. holders and non-U.S. holders of owning and disposing of our common stock. The rules governing U.S. federal income taxation of holders owning and disposing of our common stock are complex. This section is only a summary of such rules. We urge holders to consult their tax advisors to determine the impact of U.S. federal, state and local income tax laws on ownership of our common stock, including any reporting requirements.

Taxation of Taxable U.S. Holders of Our Common Stock

Distributions Generally

Distributions out of our current or accumulated earnings and profits will be treated as dividends and, other than with respect to capital gain dividends and certain amounts which have previously been subject to corporate level tax, as discussed below, will be taxable to our taxable U.S. holders as ordinary income when actually or constructively received. See "— Tax Rates" below. As long as we qualify as a REIT, these distributions will not be eligible for the dividends-received deduction in the case of U.S. holders that are corporations or, except to the extent described in "— Tax Rates" below, the preferential rates on qualified dividend income applicable to non-corporate U.S. holders, including individuals. For purposes of determining whether distributions to holders of our common stock are out of our current or accumulated earnings and profits, our earnings and profits will be allocated first to our outstanding preferred stock, if any, and then to our outstanding common stock.

To the extent that we make distributions on our common stock in excess of our current and accumulated earnings and profits allocable to such stock, these distributions will be treated first as a tax-free return of capital to a U.S. holder to the extent of the U.S. holder's adjusted tax basis in such shares of stock. This treatment will reduce the U.S. holder's adjusted tax basis in such shares of stock by the amount of the excess of the distribution over our current and accumulated earnings and profits allocable to such stock, but not below zero. Distributions in excess of our current and accumulated earnings and profits and in excess of a U.S. holder's adjusted tax basis in its shares will be taxable as capital gain. Such gain will be taxable as long-term capital gain if the shares have been held for more than one year. Dividends we declare in October, November, or December of any year and which are payable to a holder of record on a specified date in any of these months will be treated as both paid by us and received by the holder on December 31 of that year, provided we actually pay the dividend on or before January 31 of the following year. U.S. holders may not include in their own income tax returns any of our net operating losses or capital losses.

U.S. holders that receive taxable stock distributions, including distributions partially payable in our common stock and partially payable in cash, would be required to include the full amount of the distribution (i.e., the cash and the stock portion) as a dividend (subject to limited exceptions) to the extent of our current and accumulated earnings and profits for U.S. federal income tax purposes, as described above. The amount of any distribution payable in our common stock generally is equal to the amount of cash that could have been received instead of the common stock. Depending on the circumstances of a U.S. holder, the tax on the distribution may exceed the amount of the distribution received in cash, in which case such U.S. holder would have to pay the tax using cash from other sources. If a U.S. holder sells the common stock it received in

connection with a taxable stock distribution in order to pay this tax and the proceeds of such sale are less than the amount required to be included in income with respect to the stock portion of the distribution, such U.S. holder could have a capital loss with respect to the stock sale that could not be used to offset such income. A U.S. holder that receives common stock pursuant to such distribution generally has a tax basis in such common stock equal to the amount of cash that could have been received instead of such common stock as described above, and has a holding period in such common stock that begins on the day immediately following the payment date for the distribution.

Capital Gain Dividends

Dividends that we properly designate as capital gain dividends will be taxable to our taxable U.S. holders as a gain from the sale or disposition of a capital asset held for more than one year, to the extent that such gain does not exceed our actual net capital gain for the taxable year and may not exceed our dividends paid for the taxable year, including dividends paid the following year that are treated as paid in the current year. U.S. holders that are corporations may, however, be required to treat up to 20% of certain capital gain dividends as ordinary income. If we properly designate any portion of a dividend as a capital gain dividend, then, except as otherwise required by law, we presently intend to allocate a portion of the total capital gain dividends paid or made available to holders of all classes of our capital stock for the year to the holders of each class of our capital stock in proportion to the amount that our total dividends, as determined for U.S. federal income tax purposes, paid or made available to the holders of each such class of our capital stock for the year bears to the total dividends, as determined for U.S. federal income tax purposes, paid or made available to holders of all classes of our capital stock for the year. In addition, except as otherwise required by law, we will make a similar allocation with respect to any undistributed long-term capital gains which are to be included in our stockholders' long-term capital gains, based on the allocation of the capital gain amount which would have resulted if those undistributed long-term capital gains had been distributed as "capital gain dividends" by us to our stockholders.

Retention of Net Capital Gains

We may elect to retain, rather than distribute as a capital gain dividend, all or a portion of our net capital gains. If we make this election, we would pay tax on our retained net capital gains. In addition, to the extent we so elect, our earnings and profits (determined for U.S. federal income tax purposes) would be adjusted accordingly, and a U.S. holder generally would:

- include its pro rata share of our undistributed capital gain in computing its long-term capital gains in its U.S. federal income tax return for its taxable year in which the last day of our taxable year falls, subject to certain limitations as to the amount that is includable;
- be deemed to have paid its share of the capital gains tax imposed on us on the designated amounts included in the U.S. holder's income as long-term capital gain;
- receive a credit or refund for the amount of tax deemed paid by it;
- increase the adjusted tax basis of its common stock by the difference between the amount of includable gains and the tax deemed to have been paid by it; and
- in the case of a U.S. holder that is a corporation, appropriately adjust its earnings and profits for the retained capital gains in accordance with Treasury Regulations to be promulgated by the IRS.

Passive Activity Losses and Investment Interest Limitations

Distributions we make and gain arising from the sale or exchange of our common stock by a U.S. holder will not be treated as passive activity income. As a result, U.S. holders generally will not be able to apply any "passive losses" against this income or gain. A U.S. holder generally may elect to treat capital gain dividends, capital gains from the disposition of our common stock and income designated as qualified dividend income, as described in "—Tax Rates" below, as investment income for purposes of computing the investment interest limitation, but in such case, the holder will be taxed at ordinary income rates on such amount. Other distributions made by us, to the extent they do not constitute a return of capital, generally will be treated as investment income for purposes of computing the investment interest limitation.

Dispositions of Our Common Stock

If a U.S. holder sells or disposes of shares of our common stock, it will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale or other disposition and the holder's adjusted tax basis in the shares. This gain or loss, except as provided below, will be long-term capital gain or loss if the holder has held such common stock for more than one year. However, if a U.S. holder recognizes a loss upon the sale or other disposition of common stock that it has held for six months or less, after applying certain holding period rules, the loss recognized will be treated as a long-term capital loss to the extent the U.S. holder received distributions from us which were required to be treated as long-term capital gains. The deductibility of capital losses is subject to limitations.

Tax Rates

The maximum tax rate for non-corporate taxpayers for (1) long-term capital gains, including certain "capital gain dividends," generally is 20% (although depending on the characteristics of the assets which produced these gains and on designations which we may make, certain capital gain dividends may be taxed at a 25% rate) and (2) "qualified dividend income" generally is 20%. In general, dividends payable by REITs are not eligible for the reduced tax rate on qualified dividend income, except to the extent that certain holding period requirements have been met and the REIT's dividends are attributable to dividends received from taxable corporations (such as its TRSs) or to income that was subject to tax at the corporate/REIT level (for example, if the REIT distributed taxable income that it retained and paid tax on in the prior taxable year). Capital gain dividends will only be eligible for the rates described above to the extent that they are properly designated by the REIT as "capital gain dividends." U.S. holders that are corporations may be required to treat up to 20% of some capital gain dividends as ordinary income. In addition, non-corporate U.S. holders, including individuals, generally may deduct up to 20% of dividends from a REIT, other than capital gain dividends and dividends treated as qualified dividend income, for taxable years beginning before January 1, 2026 for purposes of determining their U.S. federal income tax (but not for purposes of the 3.8% Medicare tax), subject to certain holding period requirements and other limitations.

Taxation of Tax-Exempt Holders of Our Common Stock

Dividend income from us and gain arising upon a sale of shares of our common stock generally should not be UBTI to a tax-exempt holder, except as described below. This income or gain will be UBTI, however, to the extent a tax-exempt holder holds its shares as "debt-financed property" within the meaning of the Code. Generally, "debt-financed property" is property the acquisition or holding of which was financed through a borrowing by the tax-exempt holder.

For tax-exempt holders that are social clubs, voluntary employee benefit associations or supplemental unemployment benefit trusts exempt from U.S. federal income taxation under Sections 501(c)(7), (c)(9) or (c)(17) of the Code, respectively, income from an investment in our shares will constitute UBTI unless the organization is able to properly claim a deduction for amounts set aside or placed in reserve for specific purposes so as to offset the income generated by its investment in our shares. These prospective investors should consult their tax advisors concerning these "set aside" and reserve requirements.

Notwithstanding the above, however, a portion of the dividends paid by a "pension-held REIT" may be treated as UBTI as to certain trusts that hold more than 10%, by value, of the interests in the REIT. A REIT will not be a "pension-held REIT" if it is able to satisfy the "not closely held" requirement without relying on the "look-through" exception with respect to certain trusts or if such REIT is not "predominantly held" by "qualified trusts." As a result of restrictions on ownership and transfer of our stock contained in our charter, we do not expect to be classified as a "pension-held REIT," and as a result, the tax treatment described above should be inapplicable to our holders. However, because our common stock will be publicly traded upon completion of the Distribution (and, we anticipate, will continue to be publicly traded), we cannot guarantee that this will always be the case.

Taxation of Non-U.S. Holders of Our Common Stock

The following discussion addresses the rules governing U.S. federal income taxation of the ownership and disposition of our common stock by non-U.S. holders. These rules are complex, and no attempt is made

herein to provide more than a brief summary of such rules. Accordingly, the discussion does not address all aspects of U.S. federal income taxation and does not address other federal, state, local or non-U.S. tax consequences that may be relevant to a non-U.S. holder in light of its particular circumstances. We urge non-U.S. holders to consult their tax advisors to determine the impact of U.S. federal, state, local and non-U.S. income and other tax laws and any applicable tax treaty on the acquisition, ownership and disposition of shares of our common stock, including any reporting requirements.

Distributions Generally

Distributions (including any taxable stock distributions) that are neither attributable to gains from sales or exchanges by us of USRPIs nor designated by us as capital gain dividends (except as described below) will be treated as dividends of ordinary income to the extent that they are made out of our current or accumulated earnings and profits. Such distributions ordinarily will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty, unless the distributions are treated as effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such dividends are attributable). Under certain treaties, however, lower withholding rates generally applicable to dividends do not apply to dividends from a REIT. Certain certification and disclosure requirements must be satisfied for a non-U.S. holder to be exempt from withholding under the effectively connected income exemption. Dividends that are treated as effectively connected with a U.S. trade or business generally will not be subject to withholding but will be subject to U.S. federal income tax on a net basis at the regular rates, in the same manner as dividends paid to U.S. holders are subject to U.S. federal income tax. Any such dividends received by a non-U.S. holder that is a corporation may also be subject to an additional branch profits tax at a 30% rate (applicable after deducting U.S. federal income taxes paid on such effectively connected income) or such lower rate as may be specified by an applicable income tax treaty.

Except as otherwise provided below, we expect to withhold U.S. federal income tax at the rate of 30% on any distributions made to a non-U.S. holder unless:

(1) a lower treaty rate applies and the non-U.S. holder furnishes an IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) evidencing eligibility for that reduced treaty rate; or

(2) the non-U.S. holder furnishes an IRS Form W-8ECI (or other applicable documentation) claiming that the distribution is income effectively connected with the non-U.S. holder's trade or business.

Distributions in excess of our current and accumulated earnings and profits will not be taxable to a non-U.S. holder to the extent that such distributions do not exceed the adjusted tax basis of the holder's common stock, but rather will reduce the adjusted tax basis of such stock. To the extent that such distributions exceed the non-U.S. holder's adjusted tax basis in such common stock, they generally will give rise to gain from the sale or exchange of such stock, the tax treatment of which is described below. However, such excess distributions may be treated as dividend income for certain non-U.S. holders. For withholding purposes, we expect to treat all distributions as made out of our current or accumulated earnings and profits. However, amounts withheld may be refundable if it is subsequently determined that the distribution was, in fact, in excess of our current and accumulated earnings and profits, provided that certain conditions are met.

Capital Gain Dividends and Distributions Attributable to a Sale or Exchange of United States Real Property Interests

Distributions to a non-U.S. holder that we properly designate as capital gain dividends, other than those arising from the disposition of a USRPI, generally should not be subject to U.S. federal income taxation, unless:

(1) the investment in our common stock is treated as effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such dividends are attributable), in which case the non-U.S. holder will be subject to the same

treatment as U.S. holders with respect to such gain, except that a non-U.S. holder that is a corporation may also be subject to a branch profits tax of up to 30%, as discussed above; or

(2) the non-U.S. holder is a nonresident alien individual who is present in the United States for 183 days or more during the taxable year and certain other conditions are met, in which case the non-U.S. holder will be subject to U.S. federal income tax at a rate of 30% on the non-U.S. holder's capital gains (or such lower rate specified by an applicable income tax treaty), which may be offset by U.S. source capital losses of such non-U.S. holder (even though the individual is not considered a resident of the United States), provided the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses.

Pursuant to FIRPTA, distributions to a non-U.S. holder that are attributable to gain from sales or exchanges by us of USRPIs, whether or not designated as capital gain dividends, will cause the non-U.S. holder to be treated as recognizing such gain as income effectively connected with a U.S. trade or business. Non-U.S. holders generally would be taxed at the regular rates applicable to U.S. holders, subject to any applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals. We also will be required to withhold and to remit to the IRS 21% of any distribution to non-U.S. holders attributable to gain from sales or exchanges by us of USRPIs. Distributions subject to FIRPTA may also be subject to a 30% branch profits tax in the hands of a non-U.S. holder that is a corporation. The amount withheld is creditable against the non-U.S. holder's U.S. federal income tax liability. However, any distribution with respect to any class of stock that is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market located in the United States is not subject to FIRPTA, and therefore, not subject to the 21% U.S. withholding tax described above, if the non-U.S. holder did not own more than 10% of such class of stock at any time during the one-year period ending on the date of the distribution. Instead, such distributions generally will be treated as ordinary dividend distributions and subject to withholding in the manner described above with respect to ordinary dividends. In addition, distributions to certain non-U.S. publicly traded shareholders that meet certain record-keeping and other requirements ("qualified shareholders") are exempt from FIRPTA, except to the extent owners of such qualified shareholders that are not also qualified shareholders own, actually or constructively, more than 10% of our capital stock. Furthermore, distributions to "qualified foreign pension funds" or entities all of the interests of which are held by "qualified foreign pension funds" are exempt from FIRPTA. Non-U.S. holders should consult their tax advisors regarding the application of these rules.

Retention of Net Capital Gains

Although the law is not clear on the matter, it appears that amounts we designate as retained net capital gains in respect of our common stock should be treated with respect to non-U.S. holders as actual distributions of capital gain dividends. Under this approach, the non-U.S. holders may be able to offset as a credit against their U.S. federal income tax liability their proportionate share of the tax paid by us on such retained net capital gains and to receive from the IRS a refund to the extent their proportionate share of such tax paid by us exceeds their actual U.S. federal income tax liability. If we were to designate any portion of our net capital gain as retained net capital gain, non-U.S. holders should consult their tax advisors regarding the taxation of such retained net capital gain.

Sale of Our Common Stock

Gain realized by a non-U.S. holder upon the sale, exchange or other taxable disposition of our common stock generally will not be subject to U.S. federal income tax unless such stock constitutes a USRPI. In general, stock of a domestic corporation that constitutes a USRPHC will constitute a USRPI. We believe that we are a USRPHC. Our common stock will not, however, constitute a USRPI so long as we are a "domestically controlled qualified investment entity." A "domestically controlled qualified investment entity" includes a REIT in which at all times during a five-year testing period less than 50% in value of its stock is held directly or indirectly by non-United States persons, subject to certain rules. For purposes of determining whether a REIT is a "domestically controlled qualified investment entity," a person who at all applicable times holds less than 5% of a class of stock that is "regularly traded" is treated as a United States person unless the REIT has actual knowledge that such person is not a United States person. We believe, but cannot guarantee, that we are a "domestically controlled qualified investment entity." Because our common stock will be publicly traded

upon completion of the Distribution (and, we anticipate, will continue to be publicly traded), no assurance can be given that we will continue to be a "domestically controlled qualified investment entity."

Even if we do not qualify as a "domestically controlled qualified investment entity" at the time a non-U.S. holder sells our common stock, gain realized from the sale or other taxable disposition by a non-U.S. holder of such capital stock would not be subject to U.S. federal income tax under FIRPTA as a sale of a USRPI if:

(1) our common stock is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market such as the New York Stock Exchange; and

(2) such non-U.S. holder owned, actually and constructively, 10% or less of our common stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the non-U.S. holder's holding period.

In addition, dispositions of our common stock by qualified shareholders are exempt from FIRPTA, except to the extent owners of such qualified shareholders that are not also qualified shareholders own, actually or constructively, more than 10% of our capital stock. Furthermore, dispositions of our common stock by "qualified foreign pension funds" or entities all of the interests of which are held by "qualified foreign pension funds" are exempt from FIRPTA. Non-U.S. holders should consult their tax advisors regarding the application of these rules.

Notwithstanding the foregoing, gain from the sale, exchange or other taxable disposition of our common stock not otherwise subject to FIRPTA will be taxable to a non-U.S. holder if either (a) the investment in our common stock is treated as effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such gain is attributable), in which case the non-U.S. holder will be subject to the same treatment as U.S. holders with respect to such gain, except that a non-U.S. holder that is a corporation may also be subject to the 30% branch profits tax (or such lower rate as may be specified by an applicable income tax treaty) on such gain, as adjusted for certain items, or (b) the non-U.S. holder is a nonresident alien individual who is present in the United States for 183 days or more during the taxable year and certain other conditions are met, in which case the non-U.S. holder will be subject to a 30% tax on the non-U.S. holder's capital gains (or such lower rate specified by an applicable income tax treaty), which may be offset by U.S. source capital losses of the non-U.S. holder (even though the individual is not considered a resident of the United States), provided the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses. In addition, even if we are a domestically controlled qualified investment entity, upon disposition of our capital stock, a non-U.S. holder may be treated as having gain from the sale or other taxable disposition of a USRPI if the non-U.S. holder (1) disposes of such stock within a 30-day period preceding the ex-dividend date of a distribution, any portion of which, but for the disposition, would have been treated as gain from the sale or exchange of a USRPI and (2) acquires, or enters into a contract or option to acquire, or is deemed to acquire, other shares of that stock during the 61-day period beginning with the first day of the 30-day period described in clause (1), unless such stock is "regularly traded" and the non-U.S. holder did not own more than 10% of the stock at any time during the one-year period ending on the date of the distribution described in clause (1).

If gain on the sale, exchange or other taxable disposition of our common stock were subject to taxation under FIRPTA, the non-U.S. holder would be required to file a U.S. federal income tax return and would be subject to regular U.S. federal income tax with respect to such gain in the same manner as a taxable U.S. holder (subject to any applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals). In addition, if the sale, exchange or other taxable disposition of our common stock were subject to taxation under FIRPTA, and if shares of our common stock were not "regularly traded" on an established securities market, the purchaser of such common stock generally would be required to withhold and remit to the IRS 15% of the purchase price.

Information Reporting and Backup Withholding

U.S. Holders

A U.S. holder may be subject to information reporting and backup withholding when such holder receives payments on our common stock or proceeds from the sale or other taxable disposition of such stock. Certain

U.S. holders are exempt from backup withholding, including corporations and certain tax-exempt organizations. A U.S. holder will be subject to backup withholding if such holder is not otherwise exempt and:

- the holder fails to furnish the holder's taxpayer identification number, which for an individual is ordinarily his or her social security number;
- the holder furnishes an incorrect taxpayer identification number;
- the applicable withholding agent is notified by the IRS that the holder previously failed to properly report payments of interest or dividends; or
- the holder fails to certify under penalties of perjury that the holder has furnished a correct taxpayer identification number and that the IRS has not notified the holder that the holder is subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS. U.S. holders should consult their tax advisors regarding their qualification for an exemption from backup withholding and the procedures for obtaining such an exemption.

Non-U.S. Holders

Payments of dividends on our common stock generally will not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the holder is a United States person and the holder either certifies its non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E or W-8ECI, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any distributions on our common stock to the non-U.S. holder, regardless of whether such distributions constitute a dividend or whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of such stock within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting, if the applicable withholding agent receives the certification described above and does not have actual knowledge or reason to know that such holder is a United States person, or the holder otherwise establishes an exemption. Proceeds of a disposition of such conducted through a non-U.S. office of a non-U.S. broker generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the non-U.S. holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a non-U.S. holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Medicare Contribution Tax on Unearned Income

Certain U.S. holders that are individuals, estates or trusts are required to pay an additional 3.8% tax on, among other things, dividends on stock and capital gains from the sale or other disposition of stock, subject to certain limitations. U.S. holders should consult their tax advisors regarding the effect, if any, of these rules on their ownership and disposition of our common stock.

Additional Withholding Tax on Payments Made to Foreign Accounts

Withholding taxes may be imposed under FATCA on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on our common stock or (subject to the proposed Treasury Regulations discussed below) gross proceeds from the sale or other disposition of our common stock, in each case paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes

identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in clause (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on our common stock. While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of stock on or after January 1, 2019, proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued. Because we may not know the extent to which a distribution is a dividend for U.S. federal income tax purposes at the time it is made, for purposes of these withholding rules we may treat the entire distribution as a dividend.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their ownership of our common stock.

Other Tax Consequences

State, local and non-U.S. income tax laws may differ substantially from the corresponding U.S. federal income tax laws, and this discussion does not purport to describe any aspect of the tax laws of any state, local or non-U.S. jurisdiction, or any U.S. federal tax other than income tax. You should consult your tax advisor regarding the effect of state, local and non-U.S. tax laws with respect to our tax treatment as a REIT and on the ownership and disposition of our common stock.

SHARES ELIGIBLE FOR FUTURE SALE

General

Prior to the Distribution, there will be no market for our common stock. Therefore, future sales of substantial amounts of our common stock in the public market could adversely affect the prevailing market price for shares of our common stock.

Upon completion of the Distribution, we expect to have approximately 54,172,452 shares of common stock outstanding based upon approximately 380,174,042 shares of Realty Income common stock outstanding on June 30, 2021 and 229,149,616 shares of VEREIT common stock outstanding on June 30 ,2021. The foregoing amounts do not reflect any equity issued by either Realty Income or VEREIT after June 30, 2021, including the 9,200,000 shares of Realty Income common stock issued in an underwritten offering in July 2021, nor subsequent issuances pursuant to Realty Income's "at-the-market" program related to the sale of up to an additional 60,000,000 shares of Realty Income common stock. In addition, we will have shares of common stock reserved for issuance upon redemption of Orion LP units and shares of common stock reserved for issuance to directors, executive officers, employees and other individuals who provide services to us that, if and when such shares are issued, may be subject in whole or in part to vesting requirements or the lapsing of restrictions.

The shares of Orion common stock distributed to Realty Income stockholders will be freely transferable, except for shares received by persons who may be deemed to be Orion "affiliates" under the Securities Act, and the shares issuable upon the exercise of the Arch Street Warrant. Persons who may be deemed to be affiliates of Orion after the Separation generally include individuals or entities that control, are controlled by or are under common control with Orion and may include directors and certain officers or principal stockholders of Orion. Orion affiliates will be permitted to sell their Orion common stock only pursuant to an effective registration statement under the Securities Act or an exemption from the registration requirements of the Securities Act, such as the exemptions afforded by Rule 144.

Redemption/Exchange Rights

Pursuant to the partnership agreement of Orion LP, persons that own units in the partnership will have the right to redeem their partnership units. When a limited partner exercises this redemption right, the partnership must redeem the partnership units for cash or, at our option, unregistered common stock, on a one-for-one basis. These redemption rights generally may be exercised by the limited partners at any time after one year following the issuance of the partnership units.

If a limited partner in Orion LP redeems partnership units pursuant to the partnership agreement, the partner may receive cash or shares of our common stock in exchange for such partnership units. To the extent the partner receives cash (instead of shares of our common stock) through the exercise of these redemption rights, the partner will no longer have any interest in Orion LP or in us, as the case may be, will not benefit from any subsequent increases in the share price of our common stock and will not receive any future distributions from Orion LP or us, as the case may be (unless the partner currently owns or acquires in the future additional partnership units or shares of common stock). To the extent the limited partner receives shares of our common stock, the limited partner will become a stockholder rather than a holder of partnership units.

Please refer to "Partnership Agreement — Redemption of Partnership Interests." Any amendment to the Partnership Agreement that would affect these redemption rights would require our consent as indirect general partner and the consent of the majority of outside limited partners, meaning all limited partners other than Orion LP.

Rule 144

Any "restricted" securities under the meaning of Rule 144 of the Securities Act may not be sold in the absence of registration under the Securities Act unless an exemption from registration is available, including exemptions contained in Rule 144. In general, under Rule 144 as currently in effect, if six months have elapsed since the date of acquisition of restricted shares from us or any of our affiliates, the holder of such restricted shares can sell such shares; *provided* that the number of shares sold by such person within any three-month period cannot exceed the greater of 1% of the total number of shares of our common equity then outstanding or the average weekly trading volume of our common equity on the NYSE during the four calendar weeks preceding the date on which notice of the sale is filed with the SEC.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates also are subject to certain manner of sale provisions, notice requirements and the availability of current public information about us.

Grants Under Our Equity Compensation Plan

It is expected that, prior to the completion of the Separation, Orion will adopt an equity compensation plan, which will be described in subsequent amendments to this information statement.

PARTNERSHIP AGREEMENT

A summary of the material terms and provisions of the Agreement of Limited Partnership of Orion LP, which we refer to as the "partnership agreement," is set forth below. This summary is not complete and is subject to and qualified in its entirety by reference to the applicable provisions of Maryland law and the partnership agreement. For more detail, please refer to the partnership agreement itself, a copy of which is filed as an exhibit to the registration statement of which this prospectus is a part. For purposes of this section, references to "we," "our," "us," "our company" and the "general partner" refer to Orion, in our capacity as the general partner of our operating partnership. See the section entitled "Where You Can Find More Information."

General

Substantially all of our assets are held by, and substantially all of our operations are conducted through, our operating partnership, either directly or through its subsidiaries. We are the sole general partner of our operating partnership, and, as of June 30, 2021, common units of partnership interests in our operating partnership, or common units, were outstanding. As of the Distribution, we expect to continue to own 100% of the outstanding common units, and that no other units will be outstanding at that time. Our operating partnership is also authorized to issue a class of units of partnership interest designated as LTIP Units and additional classes of units of partnership interest, each having the terms described below. We do not currently intend to issue LTIP Units or other partnership interests in Orion LP, other than common units, although we may elect to do so in the future. The common units are not listed on any exchange nor are they quoted on any national market system.

Provisions in the partnership agreement may delay or make more difficult unsolicited acquisitions of us or changes in our control. These provisions could discourage third parties from making proposals involving an unsolicited acquisition of us or change of our control, although some stockholders might consider such proposals, if made, desirable. These provisions also make it more difficult for third parties to alter the management structure of our operating partnership without the concurrence of our board of directors. These provisions include, among others:

- redemption rights of limited partners and certain assignees of common units;
- transfer restrictions on common units and other partnership interests;
- a requirement that we may not be removed as the general partner of our operating partnership without our consent;
- our ability in some cases to amend the partnership agreement and to cause our operating partnership to issue preferred partnership interests in our operating partnership with terms that we may determine, in either case, without the approval or consent of any limited partner; and
- the right of the limited partners to consent to certain transfers of our general partnership interest (whether by sale, disposition, statutory merger or consolidation, liquidation or otherwise).

Purpose, Business and Management

Our operating partnership was formed for the purpose of conducting any business, enterprise or activity permitted by or under the Maryland Revised Uniform Limited Partnership Act, or the Act. Our operating partnership may enter into any partnership, joint venture, business trust arrangement, limited liability company or other similar arrangement and may own interests in any other entity engaged in any business permitted by or under the Act, subject to any consent rights set forth in our partnership agreement.

In general, our board of directors manages the business and affairs of our operating partnership by directing our business and affairs, in our capacity as the sole general partner of our operating partnership. Except as otherwise expressly provided in the partnership agreement and subject to the rights of holders of any class or series of partnership interest, all management powers over the business and affairs of our operating partnership are exclusively vested in us, in our capacity as the sole general partner of our operating partnership. We may not be removed as the general partner of our operating partnership, with or without cause, without our consent, which we may give or withhold in our sole and absolute discretion.

Restrictions on General Partner's Authority

The partnership agreement prohibits us, in our capacity as general partner, from taking any action that would make it impossible to carry out the ordinary business of our operating partnership or performing any act that would subject a limited partner to liability as a general partner in any jurisdiction or any other liability except as provided under the partnership agreement or under the Act. We generally may not, without the prior consent of the partners of our operating partnership (including us), amend, modify or terminate the partnership agreement, except for certain amendments described below that require the approval of each affected partner. We may not, in our capacity as the general partner of our operating partnership, without the consent of a majority in interest of the limited partners (excluding us and any limited partner 50% or more of whose equity is owned, directly or indirectly, by us):

- take any action in contravention of an express provision or limitation of the partnership agreement;
- transfer all or any portion of our general partnership interest in our operating partnership or admit any person as a successor general partner, subject to the exceptions described in the section entitled "*Partnership Agreement — Transfers of Partnership Interests — Restrictions on Transfers by the General Partner*"; or
- voluntarily withdraw as the general partner.

Without the consent of each affected limited partner or in connection with a transfer of all of our interests in our partnership in connection with a merger, consolidation or other combination of our assets with another entity, a sale of all or substantially all of our assets or a reclassification, recapitalization or change in our outstanding stock permitted without the consent of the limited partners as described in the section entitled "*Partnership Agreement — Transfers of Partnership Interests — Restrictions on Transfers by the General Partner*," or a permitted termination transaction, we may not enter into any contract, mortgage, loan or other agreement that expressly prohibits or restricts us or our operating partnership from performing our or its specific obligations in connection with a redemption of units or expressly prohibits or restricts a limited partner from exercising its redemption rights in full. In addition to any approval or consent required by any other provision of the partnership agreement, we may not, without the consent of each affected partner, amend the partnership agreement or take any other action that would:

- convert a limited partner interest into a general partner interest (other than as a result of our acquisition of that interest);
- adversely modify in any material respect the limited liability of a limited partner;
- alter the rights of any partner to receive the distributions to which such partner is entitled, or alter the allocations specified in the partnership agreement, except to the extent permitted by the partnership agreement including in connection with the creation or issuance of any new class or series of partnership interest or to effect or facilitate a permitted termination transaction;
- alter or modify the redemption rights of holders of common units (except as permitted under the partnership agreement to effect or facilitate a permitted termination transaction);
- alter or modify the provisions governing the transfer of our general partnership interest in our operating partnership (except as permitted under the partnership agreement to effect or facilitate a permitted termination transaction);
- remove certain provisions of the partnership agreement relating to the requirements for us to qualify as a REIT or permitting us to avoid paying tax under Section 857 or 4981 of the Code; or
- amend the provisions of the partnership agreement requiring the consent of each affected partner before taking any of the actions described above or the related definitions specified in the partnership agreement (except as permitted under the partnership agreement to effect or facilitate a permitted termination transaction).

Additional Limited Partners

We may cause our operating partnership to issue additional units in one or more classes or series or other partnership interests and to admit additional limited partners to our operating partnership from time to time,

on such terms and conditions and for such capital contributions as we may establish in our sole and absolute discretion, without the approval or consent of any limited partner.

The partnership agreement authorizes our operating partnership to issue common units, LTIP Units, Performance Units and preferred units, and our operating partnership may issue additional partnership interests in one or more additional classes, or one or more series of any of such classes, with such designations, preferences, conversion and other rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption (including, without limitation, terms that may be senior or otherwise entitled to preference over existing units) as we may determine, in our sole and absolute discretion, without the approval of any limited partner or any other person. Without limiting the generality of the foregoing, we may specify, as to any such class or series of partnership interest, the allocations of items of partnership income, gain, loss, deduction and credit to each such class or series of partnership interest.

Ability to Engage in Other Businesses; Conflicts of Interest

The partnership agreement provides that we may not conduct any business other than in connection with the ownership, acquisition and disposition of partnership interests, the management of the business and affairs of our operating partnership, our operation as a reporting company with a class (or classes) of securities registered under the Exchange Act, our operations as a REIT, the offering, sale, syndication, private placement or public offering of stock, bonds, securities or other interests, financing or refinancing of any type related to our operating partnership or its assets or activities and such activities as are incidental to those activities discussed above. In general, we must contribute any assets or funds that we acquire to our operating partnership whether as capital contributions, loans or otherwise, as appropriate, in exchange for additional partnership interests. We may, however, in our sole and absolute discretion, from time to time hold or acquire assets in our own name or otherwise other than through our operating partnership so long as we take commercially reasonable measures to ensure that the economic benefits and burdens of such property are otherwise vested in our operating partnership.

Distributions

Our operating partnership will distribute such amounts, at such times, as we may in our sole and absolute discretion determine:

- first, with respect to any partnership interests that are entitled to any preference in distribution, including the preferred units, in accordance with the rights of the holders of such class(es) of partnership interest, and, within each such class, among the holders of such class pro rata in proportion to their respective percentage interests of such class; and
- second, with respect to any partnership interests that are not entitled to any preference in distribution, including the common units and, except as described below with respect to liquidating distributions and as may be provided in any incentive award plan or any applicable award agreement, the LTIP Units and Performance Units, in accordance with the rights of the holders of such class(es) of partnership interest, and, within each such class, among the holders of each such class, pro rata in proportion to their respective percentage interests of such class.

Exculpation and Indemnification of General Partner

The partnership agreement provides that we are not liable to our operating partnership or any partner for any action or omission taken in our capacity as general partner, for the debts or liabilities of our operating partnership or for the obligations of our operating partnership under the partnership agreement, except for liability for our fraud, willful misconduct or gross negligence, pursuant to any express indemnity we may give to our operating partnership or in connection with a redemption as described in the section entitled "*Partnership Agreement — Redemption Rights of Qualifying Parties*." The partnership agreement also provides that any obligation or liability in our capacity as the general partner of our operating partnership that may arise at any time under the partnership agreement or any other instrument, transaction or undertaking contemplated by the partnership agreement will be satisfied, if at all, out of our assets or the assets of our operating partnership only, and no such obligation or liability will be personally binding upon any of our directors, stockholders, officers, employees or agents.

In addition, the partnership agreement requires our operating partnership to indemnify us, our directors and officers, officers of our operating partnership and any other person designated by us against any and all losses, claims, damages, liabilities, expenses (including, without limitation, attorneys' fees and other legal fees and expenses), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, that relate to the operations of our operating partnership, unless (i) an act or omission of the person was material to the matter giving rise to the action and either was committed in bad faith or was the result of active and deliberate dishonesty, (ii) in the case of a criminal proceeding, the person had reasonable cause to believe the act or omission was unlawful or (iii) such person actually received an improper personal benefit in violation or breach of any provision of the partnership agreement. Our operating partnership must also pay or reimburse the reasonable expenses of any such person in advance of a final disposition of the proceeding upon its receipt of a written affirmation of the person's good faith belief that the standard of conduct necessary for indemnification has been met and a written undertaking by or on behalf of the person to repay any amounts paid or advanced if it is ultimately determined that the person did not meet the standard of conduct for indemnification. Our operating partnership is not required to indemnify or advance funds to any person with respect to any action initiated by the person seeking indemnification without our approval (except for any proceeding brought to enforce such person's right to indemnification under the partnership agreement) or if the person is found to be liable to our operating partnership on any portion of any claim in the action.

Business Combinations and Dissolution of our Operating Partnership

Subject to the limitations on the transfer of our interest in our operating partnership described in the section entitled "*Partnership Agreement — Transfers of Partnership Interests — Restrictions on Transfers by the General Partner*," we generally have the exclusive power to cause our operating partnership to merge, reorganize, consolidate, sell all or substantially all of its assets or otherwise combine its assets with another entity. We may also elect to dissolve our operating partnership without the consent of any limited partner. However, in connection with the acquisition of properties from persons to whom our operating partnership issues common units or other partnership interests as part of the purchase price, in order to preserve such persons' tax deferral, our operating partnership may contractually agree, in general, not to sell or otherwise transfer the properties for a specified period of time, or in some instances, not to sell or otherwise transfer the properties without compensating the sellers of the properties for their loss of the tax deferral.

Redemption Rights of Qualifying Parties

Beginning 14 months after first acquiring such common units, each limited partner and some assignees of limited partners will have the right, subject to the terms and conditions set forth in the partnership agreement, to require our operating partnership to redeem all or a portion of the common units held by such limited partner or assignee in exchange for a cash amount per common unit equal to the value of one share of our common stock, determined in accordance with and subject to adjustment under the partnership agreement. Our operating partnership's obligation to redeem common units does not arise and is not binding against our operating partnership until the sixth business day after we receive the holder's notice of redemption or, if earlier, the day we notify the holder seeking redemption that we have declined to acquire some or all of the common units tendered for redemption.

On or before the close of business on the fifth business day after a holder of common units gives notice of redemption to us, we may, in our sole and absolute discretion but subject to the restrictions on the ownership and transfer of our stock set forth in our charter and described in the section entitled "*Description of Our Capital Stock — Restrictions on Ownership and Transfer*," elect to acquire some or all of the common units tendered for redemption from the tendering party in exchange for shares of our common stock, based on an exchange ratio of one share of common stock for each common unit, subject to adjustment as provided in the partnership agreement. The partnership agreement does not require us to register, qualify or list any shares of common stock issued in exchange for common units with the SEC, with any state securities commissioner, department or agency, under the Securities Act or the Exchange Act or with any stock exchange.

Transfers of Partnership Interests *Restrictions on Transfers by Limited Partners*

Until the expiration of 14 months after the date on which a limited partner acquires a partnership interest, the limited partner generally may not directly or indirectly transfer all or any portion of such partnership

interest without our consent, which we may give or withhold in our sole and absolute discretion, except for certain permitted transfers to certain affiliates, family members and charities, and certain pledges of partnership interests to lending institutions in connection with bona fide loans. After the expiration of such initial holding period, the limited partner will have the right to transfer all or any portion of its partnership interest without our consent to any person that is an "accredited investor," within meaning set forth in Rule 501 promulgated under the Securities Act, upon ten business days prior notice to us, subject to the satisfaction of conditions specified in the partnership agreement, including minimum transfer requirements and our right of first refusal.

Restrictions on Transfers by the General Partner

Except as described below, any transfer of all or any portion of our interest in our operating partnership, whether by sale, disposition, statutory merger or consolidation, liquidation or otherwise, must be approved by the consent of a majority in interest of the limited partners (excluding us and any limited partner 50% or more of whose equity is owned, directly or indirectly, by us). Subject to the rights of holders of any class or series of partnership interest, we may transfer all (but not less than all) of our general partnership interest without the consent of the limited partners in connection with a permitted termination transaction, which is a merger, consolidation or other combination of our assets with another entity, a sale of all or substantially all of our assets or a reclassification, recapitalization or change in any outstanding shares of our stock or other outstanding equity interests, if:

- in connection with such event, all of the limited partners will receive or have the right to elect to receive, for each common unit, the greatest amount of cash, securities or other property paid to a holder of one share of our common stock (subject to adjustment in accordance with the partnership agreement) in the transaction and, if a purchase, tender or exchange offer is made and accepted by holders of our common stock in connection with the event, each holder of common units receives, or has the right to elect to receive, the greatest amount of cash, securities or other property that the holder would have received if it had exercised its redemption right and received shares of our common stock in exchange for its common units immediately before the expiration of the purchase, tender or exchange offer and had accepted the purchase, tender or exchange offer; or substantially all of the assets of our operating partnership will be owned by a surviving entity (which may be our operating partnership, another limited partnership or a limited liability company) in which the limited partners of our operating partnership holding common units immediately before the event will hold a percentage interest based on the relative fair market value of the net assets of our operating partnership and the other net assets of the surviving entity immediately before the event, which interest will be on terms that are at least as favorable as the terms of the common units in effect immediately before the event and as those applicable to any other limited partners or non-managing members of the surviving entity and will include a right to redeem interests in the surviving entity for the consideration described in the preceding bullet or cash on similar terms as those in effect with respect to the common units immediately before the event, or, if common equity securities of the person controlling the surviving entity are publicly traded, such common equity securities.

We may also transfer all (but not less than all) of our interest in our operating partnership to an affiliate of us without the consent of any limited partner, subject to the rights of holders of any class or series of partnership interest.

In addition, any transferee of our interest in our operating partnership must be admitted as a general partner of our operating partnership, assume, by operation of law or express agreement, all of our obligations as general partner under the partnership agreement, accept all of the terms and conditions of the partnership agreement and execute such instruments as may be necessary to effectuate the transferee's admission as a general partner.

We may not voluntarily withdraw as the general partner of our operating partnership without the consent of a majority in interest of the limited partners (excluding us and any limited partner 50% or more of whose equity is owned, directly or indirectly, by us) other than upon the transfer of our entire interest in our operating partnership and the admission of our successor as a general partner of our operating partnership.

LTIP Units

Our operating partnership is authorized to issue a class of units of partnership interest designated as "LTIP Units." We may cause our operating partnership to issue LTIP Units to persons who provide services to or for the benefit of our operating partnership, for such consideration or for no consideration as we may determine to be appropriate, and we may admit such persons as limited partners of our operating partnership, without the approval or consent of any limited partner. Further, we may cause our operating partnership to issue LTIP Units in one or more classes or series, with such terms as we may determine, without the approval or consent of any limited partner. LTIP Units may be subject to vesting, forfeiture and restrictions on transfer and receipt of distributions pursuant to the terms of any applicable equity-based plan and the terms of any award agreement relating to the issuance of the LTIP Units.

Conversion Rights

Vested LTIP Units are convertible at the option of each limited partner and some assignees of limited partners (in each case, that hold vested LTIP Units) into common units, upon notice to us and our operating partnership, to the extent that the capital account balance of the LTIP unitholder with respect to all of his or her LTIP Units is at least equal to our capital account balance with respect to an equal number of common units. We may cause our operating partnership to convert vested LTIP Units eligible for conversion into an equal number of common units at any time, upon at least 10 and not more than 60 days' notice to the holder of the LTIP Units. If we or our operating partnership is party to a transaction, including a merger, consolidation, sale of all or substantially all of our assets or other business combination, as a result of which common units are exchanged for or converted into the right, or holders of common units are otherwise entitled, to receive cash, securities or other property (or any combination thereof), we must cause our operating partnership to convert any vested LTIP Units then eligible for conversion into common units immediately before the transaction, taking into account any special allocations of income that would be made as a result of the transaction. Our operating partnership must use commercially reasonable efforts to cause each limited partner (other than a party to such a transaction or an affiliate of such a party) holding LTIP Units that will be converted into common units in such a transaction to be afforded the right to receive the same kind and amount of cash, securities and other property (or any combination thereof) for such common units that each holder of common units receives in the transaction.

Transfer

Unless an applicable equity-based plan or the terms of an award agreement specify additional restrictions on transfer of LTIP Units, LTIP Units are transferable to the same extent as common units, as described above in the section entitled "*Partnership Agreement — Transfers of Partnership Interests.*"

Voting Rights

Limited partners holding LTIP Units are entitled to vote together as a class with limited partners holding common units and Performance Units on all matters on which limited partners holding common units are entitled to vote or consent, and may cast one vote for each LTIP Unit so held.

Adjustment of LTIP Units

If our operating partnership takes certain actions, including making a distribution of units on all outstanding common units, combining or subdividing the outstanding common units into a different number of common units or reclassifying the outstanding common units, we must adjust the number of outstanding LTIP Units or subdivide or combine outstanding LTIP Units to maintain a one-for-one conversion ratio and economic equivalence between common units and LTIP Units.

Performance Units

Our operating partnership is authorized to issue a class of units of partnership interest designated as "Performance Units." We may cause our operating partnership to issue Performance Units to persons who provide services to or for the benefit of our operating partnership, for such consideration or for no consideration as we may determine to be appropriate, and we may admit such persons as limited partners of

our operating partnership, without the approval or consent of any limited partner. Further, we may cause our operating partnership to issue Performance Units in one or more classes or series, with such terms as we may determine, without the approval or consent of any limited partner. Performance Units may be subject to vesting, forfeiture and restrictions on transfer and receipt of distributions pursuant to the terms of any applicable equity-based plan and the terms of any award agreement relating to the issuance of the Performance Units.

Conversion Rights

Vested Performance Units are convertible at the option of each limited partner and some assignees of limited partners (in each case, that hold vested Performance Units) into common units, upon notice to us and our operating partnership, to the extent that the capital account balance of the Performance Unit unitholder with respect to all of his or her Performance Units is at least equal to our capital account balance with respect to an equal number of common units. We may cause our operating partnership to convert vested Performance Units eligible for conversion into an equal number of common units at any time, upon at least 10 and not more than 60 days' notice to the holder of the Performance Units. If we or our operating partnership is party to a transaction, including a merger, consolidation, sale of all or substantially all of our assets or other business combination, as a result of which common units are exchanged for or converted into the right, or holders of common units are otherwise entitled, to receive cash, securities or other property (or any combination thereof), we must cause our operating partnership to convert any vested Performance Units then eligible for conversion into common units immediately before the transaction, taking into account any special allocations of income that would be made as a result of the transaction. Our operating partnership must use commercially reasonable efforts to cause each limited partner (other than a party to such a transaction or an affiliate of such a party) holding Performance Units that will be converted into common units in such a transaction to be afforded the right to receive the same kind and amount of cash, securities and other property (or any combination thereof) for such common units that each holder of common units receives in the transaction.

Transfer

Unless an applicable equity-based plan or the terms of an award agreement specify additional restrictions on transfer of Performance Units, Performance Units are transferable to the same extent as common units, as described above in the section entitled "*Partnership Agreement — Transfers of Partnership Interests.*"

Voting Rights

Limited partners holding Performance Units are entitled to vote together as a class with limited partners holding common units and LTIP Units on all matters on which limited partners holding common units are entitled to vote or consent, and may cast one vote for each Performance Unit so held.

Adjustment of Performance Units

If our operating partnership takes certain actions, including making a distribution of units on all outstanding common units, combining or subdividing the outstanding common units into a different number of common units or reclassifying the outstanding common units, we must adjust the number of outstanding Performance Units or subdivide or combine outstanding Performance Units to maintain a one-for-one conversion ratio and economic equivalence between common units and Performance Units.

Preferred Units

Our operating partnership is authorized to issue preferred units. As of July 1, 2021, there are no preferred units issued and outstanding. Preferred units rank senior to the common units, LTIP Units and Performance Units. Holders of preferred units are entitled to receive preferential cash distributions in an amount to be fixed at the time of issuance of such units. Holders of preferred units are also entitled to receive a liquidation preference in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of our operating partnership that are substantially similar to those of the preferred stock (but, in the case of distributions upon the liquidation, dissolution or winding up of the affairs of our operating partnership, only to the extent consistent with a liquidation in accordance with positive capital account balances). Preferred units are also subject to redemption by our operating partnership in connection with our

reacquisition of shares of preferred stock. See the section entitled "*Description of Capital Stock — Preferred Stock*." The preferred units are not listed on any exchange nor are they quoted on any national market system.

Conversion Rights

Preferred units will be converted into common units in the event of a conversion of preferred stock, at the option of holders of shares of preferred stock pursuant to the articles supplementary designating the terms of the preferred stock, as described above in the section entitled "*Description of Our Capital Stock — Preferred Stock*"

Transfer

Preferred units are transferrable to the same extent as common units, as described above in the section entitled "*Partnership Agreement — Transfers of Partnership Interests — Restrictions on Transfers by the General Partner*."

Voting Rights

The general partner will not have any voting or consent rights in respect of its partnership interest represented by the preferred units.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement on Form 10 with the SEC with respect to the Orion common stock being distributed as contemplated by this information statement. This information statement is a part of, and does not contain all of the information set forth in, the registration statement and the exhibits and schedules to the registration statement. For further information with respect to Orion and its common stock, please refer to the registration statement, including its exhibits and schedules. Statements made in this information statement relating to any contract or other document are not necessarily complete, and you should refer to the exhibits attached to the registration statement for copies of the actual contract or document. You may review a copy of the registration statement, including its exhibits and schedules, at the SEC's public reference room, located at 100 F Street, N.E., Washington, D.C. 20549, by calling the SEC at 1-800-SEC-0330, as well as on the Internet website maintained by the SEC at www.sec.gov. Information contained on any website referenced in this information statement is not incorporated by reference in this information statement.

As a result of the Distribution, we will become subject to the information and reporting requirements of the Exchange Act and, in accordance with the Exchange Act, will file periodic reports, proxy statements and other information with the SEC.

We plan to make available, free of charge, on Orion's Internet site its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, reports filed pursuant to Section 16 of the Exchange Act and amendments to those reports as soon as reasonably practicable after it electronically files or furnishes such materials to the SEC.

You should rely only on the information contained in this information statement or to which this information statement has referred you. We have not authorized any person to provide you with different information or to make any representation not contained in this information statement.

ORION OFFICE REIT

INDEX TO FINANCIAL STATEMENTS

ORION OFFICE REIT

REALTY INCOME OFFICE ASSETS

VEREIT OFFICE ASSETS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors
Realty Income Corporation, Inc.:

Opinion on the Financial Statements

We have audited the accompanying balance sheet of Orion Office REIT Inc. (the Company) as of July 15, 2021, and the related notes (collectively, the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of July 15, 2021, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. 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 audit 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. Our audit 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 audit 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 audit provides a reasonable basis for our opinion.

(signed) KPMG LLP

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

San Diego, California
July 20, 2021, except as to Note 3, which is as of October 4, 2021

ORION OFFICE REIT INC.

BALANCE SHEET

July 15, 2021

(Amounts in thousands, except share and per share data)

ASSETS	
Cash	$ 1
Total Assets	$ 1
LIABILITIES AND STOCKHOLDER'S EQUITY	
Stockholder's equity:	
Common Stock, $0.01 par value, 100,000 shares authorized; 100,000 shares issued and outstanding	$ 1
Additional paid-in capital	—
Total stockholder's equity	$ 1

See accompanying notes to the balance sheet.

ORION OFFICE REIT INC.
NOTES TO BALANCE SHEET
July 15, 2021

1. Organization and Description of Business

Orion Office REIT Inc. ("the Company") was incorporated in the state of Maryland on July 1, 2021. The Company is an indirectly wholly owned subsidiary of Realty Income Corporation ("Realty Income") formed in contemplation of a spin-off transaction in which Realty Income plans to distribute all the outstanding voting shares of common stock in the Company to Realty Income's stockholders.

On April 29, 2021, Realty Income entered into an Agreement and Plan of Merger, or the Merger Agreement, with VEREIT, Inc., or VEREIT, its operating partnership, VEREIT Operating Partnership, L.P., or VEREIT OP, and two newly formed wholly owned subsidiaries of Realty Income. Following the closing of the Merger, pursuant to the terms and conditions of the Merger Agreement, Realty Income and VEREIT intend to contribute certain of their office properties to Orion Office REIT Inc., or its subsidiaries.

Realty Income and VEREIT are both considered accounting predecessors of the Company.

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP") as set forth within the Financial Accounting Standards Board's Accounting Standards Codification ("ASC").

Statements of operations, equity and cash flows have not been prepared as no material substantive transactions have taken place aside from the initial capitalization on July 15, 2021. The company has been capitalized with the issuance of 100,000 shares of common stock ($.01 par value per share) for a total of $1,000.

Offering Costs

In connection with the spin-off transaction, affiliates of the Company have incurred or will incur legal, accounting and related costs, which will be reimbursed by the Company upon consummation of the spin-off transaction. Such costs will be deferred and will be recorded as a reduction of capital related to the initial capital contribution from Realty Income upon the transfer of assets to the Company.

Organizational Costs

Organizational costs are expensed as incurred. Such costs are comprised of the legal and professional fees associated with the Company.

3. Subsequent Events

In preparing the financial statement, the Company has evaluated the potential occurrence of subsequent events. No significant subsequent events have occurred.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors
Realty Income Corporation, Inc.:

Opinion on the Combined Financial Statements

We have audited the accompanying combined balance sheets of Realty Income Office Assets (the Company) as of December 31, 2020 and 2019, the related combined statements of operations, equity, and cash flows for each of the years in the three-year period ended December 31, 2020, and the related notes and financial statement schedule III (collectively, the combined financial statements). In our opinion, the combined financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

Change in Accounting Principle

As discussed in Note 3 to the combined financial statements, the Company changed its method of accounting for leases as of January 1, 2019 due to the adoption of Accounting Standards Codification Topic 842, *Leases*.

Basis for Opinion

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

(signed) KPMG LLP

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

San Diego, California
July 20, 2021, except as to Note 13, which is as of October 4, 2021

REALTY INCOME OFFICE ASSETS

COMBINED BALANCE SHEETS

December 31, 2020 and 2019

(in thousands)

	2020	2019
ASSETS		
Real estate held for investment, at cost		
Land	$ 71,191	$ 71,191
Buildings and improvements	562,828	588,250
Total real estate held for investment, at cost	634,019	659,441
Less accumulated depreciation and amortization	(136,143)	(125,311)
Real estate held for investment, net	497,876	534,130
Accounts receivable	8,078	9,168
Lease intangible assets, net	28,680	37,381
Other assets, net	11,797	11,523
Total Assets	$ 546,431	$ 592,202
LIABILITIES AND EQUITY		
Accounts payable and accrued expenses	$ 848	$ 921
Lease intangible liabilities, net	7,221	8,868
Other liabilities	4,192	4,266
Mortgages payable, net	37,052	70,141
Total liabilities	$ 49,313	$ 84,196
Equity	$ 497,118	$ 508,006
Total liabilities and equity	$ 546,431	$ 592,202

The accompanying notes to combined financial statements are an integral part of these statements.

REALTY INCOME OFFICE ASSETS

COMBINED STATEMENTS OF OPERATIONS

Years Ended December 31, 2020, 2019 and 2018

(in thousands)

	2020	2019	2018
REVENUE			
Rental revenue (including reimbursable)	$53,474	$53,465	$54,664
EXPENSES			
Depreciation and amortization	25,950	26,923	28,034
Property (including reimbursable)	5,770	5,898	5,385
Interest	2,931	3,316	3,367
General and administrative	2,051	2,044	3,115
Provisions for impairment	18,671	—	—
TOTAL EXPENSES	55,373	38,181	39,901
TOTAL NET INCOME (LOSS)	$ (1,899)	$15,284	$14,763

The accompanying notes to combined financial statements are an integral part of these statements.

REALTY INCOME OFFICE ASSETS

COMBINED STATEMENTS OF EQUITY

Years Ended December 31, 2020, 2019 and 2018

(dollars in thousands)

	Equity
Balance, December 31, 2017	$564,163
Net income	14,763
Distributions to Realty Income Corporation, net	(48,469)
Balance, December 31, 2018	$530,457
Net income	15,284
Distributions to Realty Income Corporation, net	(37,735)
Balance, December 31, 2019	$508,006
Net loss	(1,899)
Distributions to Realty Income Corporation, net	(8,989)
Balance, December 31, 2020	$497,118

The accompanying notes to combined financial statements are an integral part of these statements.

REALTY INCOME OFFICE ASSETS

COMBINED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2020, 2019 and 2018

(dollars in thousands)

	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) income	$ (1,899)	$ 15,284	$ 14,763
Adjustments to net (loss) income:			
Depreciation and amortization	25,950	26,923	28,034
Non-cash revenue adjustments	(406)	(792)	(920)
Amortization of net premiums on mortgages payable	(411)	(435)	(435)
Provisions for impairment on real estate	18,671	—	—
Change in assets and liabilities			
Accounts receivable and other assets	613	(280)	(34)
Accounts payable, accrued expenses and other liabilities	(191)	(706)	600
Net cash provided by operating activities	42,327	39,994	42,008
Cash flows used in investing activities – additions to PP&E	(464)	(536)	(2,390)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distributions to Realty Income Corporation, net	(8,989)	(37,621)	(48,643)
Principal payments on mortgages payable	(32,678)	(968)	(916)
Net cash used in financing activities	(41,667)	(38,589)	(49,559)
Net increase (decrease) in restricted cash	196	869	(9,941)
Restricted cash, beginning of year	3,719	2,850	12,791
Restricted cash, end of year	$ 3,915	$ 3,719	$ 2,850

For supplemental disclosures, see note 10.

The accompanying notes to combined financial statements are an integral part of these statements.

REALTY INCOME OFFICE ASSETS

NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2020, 2019, and 2018

1. Organization

On April 29, 2021, Realty Income Corporation, entered into an Agreement and Plan of Merger, or the Merger Agreement, with VEREIT, Inc., or VEREIT, its operating partnership, VEREIT Operating Partnership, L.P., or VEREIT OP, and two newly formed wholly owned subsidiaries of Realty Income Corporation. Pursuant to the terms of the Merger Agreement, which is subject to shareholder approval, (i) one of the newly formed subsidiaries of Realty Income Corporation will merge with and into VEREIT OP, with VEREIT OP as the surviving entity, and (ii) immediately thereafter, VEREIT will merge with and into the other newly formed subsidiary of Realty Income Corporation, with Realty Income Corporation's subsidiary as the surviving corporation. These transactions, collectively, are referred to as the Mergers.

In connection with the Mergers, Realty Income Corporation and VEREIT intend to contribute some or all of their office real properties to a newly formed, wholly owned subsidiary of Realty Income Corporation, which is referred to as Orion, and following the Mergers, distribute the outstanding voting shares of common stock in Orion to the combined shareholders on a pro rata basis, which is referred to as the Distribution. Following the consummation of the Distribution, Realty Income Corporation and VEREIT intend for Orion to operate as a separate, publicly traded Real Estate Investment Trust (REIT), which is comprised of Realty Income Office Assets and VEREIT Office Assets. Realty Income Office Assets includes the combined accounts related to the office properties of Realty Income Corporation, currently operated by subsidiaries of Realty Income Corporation and contain certain corporate costs. VEREIT Office Properties includes the combined accounts related to the office properties of VEREIT, currently operated through subsidiaries of VEREIT, and contain certain corporate costs. Subject to the terms and conditions of the Merger Agreement, Realty Income Corporation and VEREIT may also seek to sell some or all of the Orion Business in connection with the closing of the Mergers.

Realty Income Office Assets owns 40 properties, located in 19 U.S. states, containing approximately 3.0 million leasable square feet. As of December 31, 2020, Realty Income Office Assets has not conducted any business as a separate company and has no other material assets or liabilities. On March 11, 2020, the World Health Organization announced that a new strain of coronavirus ("COVID-19") was reported worldwide, resulting in COVID-19 being declared a pandemic, and on March 13, 2020 the U.S. President announced a National Emergency relating to the disease. There has been a widespread infection in the United States and abroad, with national, state and local authorities imposing social distancing, quarantine and self-isolation measures. The outbreak has had a continued adverse impact on economic and market conditions and triggered a period of global economic slowdown.

2. Basis of Presentation and Combination

The accompanying combined financial statements include the accounts of Realty Income Office Assets presented on a combined basis as the ownership interests are currently under common control and ownership of Realty Income Corporation. All intercompany balances and transactions have been eliminated.

These combined financial statements were derived from the books and records of Realty Income Corporation and were carved out from Realty Income Corporation at a carrying value reflective of such historical cost in such Realty Income Corporation records. Realty Income 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 Realty Income Office Assets were based on actual costs incurred, except for General and administrative expenses which were allocated as a proportion of costs estimated to be applicable to this entity based on Realty Income Office Assets pro rata share of Realty Income Corporation's total rental revenue. The expenses allocated for the years ended December 31, 2020, 2019 and 2018, were $2.1 million, $2.0 million and $3.1 million respectively. The historical combined 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 our future performance as an independent, stand-alone company.

3. Summary of Significant Accounting Policies and Procedures and Newly Adopted Accounting Standards

Federal Income Taxes. Realty Income Office Assets is currently owned by Realty Income Corporation, a Maryland corporation which has elected to be taxed as a REIT, under the Internal Revenue Code of 1986, as amended. Under the REIT operating structure, Realty Income Corporation is permitted to deduct dividends paid to its stockholders in determining its taxable income. Assuming Realty Income Corporation's dividends equal or exceed its taxable net income, it is generally not required to pay federal corporate income taxes on such income. Accordingly, no provision has been made for federal income taxes in the accompanying combined financial statements of Realty Income Office Assets.

Earnings and profits that determine the taxability of distributions to stockholders differ from net income reported for financial reporting purposes due to differences in the estimated useful lives and methods used to compute depreciation and the carrying value (basis) of the investments in properties for tax purposes, among other things.

Realty Income Corporation regularly analyzes its various federal and state filing positions and only recognizes the income tax effect in its financial statements when certain criteria regarding uncertain income tax positions have been met. Realty Income Corporation believes that its income tax positions would more likely than not be sustained upon examination by all relevant taxing authorities. Therefore, no provisions for uncertain income tax positions have been recorded in its financial statements.

As a REIT, Realty Income Corporation generally is required to distribute dividends to its stockholders aggregating annually at least 90% of its taxable income (excluding net capital gains), and it is subject to income tax to the extent it distributes less than 100% of its taxable income (including net capital gains). If Realty Income Corporation fails to qualify as a REIT in any taxable year, it will be subject to U.S. federal income taxes at regular corporate rates and may not be able to qualify as a REIT for four subsequent taxable years. Even if Realty Income Corporation qualifies for taxation as a REIT, it may be subject to certain state and local taxes on its income and property, and to U.S. federal income taxes on its undistributed taxable income.

The properties in the combined financial statements of Realty Income Office Assets are owned directly or indirectly by limited partnerships or limited liability companies of Realty Income Corporation and, as a result, the allocated share of income for each period are included in the consolidated income tax return of Realty Income Corporation.

Lease Revenue Recognition and Accounts Receivable. All of Realty Income Office Assets' leases are accounted for as operating leases. Under this method, leases that have fixed and determinable rent increases are recognized on a straight-line basis over the lease term. Any rental revenue contingent upon our clients' sales is recognized only after our clients' exceed their sales breakpoints. Rental increases based upon changes in the consumer price indices are recognized only after the changes in the indices have occurred and are then applied according to the lease agreements. Contractually obligated rental revenue from clients for recoverable real estate taxes and operating expenses are included in contractually obligated reimbursements by clients, a component of rental revenue, in the period when such costs are incurred. Taxes and operating expenses paid directly by clients are recorded on a net basis.

Realty Income Office Assets must continue to assess the probability of collecting substantially all the lease payments to which it is entitled under the original lease contract as required under Accounting Standards Codification (ASC) Topic 842, *Leases*. If a company concludes collection of substantially all lease payments under a lease is less than probable, rental revenue recognized for that lease is limited to cash received going forward, existing operating lease receivables must be written off as an adjustment to rental revenue, and no further operating lease receivables are recorded for that lease until such future determination is made that substantially all lease payments under that lease are now considered probable.

The COVID-19 pandemic and the measures taken to limit its spread are negatively impacting the economy across many industries, including the industries in which some clients operate. These impacts may continue and increase in severity as the duration or extent of the pandemic increases. As a result, Realty Income Office Assets closely monitors the collectability of accounts receivable and continue to evaluate the potential impacts of the COVID-19 pandemic and the measures taken to limit its spread on the business and industry segments as the situation continues to evolve and more information becomes available. No rent concessions were granted

and no lease modifications were entered into during the year ended December 31, 2020, as a result of the COVID-19 pandemic; therefore, lease revenue continues to be recognized in accordance with the lease contracts in effect. As rent collections were unaffected by the COVID-19 pandemic for the years ended December 31, 2019 and 2018, there was no impact for those periods as well.

As of December 31, 2020, we do not have any client specific information that would change our assessment that collection of substantially all of the future lease payments under existing leases is probable. However, since the conversations regarding rent collections for clients affected by the COVID-19 pandemic are ongoing and Realty Income Office Assets does not currently know the types of future concessions, if any, that will ultimately be granted, there may be impacts in future periods that could change this assessment as the situation continues to evolve and as more information becomes available.

Cash, Cash Equivalents and Restricted Cash. Realty Income Office Assets has a cash management agreement with Realty Income Corporation. As a result, all receipts and payments for these properties are handled by Realty Income Corporation and the net cash activity is reflected as a net distribution to Realty Income Corporation, with no unrestricted cash presented for these assets. Restricted cash includes impounds and security deposits related to mortgages payable.

Allocation of the Purchase Price of Real Estate Acquisitions. The acquisitions qualify as asset acquisitions and the transaction costs associated with those acquisitions are capitalized. When acquiring a property for investment purposes, the cost of real estate acquired is typically allocated, inclusive of transaction costs, to: (1) land, (2) building and improvements, and (3) identified intangible assets and liabilities, based in each case on their relative estimated fair values. Intangible assets and liabilities consist of above-market or below-market lease value of in-place leases and the value of in-place leases, as applicable. In an acquisition of multiple properties, the purchase price must be allocated among the properties. The allocation of the purchase price is based on an assessment of estimated fair values of the land, building and improvements, and identified intangible assets and liabilities, and is often based upon various characteristics of the market where the property is located. In addition, any assumed mortgages are recorded at their estimated fair values. The estimated fair values of our mortgages payable have been calculated by discounting the future cash flows using applicable interest rates that have been adjusted for factors, such as industry type, client investment grade, maturity date, and comparable borrowings for similar assets. The use of different assumptions in the allocation of the purchase price of the acquired properties and liabilities assumed could affect the timing of recognition of the related revenue and expenses.

The values of the above-market and below-market leases are amortized over the term of the respective leases, including any bargain renewal options, as an adjustment to rental revenue on the combined statements of operations. The value of in-place leases, exclusive of the value of above-market and below-market in-place leases, is amortized to depreciation and amortization expense over the remaining periods of the respective leases. If a lease is terminated prior to its stated expiration, all unamortized amounts relating to that lease are recorded to revenue or expense as appropriate.

Depreciation and Amortization. Land, buildings and improvements are recorded and stated at cost. Major replacements and betterments, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives, while ordinary repairs and maintenance are expensed as incurred.

Properties are depreciated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Buildings	25 to 35 years
Building improvements	4 to 35 years
Equipment	5 to 25 years
Lease commissions and property improvements to accommodate the client's use	The shorter of the term of the related lease or useful life
Acquired in-place leases	Remaining terms of the respective leases

Amortization of Leasing Costs. Leasing costs paid to third parties are deferred and amortized using the straight-line method over the term of the respective lease.

Provisions for Impairment. Realty Income Office Assets reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If estimated future operating cash flows (undiscounted and without interest charges) plus estimated disposition proceeds (undiscounted) are less than the current book value of the property, a fair value analysis is performed and, to the extent the estimated fair value is less than the current book value, a provision for impairment is recorded to reduce the book value to estimated fair value. Key assumptions utilized in this analysis include projected rental rates, estimated holding periods, capital expenditures and property sales capitalization rates. If a property is classified as held for sale, it is carried at the lower of carrying cost or estimated fair value, less estimated cost to sell, and depreciation of the property ceases.

If a property was previously reclassified as held for sale, but the applicable criteria for this classification are no longer met, the property is reclassified to real estate held for investment. A property that is reclassified to held for investment is measured and recorded at the lower of (i) its carrying amount before the property was classified as held for sale, adjusted for any depreciation expense that would have been recognized had the property been continuously classified as held for investment, or (ii) the fair value at the date of the subsequent decision not to sell. There were no properties classified as held for sale at December 31, 2020 and 2019.

Use of Estimates. The combined financial statements were prepared in conformity with U.S. generally accepted accounting principles, or GAAP, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Newly Issued Accounting Standards. 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. Realty Income Office Assets is currently evaluating the impact that the expected market transition from LIBOR to alternative references rates will have on the financial statements as well as the applicability of the aforementioned expedients and exceptions provided in ASU 2020-04.

Recently Adopted Accounting Standards. In February 2016, the FASB issued ASU 2016-02 (Topic 842, *Leases*), which replaced Topic 840, *Leases*. Under this amended topic, the accounting applied by a lessor is largely unchanged from that applied under Topic 840, *Leases*. All of Realty Income Office Assets' leases remain classified as operating leases, and Realty Income Office Assets continues to recognize lease income on a generally straight-line basis over the lease term. Although primarily a lessor, Realty Income Office Assets is also a lessee under several ground lease arrangements. We adopted Topic 842, *Leases*, effective as of January 1, 2019, using the effective date method, and elected the practical expedients available for implementation under the standard for all classes of underlying assets. As a result, lease obligations for ground leases designated as operating and financing leases are recognized with corresponding right of use assets and liabilities (see note 4). Additionally, as a result of the adoption of this standard, contractually obligated reimbursements by our clients and property expenses are presented on a gross basis as both contractually obligated reimbursements by our clients included in rental revenue, and as a reimbursable expense included in property expenses, respectively, on our combined statements of operations. Property taxes and insurance paid directly by the lessee to a third party continue to be presented on a net basis. These presentation changes had no impact on our results of operations. As a result, there was no restatement of prior issued financial statements and, similarly, no cumulative effect adjustment to opening equity.

4. Supplemental Detail for Certain Components of Combined Balance Sheets (dollars in thousands):

A. Accounts Receivable consist of the following at:	December 31, 2020	December 31, 2019
Straight-line rent receivables	$ 7,043	$ 7,421
Rent receivables	670	844
Property tax receivables	365	903
	$ 8,078	$ 9,168

B. Lease intangible assets, net, consist of the following at:	December 31, 2020	December 31, 2019
In-place leases	$ 97,433	$ 103,559
Accumulated amortization of in-place leases	(71,633)	(69,857)
Above-market leases	10,046	10,046
Accumulated amortization of above-market leases	(7,166)	(6,367)
	$ 28,680	$ 37,381

C. Other assets, net, consist of the following at:	December 31, 2020	December 31, 2019
Right of use asset – financing leases	$ 5,573	$ 5,573
Impounds and security deposits related to mortgages payable (restricted cash)	3,915	3,719
Right of use asset – operating leases, net	2,057	2,077
Prepaid expenses	252	154
	$ 11,797	$ 11,523

D. Lease intangible liabilities, net, consist of the following at:	December 31, 2020	December 31, 2019
Below-market leases	$ 20,703	$ 20,839
Accumulated amortization of below-market leases	(13,482)	(11,971)
	$ 7,221	$ 8,868

5. Investments in Real Estate

We acquire land, buildings and improvements necessary for the successful operations of our commercial clients.

A. Acquisitions during 2020 and 2019

There were no acquisitions for the years ended December 31, 2020 and 2019.

B. Properties with Existing Leases

The value of the in-place and above-market leases is recorded to lease intangible assets, net on the combined balance sheets, and the value of the below-market leases is recorded to lease intangible liabilities, net on the combined balance sheets.

The values of the in-place leases are amortized as depreciation and amortization expense. The amounts amortized to expense for all in-place leases for 2020, 2019, and 2018 were $7.9 million, $8.7 million, and $10.1 million, respectively.

The values of the above-market and below-market leases are amortized over the term of the respective leases, including any bargain renewal options, as an adjustment to rental revenue on the combined statements of operations. The amounts amortized as a net increase to rental revenue for capitalized above-market and below-market leases for 2020, 2019, and 2018 were $849,000, $929,000, and $868,000, respectively. If a lease was to be terminated prior to its stated expiration, all unamortized amounts relating to that lease would be recorded to revenue or expense, as appropriate.

The following table presents the estimated impact during the next five years and thereafter related to the amortization of the above-market and below-market lease intangibles and the amortization of the in-place lease intangibles at December 31, 2020 (in thousands):

	Net increase to rental revenue	Increase to amortization expense
2021	$ 1,005	$ 6,258
2022	1,016	5,470
2023	851	3,944
2024	683	2,604
2025	107	1,759
Thereafter	679	5,765
Totals	$ 4,341	$ 25,800

6. Mortgages Payable

During 2020, Realty Income Corporation made $32.7 million in principal payments, including the repayment of three mortgages in full for $31.8 million on behalf of Realty Income Office Assets. During 2019, Realty Income Corporation made $968,000 in principal payments on behalf of Realty Income Office Assets. These repayments by Realty Income are presented as a reduction to Distributions to Realty Income Corporation, net on the combined statements of cash flows. No mortgages were assumed during 2019 or 2020. Assumed mortgages are secured by the properties on which the debt was placed and are considered non-recourse debt with limited customary exceptions for items such as solvency, bankruptcy, misrepresentation, fraud, misapplication of payments, environmental liabilities, failure to pay taxes, insurance premiums, liens on the property, violations of the single purpose entity requirements, and uninsured losses.

The mortgages for Realty Income Office Assets contain customary covenants, such as limiting the ability to further mortgage each applicable property or to discontinue insurance coverage without the prior consent of the lender. At December 31, 2020, Realty Income Office Assets was in compliance with these covenants.

The following summarizes our mortgages payable as of December 31, 2020 and 2019, respectively (dollars in thousands):

			December 31,	
Office Properties	Fixed Rate	Maturity Date	2020	2019
Tucson, AZ[1]	5.4%	7/1/2021	$14,040	$14,273
Columbus, OH	5.6%	6/1/2032	12,811	13,270
East Windsor, NJ[2]	4.9%	6/1/2022	9,625	9,625
Mount Pleasant, SC	5.6%	12/6/2020	—	13,800
Buffalo Grove, IL	5.1%	10/1/2020	—	9,608
East Syracuse, NY	5.2%	7/31/2020	—	8,578
Remaining principal balance			36,476	69,154
Unamortized premium, net			576	987
Total mortgages payable, net			**$37,052**	**$70,141**

(1) In April 2021, we repaid one mortgage in full for $14.0 million related to our property in Tucson, AZ. For subsequent events, see note 13.

(2) We intend to repay the mortgage related to our East Windsor, NJ property in full at maturity.

The aggregate annual maturities of mortgage notes payable at December 31, 2020 are as follows (dollars in thousands):

Year of Maturity	Amount
2021	$14,040
2022	9,625
Thereafter	12,811
Total principal maturities	36,476
Unamortized premium, net	576
Total mortgages payable, net	**$37,052**

7. Financial Instruments and Fair Value Measurements

Fair value is defined as the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The disclosure for assets and liabilities measured at fair value requires allocation to a three-level valuation hierarchy. This valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. Categorization within this hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Realty Income Office Assets believes that the carrying values reflected in the balance sheet reasonably approximate the fair values for accounts receivable, escrow deposits and all other liabilities, due to their short-term nature or interest rates and terms that are consistent with market, except for the mortgages payable assumed in connection with acquisitions, which are disclosed as follows (dollars in thousands):

At December 31, 2020	Carrying value	Estimated fair value
Mortgages payable assumed in connection with acquisitions[1]	$ 36,476	$ 37,095

At December 31, 2019	Carrying value	Estimated fair value
Mortgages payable assumed in connection with acquisitions[1]	$ 69,154	$ 72,135

(1) Excludes non-cash net premiums recorded on the mortgages payable. The unamortized balance of these net premiums is $576,000 at December 31, 2020, and $987,000 at December 31, 2019.

The estimated fair values of the mortgages payable assumed in connection with acquisitions have been calculated by discounting the future cash flows using an interest rate based upon the relevant forward interest rate curve, plus an applicable credit-adjusted spread. Because this methodology includes unobservable inputs that reflect internal assumptions and calculations, the measurement of estimated fair values related to the mortgages payable is categorized as level three on the three-level valuation hierarchy.

8. Operating Leases

A. At December 31, 2020, Realty Income Office Assets owned 40 single-client office properties in the U.S. At December 31, 2020, two properties were available for lease.

Substantially all leases are net leases where clients pay or reimburse for property taxes and assessments, maintain the interior and exterior of the building and leased premises, and carry insurance coverage for public liability, property damage, fire and extended coverage.

At December 31, 2020, minimum future annual rents to be received on the operating leases for the next five years and thereafter are as follows (dollars in thousands):

2021	$ 45,582
2022	40,042
2023	30,546
2024	21,438
2025	16,236
Thereafter	52,485
Totals	$206,329

B. Major Clients — Three clients' rental revenue individually represented 17.2%, 12.3% and 11.2% of our total revenue for the year ended December 31, 2020.

Three clients' rental revenue individually represented 15.7%, 13.0% and 10.2% of our total revenue for the year ended December 31, 2019.

Two client's rental revenue represented 14.4% and 14.0% of our total revenue for the year ended December 31, 2018.

If the clients with rental revenue representing more than 10% of our total revenue early terminate or become insolvent, and Realty Income Office Assets is unable to re-lease the properties at terms that are advantageous, there may be adverse impacts to the combined financial statements.

9. Impairments

During 2020, we identified the impact of the COVID-19 pandemic as an impairment triggering event. After considering the key assumptions noted above, we did not identify any carrying values of properties impacted by the COVID-19 pandemic for the year ended December 31, 2020.

During 2020, Realty Income Office Assets analyzed a unique triggering event related to one office property in the Other Manufacturing industry that had a near term lease expiration, combined with a mortgage obligation. 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, a provision for impairment of $18,671,000 was recorded for the year ended December 31, 2020. The fair value measurement for this property was determined by applying a $90 per square foot sales price based on market comparable sales provided by a third party. This input is categorized as level two on the three-level valuation hierarchy. There were no provisions for impairment recorded during the years ended December 31, 2019 and 2018.

10. Supplemental Disclosures of Cash Flow Information

Cash paid for interest was $3,479,000 in 2020, $3,755,000 in 2019 and $3,806,000 in 2018. The following non-cash activities are included in the accompanying combined financial statements:

As a result of the adoption of Accounting Standards Codifications Topic 842, *Leases*, on January 1, 2019, we recorded $1.1 million of lease liabilities and related right of use assets as lessee under operating leases.

Per the requirements of ASU 2016-18 (Topic 230, *Statement of Cash Flows*) the following table provides a reconciliation of cash and cash equivalents reported within the combined balance sheets to the total of the cash, cash equivalents and restricted cash reported within the combined statements of cash flows (dollars in thousands):

	December 31, 2020	December 31, 2019
Security deposits related to mortgages payable[1]	$ 531	$ 531
Impounds related to mortgages payable[1]	3,384	3,188
Total restricted cash shown in the combined statements of cash flows	$ 3,915	$ 3,719

(1) Included within other assets, net on the combined balance sheets (see note 4). These amounts consist of cash that we are legally entitled to, but that is not immediately available to us. As a result, these amounts were considered restricted as of the dates presented.

11. Segment Information

Realty Income Office Assets evaluates performance and makes resource allocation decisions on an industry-by-industry basis. For financial reporting purposes, clients are organized into 12 activity segments. All properties are incorporated into one of the applicable segments. All segments listed below are located within the U.S. Because substantially all leases require clients to pay or reimburse for operating expenses, rental revenue is the only component of segment profit and loss measured.

The following tables set forth certain information regarding the properties owned by Realty Income Office Assets, classified according to the business of the respective clients (dollars in thousands):

Assets, as of December 31:	2020	2019
Segment net real estate:		
Aerospace	$ 15,406	$ 15,967
Diversified Industrial	28,465	29,332
Drug Stores	71,787	73,578
Financial Services	56,077	58,152
Food Processing	12,133	12,686
General Merchandise	19,999	20,593
Government Services	94,960	98,230
Health Care	75,795	78,630
Insurance	4,844	5,098
Other Manufacturing	21,337	41,091
Telecommunications	37,427	39,197
Transportation Services	59,646	61,576
Total segment net real estate	497,876	534,130
Intangible assets:		
Aerospace	2,348	2,556
Diversified Industrial	2,344	3,034
Financial Services	2,166	2,798
Food Processing	1,658	2,203
General Merchandise	3,701	4,692
Government Services	5,452	7,132
Health Care	3,666	4,037
Insurance	199	321
Other Manufacturing	1,889	2,919
Telecommunications	1,794	3,416
Transportation Services	3,463	4,273
Other corporate assets	18,798	19,659
Total assets	$545,354	$591,170

Revenue for the years ended December 31,	2020	2019	2018
Segment rental revenue:			
Aerospace	$ 2,161	$ 2,157	$ 2,148
Diversified Industrial	2,800	2,789	2,748
Drug Stores	5,842	5,842	5,842
Financial Services	5,256	5,292	5,240
Food Processing	1,773	1,773	1,771
General Merchandise	2,858	2,808	2,903
Government Services	9,618	9,703	10,509
Health Care	7,304	6,965	7,407
Insurance	712	713	710

Revenue for the years ended December 31,	2020	2019	2018
Other Manufacturing	5,005	5,284	5,269
Telecommunications	5,385	5,379	5,357
Transportation Services	4,760	4,760	4,760
Total rental revenue (including reimbursable)	$53,474	$53,465	$54,664

12. Commitments and Contingencies

In the ordinary course of business, Realty Income Office Assets is party to various legal actions which are believed to be routine in nature and incidental to the operation of the business. Realty Income Office Assets believes that the outcome of the proceedings will not have a material adverse effect upon the combined financial position or results of operations.

Realty Income Office Assets has certain properties that are subject to ground leases, which are accounted for as operating leases.

At December 31, 2020, minimum future rental payments for the next five years and thereafter are as follows (dollars in thousands):

	Ground Leases Paid by Realty Income Office Assets[1]
2021	$ 107
2022	111
2023	113
2024	113
2025	113
Thereafter	3,432
Total	$ 3,989
Present value adjustment for remaining lease payments[2]	(1,887)
Lease liability – operating leases, net[3]	$ 2,102

(1) Realty Income Office Assets currently pays the ground lessors directly for the rent under the ground leases.

(2) The range of discount rates used to calculate the present value of lease payments is 4.33% to 5.37%. At December 31, 2020, the weighted average discount rate is 4.34% and the weighted average remaining lease term is 31.4 years. The discount rates are derived using a hypothetical corporate credit curve for the ground leases based on our outstanding senior notes and relevant market data. The discount rates are specific for individual leases primarily based on the lease term.

(3) Lease liability — operating leases, net is included in Other liabilities on the combined balance sheets.

13. Subsequent Events

In April 2021, Realty Income Corporation repaid one mortgage in full for $14.0 million on behalf of Realty Income Office Assets related to its property in Tucson, Arizona.

REALTY INCOME OFFICE ASSETS
SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION
AS OF DECEMBER 31, 2020

			Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 4, 5, and 6)						
Description (Note 1)	State	Encumbrances (Note 2)	Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total	Accumulated Depreciation (Note 5)	Date of Construction	Date Acquired	Life on which depreciation in latest Income Statement is Computed (in Months)
Aerospace													
Columbus	OH	$12,811,485	$ —	$ 19,637,318	$ —	$ —	$ —	$ 19,637,318	$19,637,318	$4,231,375	2012	06/19/2013	420.00
Diversified Industrial													
Cedar Rapids	IA	—	1,000,000	12,981,440	—	—	1,000,000	12,981,440	13,981,440	2,673,558	2013	10/10/2013	420.00
Buffalo Grove	IL	—	3,130,000	17,353,386	—	—	3,130,000	17,353,386	20,483,386	3,326,066	1989	04/01/2014	420.00
Drug Stores													
Deerfield	IL	—	4,092,687	11,511,770	—	—	4,092,687	11,511,770	15,604,457	2,425,694	1984	08/27/2013	420.00
Deerfield	IL	—	4,261,874	11,987,653	—	—	4,261,874	11,987,653	16,249,527	2,525,970	1984	08/27/2013	420.00
Deerfield	IL	—	4,082,432	11,482,923	—	—	4,082,432	11,482,923	15,565,355	2,419,616	1984	08/27/2013	420.00
Deerfield	IL	—	4,089,453	11,502,673	—	—	4,089,453	11,502,673	15,592,126	2,423,778	1984	08/27/2013	420.00
Deerfield	IL	—	2,586,157	7,274,253	—	—	2,586,157	7,274,253	9,860,410	1,532,789	1976	08/27/2013	420.00
Deerfield	IL	—	3,180,926	8,947,200	—	—	3,180,926	8,947,200	12,128,126	1,885,303	1976	08/27/2013	420.00
Food Processing													
St. Charles	MO	—	3,675,034	13,827,581	—	—	3,675,034	13,827,581	17,502,615	5,369,711	1993	04/01/2011	300.00
Financial Services													
Dublin	OH	—	2,399,969	17,044,099	—	—	2,399,969	17,044,099	19,444,068	6,675,605	1992	03/31/2011	300.00
Harleysville	PA	—	1,486,141	16,590,526	—	—	1,486,141	16,590,526	18,076,667	5,281,317	1929	01/22/2013	300.00
Mount Pleasant	SC	—	10,803,051	25,511,279	—	—	10,803,051	25,511,279	36,314,330	5,800,779	2003	01/22/2013	420.00
General Merchandise													
Providence	RI	—	2,550,000	21,717,123	62,103	—	2,550,000	21,779,226	24,329,226	4,329,781	1985	01/31/2014	419.34
Government Services													
Sierra Vista	AZ	—	368,655	9,028,151	310,031	—	368,655	9,338,182	9,706,837	2,203,567	2001	01/22/2013	411.85
El Centro	CA	—	520,000	2,185,899	—	—	520,000	2,185,899	2,705,899	987,298	2009	09/17/2009	300.00
Redding	CA	—	675,805	20,005,327	547,639	—	675,805	20,552,966	21,228,771	4,827,996	2003	01/22/2013	415.40
New Port Richey	FL	—	779,626	9,708,313	402,560	—	779,626	10,110,873	10,890,499	2,441,511	2000	01/22/2013	413.23
Sioux City	IA	—	77,340	4,538,558	222,525	—	77,340	4,761,083	4,838,423	1,093,978	2011	01/22/2013	410.09

Description (Note 1)	State	Encumbrances (Note 2)	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 4, 5, and 6)			Accumulated Depreciation (Note 5)	Date of Construction	Date Acquired	Life on which depreciation in latest Income Statement is Computed (in Months)
			Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total				
Caldwell	ID	—	666,412	2,891,593	37,455	—	666,412	2,929,048	3,595,460	686,287	2011	01/22/2013	416.27
Minneapolis	MN	—	1,045,866	8,587,804	—	—	1,045,866	8,587,804	9,633,670	1,952,703	2005	01/22/2013	420.00
Malone	NY	—	823,630	9,270,887	214,826	—	823,630	9,485,713	10,309,343	2,212,405	2011	01/22/2013	413.08
Knoxville	TN	—	760,745	8,994,542	47,114	—	760,745	9,041,656	9,802,401	2,065,192	2011	01/22/2013	418.76
Brownsville	TX	—	320,661	6,564,200	238,991	—	320,661	6,803,191	7,123,852	1,543,848	2008	01/22/2013	408.86
Dallas	TX	—	399,222	9,540,572	207,303	—	399,222	9,747,875	10,147,097	2,216,436	2011	01/22/2013	413.96
Eagle Pass	TX	—	146,259	1,880,445	205,291	—	146,259	2,085,735	2,231,994	578,090	2002	01/22/2013	399.84
Eagle Pass	TX	—	68,097	708,427	103,279	—	68,097	811,706	879,803	238,481	2002	01/22/2013	400.33
Paris	TX	—	274,223	5,385,490	5,965	—	274,223	5,391,455	5,665,678	1,227,761	2010	01/22/2013	419.76
Parkersburg	WV	—	494,436	12,709,811	191,033	—	494,436	12,900,844	13,395,280	2,919,677	2009	01/22/2013	416.29
Health Care													
St. Louis	MO	—	—	38,694,147	104,431	1,008,831	—	39,807,409	39,807,409	9,056,066	2009	01/22/2013	411.50
Bedford	TX	—	1,607,524	56,219,108	—	—	1,607,524	56,219,108	57,826,632	12,783,154	2010	01/22/2013	420.00
Insurance													
Cedar Falls	IA	—	634,343	6,331,030	—	—	634,343	6,331,030	6,965,373	2,120,895	2012	08/28/2012	300.00
Other Manufacturing													
Tucson	AZ	14,039,607	3,799,899	6,341,660	212,185	—	3,799,899	6,553,845	10,353,744	123,609	1999	01/22/2013	418.21
East Windsor	NJ	9,625,000	240,000	13,307,041	139,433	—	240,000	13,446,474	13,686,474	2,579,614	2008	04/30/2014	417.91
Telecommunications													
Augusta	GA	—	—	11,128,077	—	148	—	11,128,225	11,128,225	4,321,551	2007	04/01/2011	300.00
East Syracuse	NY	—	880,000	15,816,613	—	—	880,000	15,816,613	16,696,613	3,031,518	2000	04/30/2014	420.00
Salem	OR	—	1,721,686	9,387,216	687,054	58	1,721,686	10,074,328	11,796,014	3,658,062	2000	06/22/2011	295.88
Brownsville	TX	—	1,740,479	11,570,294	—	147	1,740,479	11,570,441	13,310,920	4,493,278	2007	04/01/2011	300.00
Transportation Services													
Uniontown	OH	—	2,237,958	53,040,112	74,271	—	2,237,958	53,114,383	55,352,341	12,061,704	2003	01/22/2013	419.75
Memphis	TN	—	3,570,000	16,398,303	202,533	—	3,570,000	16,600,836	20,170,836	3,816,483	1999	02/27/2013	416.34
	Total	**$36,476,092**	**$71,190,590**	**$557,602,844**	**$4,216,022**	**$1,009,184**	**$71,190,590**	**$562,828,049**	**$634,018,639**	**$136,142,506**			

REALTY INCOME OFFICE ASSETS
SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

Note 1. Realty Income Office Assets owns 40 single-tenant office properties in the United States.

Note 2. Includes mortgages payable secured by 3 properties, but excludes unamortized net debt premiums of $576,000.

Note 3. The aggregate cost for federal income tax purposes for Realty Income Office Assets is $590,614,251.

Note 4. The following is a reconciliation of total real estate carrying value for the years ended December 31:

	2020	2019	2018
Balance at Beginning of Period	$659,441,004	$664,548,037	$662,085,681
Additions During Period:			
Improvements, etc.	456,858	466,229	2,462,356
Total Additions	456,858	466,229	2,462,356
Deductions During Period:			
Cost of Real Estate sold or disposed of	119,343	—	—
Other[(1)]	25,759,880	5,573,262	—
Total Deductions	25,879,223	5,573,262	—
Balance at Close of Period	$634,018,639	$659,441,004	$664,548,037

Note 5. The following is a reconciliation of accumulated depreciation for the years ended:

Balance at Beginning of Period	$125,310,604	$107,080,903	$ 89,141,177
Additions During Period – Provision for Depreciation	18,040,122	18,229,701	17,939,725
Deductions During Period:			
Accumulated depreciation of real estate sold or disposed of	119,343	—	—
Other[(1)]	7,088,877	—	—
Total Deductions	7,208,220	—	—
Balance at Close of Period	$136,142,506	$125,310,604	$107,080,902

(1) Includes provision for impairment of $18.67 million (net) in 2020 and reclassification of $5.57 million of right of use assets under finance leases in accordance with the adoption of ASC 842, Leases, on January 1, 2019.

Note 6. In 2020, a provision for impairment was recorded on one office property.

In 2019 and 2018, no provisions for impairment were recorded.

REALTY INCOME OFFICE ASSETS

COMBINED BALANCE SHEETS

(in thousands)

	June 30, 2021	December 31, 2020
	(unaudited)	
ASSETS		
Real estate held for investment, at cost		
Land	$ 71,191	$ 71,191
Buildings and improvements	562,904	562,828
Total real estate held for investment, at cost	634,095	634,019
Less accumulated depreciation and amortization	(144,865)	(136,143)
Real estate held for investment, net	489,230	497,876
Accounts receivable, net	7,948	8,078
Lease intangible assets, net	25,147	28,680
Other assets, net	8,702	11,797
Total Assets	$ 531,027	$ 546,431
LIABILITIES AND EQUITY		
Accounts payable and accrued expenses	$ 1,594	$ 848
Lease intangible liabilities, net	6,406	7,221
Other liabilities	4,706	4,192
Mortgages payable, net	22,732	37,052
Total liabilities	$ 35,438	$ 49,313
Equity	$ 495,589	$ 497,118
Total liabilities and equity	$ 531,027	$ 546,431

The accompanying notes to combined financial statements are an integral part of these statements.

REALTY INCOME OFFICE ASSETS

COMBINED STATEMENTS OF OPERATIONS

(in thousands)

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
REVENUE				
Rental revenue (including reimbursable)	$12,587	$13,443	$25,615	$26,919
EXPENSES				
Depreciation and amortization	5,955	6,549	11,943	13,143
Property (including reimbursable)	1,483	1,418	2,951	2,967
General and administrative	515	470	1,071	1,094
Interest	338	815	803	1,634
TOTAL EXPENSES	8,291	9,252	16,768	18,838
TOTAL NET INCOME	$ 4,296	$ 4,191	$ 8,847	$ 8,081

The accompanying notes to combined financial statements are an integral part of these statements.

REALTY INCOME OFFICE ASSETS

COMBINED STATEMENTS OF EQUITY
(dollars in thousands)

Three Months Ended June 30, 2021 and 2020

	Equity
Balance, March 31, 2021	$487,547
Net income	4,296
Contributions from Realty Income Corporation, net	3,746
Balance, June 30, 2021	$495,589

	Equity
Balance, March 31, 2020	$500,339
Net income	4,191
Distributions to Realty Income Corporation, net	(9,183)
Balance, June 30, 2020	$495,347

Six Months Ended June 30, 2021 and 2020

	Equity
Balance, December 31, 2020	$497,118
Net income	8,847
Distributions to Realty Income Corporation, net	(10,376)
Balance, June 30, 2021	$495,589

	Equity
Balance, December 31, 2019	$508,006
Net income	8,081
Distributions to Realty Income Corporation, net	(20,740)
Balance, June 30, 2020	$495,347

The accompanying notes to combined financial statements are an integral part of these statements.

REALTY INCOME OFFICE ASSETS

COMBINED STATEMENTS OF CASH FLOWS
(dollars in thousands)

	Six months ended June 30, 2021	Six months ended June 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 8,847	$ 8,081
Adjustments to net income:		
Depreciation and amortization	11,943	13,143
Non-cash revenue adjustments	(471)	(230)
Amortization of net premiums on mortgages payable	(41)	(218)
Change in assets and liabilities		
Accounts receivable and other assets	(166)	(124)
Accounts payable, accrued expenses and other liabilities	1,236	1,304
Net cash provided by operating activities	21,348	21,956
Net cash used in investing activities – additions to PP&E	(77)	(309)
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions to Realty Income Corporation, net	(10,376)	(20,740)
Principal payments on mortgages payable	(14,279)	(483)
Net cash used in financing activities	(24,655)	(21,223)
Net increase (decrease) in restricted cash	(3,384)	424
Restricted cash, beginning of period	3,915	3,719
Restricted cash, end of period	$ 531	$ 4,143

For supplemental disclosures, see note 8.

The accompanying notes to combined financial statements are an integral part of these statements.

REALTY INCOME OFFICE ASSETS

NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2021
(unaudited)

1. ORGANIZATION

On April 29, 2021, Realty Income Corporation, entered into an Agreement and Plan of Merger, or the Merger Agreement, with VEREIT, Inc., or VEREIT, its operating partnership, VEREIT Operating Partnership, L.P., or VEREIT OP, and two newly formed wholly owned subsidiaries of Realty Income Corporation. Pursuant to the terms of the Merger Agreement, (i) one of the newly formed subsidiaries of Realty Income Corporation will merge with and into VEREIT OP, with VEREIT OP as the surviving entity, and (ii) immediately thereafter, VEREIT will merge with and into the other newly formed subsidiary of Realty Income Corporation, with Realty Income Corporation's subsidiary as the surviving corporation. These transactions, collectively, are referred to as the Mergers.

In connection with the Mergers, Realty Income Corporation and VEREIT intend to contribute some or all of their office real properties to a newly formed, wholly owned subsidiary of Realty Income Corporation, which is referred to as Orion, and following the Mergers, distribute the outstanding voting shares of common stock in Orion to the combined shareholders on a pro rata basis, which is referred to as the Distribution. Following the consummation of the Distribution, Realty Income Corporation and VEREIT intend for Orion to operate as a separate, publicly-traded Real Estate Investment Trust (REIT), which is comprised of Realty Income Office Assets and VEREIT Office Assets. Realty Income Office Assets includes the combined accounts related to the office properties of Realty Income Corporation, currently operated by subsidiaries of Realty Income Corporation and contain certain corporate costs. VEREIT Office Properties includes the combined accounts related to the office properties of VEREIT, currently operated through subsidiaries of VEREIT, and contain certain corporate costs. Subject to the terms and conditions of the Merger Agreement, Realty Income Corporation and VEREIT may also seek to sell some or all of the Orion business in connection with the closing of the Mergers.

Realty Income Office Assets owns 40 properties, located in 19 U.S. states, containing approximately 3.0 million leasable square feet. As of June 30, 2021, Realty Income Office Assets has not conducted any business as a separate company and has no other material assets or liabilities. On March 11, 2020, the World Health Organization announced that a new strain of coronavirus ("COVID 19") was reported worldwide, resulting in COVID 19 being declared a pandemic, and on March 13, 2020 the U.S. President announced a National Emergency relating to the disease. There has been a widespread infection in the United States and abroad, with national, state and local authorities imposing social distancing, quarantine and self isolation measures. The outbreak has had a continued adverse impact on economic and market conditions and triggered a period of global economic slowdown. The impact may continue and increase in severity as the duration or extent of the pandemic, and any related variants, increases. As a result, Realty Income Office Assets continues to evaluate the potential impacts of the COVID-19 pandemic, any related variants, and the measures taken to limit the spread on the business and industry segments as the situation continues to evolve and more information becomes available.

No rent concessions were granted and no lease modifications were entered into during the six months ended June 30, 2021 and 2020, respectively, as a result of the COVID-19 pandemic; therefore, lease revenue continues to be recognized in accordance with the lease contracts in effect.

2. BASIS OF PRESENTATION AND COMBINATION

The accompanying combined financial statements include the accounts of Realty Income Office Assets presented on a combined basis as the ownership interests are currently under common control and ownership of Realty Income Corporation. All intercompany balances and transactions have been eliminated.

These combined financial statements were derived from the books and records of Realty Income Corporation, were carved out from Realty Income Corporation at a carrying value reflective of such historical cost in such Realty Income Corporation records, and include all adjustments (consisting of only normal

recurring accruals) necessary to present a fair statement of results for the interim periods presented. Realty Income 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 Realty Income Office Assets were based on actual costs incurred, except for General and administrative expenses which were allocated as a proportion of costs estimated to be applicable to this entity based on Realty Income Office Assets pro rata share of Realty Income Corporation's total rental revenue. The expenses allocated for the six months ended June 30, 2021 and 2020, were $1.1 million and $1.1 million respectively. The historical combined 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 our future performance as an independent, stand-alone company.

Readers of this quarterly report should refer to our audited combined financial statements for the year ended December 31, 2020, as certain disclosures that would substantially duplicate those contained in the audited financial statements have not been included in this report. Unless otherwise indicated, all dollar amounts are expressed in United States (U.S.) dollars.

3. SUPPLEMENTAL DETAIL FOR CERTAIN COMPONENTS OF COMBINED BALANCE SHEETS

(dollars in thousands):

	June 30, 2021	December 31, 2020
A. Accounts Receivable consist of the following at:		
Straight-line rent receivables	$ 7,045	$ 7,043
Rent receivables	504	670
Property tax receivables	399	365
	$ 7,948	$ 8,078

	June 30, 2021	December 31, 2020
B. Lease intangible assets, net, consist of the following at:		
In-place leases	$ 76,904	$ 97,433
Accumulated amortization of in-place leases	(54,325)	(71,633)
Above-market leases	8,337	10,046
Accumulated amortization of above-market leases	(5,769)	(7,166)
	$ 25,147	$ 28,680

	June 30, 2021	December 31, 2020
C. Other assets, net, consist of the following at:		
Right of use asset – financing leases	$ 5,573	$ 5,573
Right of use asset – operating leases, net	2,048	2,057
Impounds and security deposits related to mortgages payable (restricted cash)	531	3,915
Prepaid expenses	550	252
	$ 8,702	$ 11,797

REALTY INCOME OFFICE ASSETS
NOTES TO COMBINED FINANCIAL STATEMENTS
June 30, 2021
(unaudited)

	June 30, 2021	December 31, 2020
D. Lease intangible liabilities, net, consist of the following at:		
Below-market leases	$ 19,616	$ 20,703
Accumulated amortization of below-market leases	(13,210)	(13,482)
	$ 6,406	$ 7,221

4. INVESTMENTS IN REAL ESTATE

We acquire land, buildings and improvements necessary for the successful operations of our commercial clients.

A. *Acquisitions during the First Six Months of 2021 and 2020*

There were no acquisitions for the six months ended June 30, 2021 and 2020.

B. *Properties with Existing Leases*

The value of the in-place and above-market leases is recorded to lease intangible assets, net on the combined balance sheets, and the value of the below-market leases is recorded to lease intangible liabilities, net on the combined balance sheets.

The values of the in-place leases are amortized as depreciation and amortization expense. The amounts amortized to expense for all in-place leases for the six months ended June 30, 2021 and 2020 were $3.2 million and $4.0 million, respectively.

The values of the above-market and below-market leases are amortized over the term of the respective leases, including any bargain renewal options, as an adjustment to rental revenue on the combined statements of operations. The amounts amortized as a net increase to rental revenue for capitalized above-market and below-market leases for the six months ended June 30 2021 and 2020 were $502,000 and $422,000, respectively. If a lease was to be terminated prior to its stated expiration, all unamortized amounts relating to that lease would be recorded to revenue or expense, as appropriate.

The following table presents the estimated impact during the next five years and thereafter related to the amortization of the above-market and below-market lease intangibles and the amortization of the in-place lease intangibles at June 30, 2021 (in thousands)**:**

	Net increase to rental revenue	Increase to amortization expense
2021	$ 502	$ 3,037
2022	1,016	5,470
2023	851	3,944
2024	683	2,604
2025	107	1,759
Thereafter	679	5,765
Totals	$ 3,838	$ 22,579

5. MORTGAGES PAYABLE

During the first six months of 2021, Realty Income Corporation made $14.3 million in principal payments, including the repayment of one mortgage in full for $14.0 million on behalf of Realty Income

REALTY INCOME OFFICE ASSETS
NOTES TO COMBINED FINANCIAL STATEMENTS
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(unaudited)

Office Assets. During the first six months of 2020, Realty Income Corporation made $483,000 in principal payments on behalf of Realty Income Office Assets. These repayments by Realty Income are presented as a reduction to Distributions to Realty Income Corporation, net on the combined statements of cash flows. No mortgages were assumed during the first six months of 2021 or 2020. Assumed mortgages are secured by the properties on which the debt was placed and are considered non-recourse debt with limited customary exceptions which vary from loan to loan.

The mortgages for Realty Income Office Assets contain customary covenants, such as limiting the ability to further mortgage each applicable property or to discontinue insurance coverage without the prior consent of the lender. At June 30, 2021, Realty Income Office Assets was in compliance with these covenants.

The following summarizes our mortgages payable as of June 30, 2021 and December 31, 2020, respectively (dollars in thousands):

Office Properties	Fixed Rate	Maturity Date	June 30, 2021	December 31, 2020
Columbus, OH	5.6%	6/1/2032	$12,572	$ 12,811
East Windsor, NJ[1]	4.9%	6/1/2022	9,625	9,625
Tucson, AZ[2]	5.4%	7/1/2021	—	14,040
Remaining principal balance			22,197	36,476
Unamortized premium, net			535	576
Total mortgages payable, net			$22,732	$ 37,052

(1) We intend to repay the mortgage related to our East Windsor, NJ property in full at maturity.

(2) In April 2021, we repaid one mortgage in full for $14.0 million related to our property in Tucson, AZ.

The aggregate annual maturities of mortgage notes payable at June 30, 2021 are as follows (dollars in thousands):

Year of Maturity	Amount
2021	$ 246
2022	10,138
2023	543
2024	574
2025	607
Thereafter	10,089
Total principal maturities	22,197
Unamortized premium, net	535
Total mortgages payable, net	$22,732

6. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The disclosure for assets and liabilities measured at fair value requires allocation to a three-level valuation hierarchy. This valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. Categorization within this hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

REALTY INCOME OFFICE ASSETS

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Realty Income Office Assets believes that the carrying values reflected in the balance sheet reasonably approximate the fair values for accounts receivable, escrow deposits and all other liabilities, due to their short-term nature or interest rates and terms that are consistent with market, except for the mortgages payable assumed in connection with acquisitions, which are disclosed as follows (dollars in thousands):

At June 30, 2021	Carrying value	Estimated fair value
Mortgages payable assumed in connection with acquisitions[1]	$22,197	$ 23,304

At December 31, 2020	Carrying value	Estimated fair value
Mortgages payable assumed in connection with acquisitions[1]	$36,476	$ 37,095

(1) Excludes non-cash net premiums recorded on the mortgages payable. The unamortized balance of these net premiums is $535,000 at June 30, 2021, and $576,000 at December 31, 2020.

The estimated fair values of the mortgages payable assumed in connection with acquisitions have been calculated by discounting the future cash flows using an interest rate based upon the relevant forward interest rate curve, plus an applicable credit-adjusted spread. Because this methodology includes unobservable inputs that reflect internal assumptions and calculations, the measurement of estimated fair values related to the mortgages payable is categorized as level three on the three-level valuation hierarchy.

7. OPERATING LEASES

A. At June 30, 2021, Realty Income Office Assets owned 40 single-client office properties in the U.S. At June 30, 2021, three properties were available for lease.

Substantially all leases are net leases where clients pay or reimburse for property taxes and assessments, maintain the interior and exterior of the building and leased premises, and carry insurance coverage for public liability, property damage, fire and extended coverage.

B. Major Clients — Two clients' rental revenue individually represented 18.4% and 11.9% of our total revenue for the six months ended June 30, 2021 and rental revenue individually represented 16.8% and 11.5% of our total revenue for the six months ended June 30, 2020.

If the clients with rental revenue representing more than 10% of our total revenue early terminate or become insolvent, and Realty Income Office Assets is unable to re-lease the properties at terms that are advantageous, there may be adverse impacts to the combined financial statements.

8. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid for interest was $846,000 for the first six months of 2021 and $1.8 million for the first six months of 2020.

Per the requirements of ASU 2016-18 (Topic 230, *Statement of Cash Flows*) the following table provides a reconciliation of cash and cash equivalents reported within the combined balance sheets to the total of the cash, cash equivalents and restricted cash reported within the combined statements of cash flows (dollars in thousands):

	June 30, 2021	June 30, 2020
Security deposits related to mortgages payable[1]	$ 531	$ 531
Impounds related to mortgages payable[1]	—	3,612
Total restricted cash shown in the combined statements of cash flows	$ 531	$ 4,143

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(1) Included within other assets, net on the combined balance sheets (see note 3). These amounts consist of cash that we are legally entitled to, but that is not immediately available to us. As a result, these amounts were considered restricted as of the dates presented.

9. SEGMENT INFORMATION

Realty Income Office Assets evaluates performance and makes resource allocation decisions on an industry-by-industry basis. For financial reporting purposes, clients are organized into 12 activity segments. All properties are incorporated into one of the applicable segments. All segments listed below are located within the U.S. Because substantially all leases require clients to pay or reimburse for operating expenses, rental revenue is the only component of segment profit and loss measured.

The following tables set forth certain information regarding the properties owned by Realty Income Office Assets, classified according to the business of the respective clients (dollars in thousands):

Assets, as of:	June 30, 2021	December 31, 2020
Segment net real estate:		
Aerospace	$ 15,125	$ 15,406
Diversified Industrial	28,032	28,465
Drug Stores	70,891	71,787
Financial Services	55,040	56,077
Food Processing	11,856	12,133
General Merchandise	19,687	19,999
Government Services	93,279	94,960
Health Care	74,377	75,795
Insurance	4,718	4,844
Other Manufacturing	21,036	21,337
Telecommunications	36,542	37,427
Transportation Services	58,646	59,646
Total segment net real estate	489,230	497,876
Intangible assets:		
Aerospace	2,244	2,348
Diversified Industrial	2,000	2,344
Financial Services	1,850	2,166
Food Processing	1,385	1,658
General Merchandise	3,205	3,701
Government Services	4,761	5,452
Health Care	3,480	3,666
Insurance	138	199
Other Manufacturing	1,743	1,889
Telecommunications	1,282	1,794
Transportation Services	3,058	3,463
Other corporate assets	16,650	19,875
Total assets	$531,027	$ 546,431

REALTY INCOME OFFICE ASSETS

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(unaudited)

	Three months ended June 30,		Six months ended June 30,	
Revenue	**2021**	**2020**	**2021**	**2020**
Segment rental revenue:				
Aerospace	$ 547	$ 543	$ 1,090	$ 1,083
Diversified Industrial	708	704	1,410	1,405
Drug Stores	1,461	1,461	2,921	2,921
Financial Services	1,326	1,313	2,649	2,624
Food Processing	438	438	876	876
General Merchandise	714	714	1,429	1,430
Government Services	2,329	2,422	5,080	4,838
Health Care	1,818	1,843	3,645	3,706
Insurance	178	178	356	356
Other Manufacturing	494	1,288	1,009	2,609
Telecommunications	1,383	1,349	2,769	2,690
Transportation Services	1,191	1,190	2,381	2,381
Total rental revenue (including reimbursable)	$12,587	$13,443	$25,615	$26,919

10. COMMITMENTS AND CONTINGENCIES

In the ordinary course of business, Realty Income Office Assets is party to various legal actions which are believed to be routine in nature and incidental to the operation of the business. Realty Income Office Assets believes that the outcome of the proceedings will not have a material adverse effect upon the combined financial position or results of operations.

Realty Income Office Assets has certain properties that are subject to ground leases, which are accounted for as operating leases.

At June 30, 2021, we had commitments of $452,000 for nonrecurring building improvements.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of VEREIT, 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 December 31, 2020 and 2019, the related combined and consolidated statements of operations, equity and cash flows, for each of the three years in the period ended December 31, 2020, and the related notes and schedule listed in the Index on Page F-1 (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 December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three 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
September 14, 2021

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

VEREIT OFFICE ASSETS

COMBINED AND CONSOLIDATED BALANCE SHEETS
(in thousands)

	December 31, 2020	December 31, 2019
ASSETS		
Real estate investments, at cost:		
Land	$ 167,658	$ 179,448
Buildings, fixtures and improvements	1,340,258	1,469,988
Intangible lease assets	192,291	213,919
Total real estate investments, at cost	1,700,207	1,863,355
Less: accumulated depreciation and amortization	504,192	488,215
Total real estate investments, net	1,196,015	1,375,140
Operating lease right-of-use assets	5,403	5,451
Investment in unconsolidated joint venture	13,434	—
Cash and cash equivalents	400	190
Restricted cash	3,014	2,701
Rent and tenant receivables and other assets, net	34,964	46,412
Goodwill	159,129	159,129
Total assets	$ 1,412,359	$ 1,589,023
LIABILITIES AND EQUITY		
Mortgage notes payable, net	$ 217,588	$ 243,939
Below-market lease liabilities, net	7,188	9,389
Accounts payable and accrued expenses	12,632	10,455
Deferred rent and other liabilities	8,114	9,660
Operating lease liabilities	5,403	5,451
Total liabilities	250,925	278,894
Commitments and contingencies (Note 4)		
Net parent investment	1,160,246	1,308,881
Non-controlling interest	1,188	1,248
Total equity	1,161,434	1,310,129
Total liabilities and equity	$ 1,412,359	$ 1,589,023

The accompanying notes are an integral part of this statement.

VEREIT OFFICE ASSETS

COMBINED AND CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands)

	Year Ended December 31,		
	2020	2019	2018
Rental revenue	$170,304	$182,069	$179,989
Fee income from unconsolidated joint venture	596	—	—
Total revenues	170,900	182,069	179,989
Operating expenses:			
Property operating	46,597	47,248	46,192
General and administrative	7,029	7,800	7,725
Depreciation and amortization	62,662	70,859	86,287
Impairments	9,306	3,511	—
Total operating expenses	125,594	129,418	140,204
Other (expenses) income:			
Interest expense	(9,905)	(12,056)	(14,175)
Gain on disposition of real estate assets, net	9,765	—	—
(Loss) gain on extinguishment of debt, net	(1,686)	(40)	86
Equity in income of unconsolidated joint venture	535	—	—
Other income, net	158	549	533
Total other expenses, net	(1,133)	(11,547)	(13,556)
Income before taxes	44,173	41,104	26,229
Provision for income taxes	(640)	(517)	(587)
Net income	43,533	40,587	25,642
Net loss attributable to non-controlling interest	60	102	151
Net income attributable to VEREIT Office Assets	$ 43,593	$ 40,689	$ 25,793

The accompanying notes are an integral part of this statement.

VEREIT OFFICE ASSETS

COMBINED AND CONSOLIDATED STATEMENTS OF EQUITY
(in thousands)

	Total Equity
Balance, January 1, 2018	$1,320,516
Distributions, net	(34,502)
Net income	25,642
Other	(4)
Balance, December 31, 2018	$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

The accompanying notes are an integral part of this statement.

VEREIT OFFICE ASSETS

COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2020	2019	2018
Cash flows from operating activities:			
Net income	$ 43,533	$ 40,587	$ 25,642
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation and amortization	62,225	70,134	85,310
Impairments	9,306	3,511	—
Gain on disposition of real estate assets, net	(9,765)	—	—
Loss (gain) on derivative instruments and other	—	59	(355)
Loss (gain) on extinguishment of debt, net	1,686	40	(86)
Equity in income of unconsolidated joint venture	(535)	—	—
Distributions from unconsolidated joint venture	524	—	—
Changes in assets and liabilities:			
Rents and tenant receivables, operating lease right-of-use and other assets, net	613	(2,117)	(6,477)
Accounts payable and accrued expenses	2,525	819	(287)
Deferred rent, operating lease and other liabilities	(1,593)	(480)	171
Net cash provided by operating activities	108,519	112,553	103,918
Cash flows from investing activities:			
Capital expenditures and leasing costs	(7,427)	(15,816)	(11,051)
Real estate developments	(1,327)	(1,844)	(5,555)
Proceeds from disposition of real estate	116,360	—	—
Investments in unconsolidated joint venture	(2,669)	—	—
Return of investment from unconsolidated joint venture	718	—	—
Principal repayments received on other investments	5,768	—	—
Proceeds from the settlement of property-related insurance claims	10	588	150
Net cash provided by (used in) investing activities	111,433	(17,072)	(16,456)
Cash flows from financing activities:			
Proceeds from mortgage notes payable	1,032	705	187
Payments on mortgage notes payable	(28,233)	(52,950)	(56,304)
Payments of deferred financing costs	—	(96)	(43)
Contributions from non-controlling interest holders	—	63	120
Net distributions to parent	(192,228)	(42,173)	(34,502)
Net cash used in financing activities	(219,429)	(94,451)	(90,542)
Net change in cash and cash equivalents and restricted cash	523	1,030	(3,080)
Cash and cash equivalents and restricted cash, beginning of period	2,891	1,861	4,941
Cash and cash equivalents and restricted cash, end of period	$ 3,414	$ 2,891	$ 1,861
Supplemental disclosures:			
Cash paid for interest	$ 10,491	$ 12,963	$ 14,629
Non-cash investing and financing activities:			
Real estate contributions to unconsolidated joint venture	$ 17,240	$ —	$ —
Accrued capital expenditures and real estate developments	$ (288)	$ (3,180)	$ 1,077
Establishment of right-of-use assets and lease liabilities	$ —	$ 5,520	$ —

The accompanying notes are an integral part of this statement.

VEREIT OFFICE ASSETS

NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

Note 1 — Organization and Summary of Significant Accounting Policies

Organization

On April 29, 2021, VEREIT, Inc. ("VEREIT") and its operating partnership, VEREIT Operating Partnership, L.P. ("VEREIT OP") entered into an Agreement and Plan of Merger, or the Merger Agreement, with Realty Income Corporation, and two newly formed wholly owned subsidiaries of Realty Income Corporation. Pursuant to the terms of the Merger Agreement, (i) one of the newly formed subsidiaries of Realty Income Corporation will merge with and into VEREIT OP, with VEREIT OP as the surviving entity (the "Partnership Merger"), and (ii) immediately thereafter, VEREIT will merge with and into the other newly formed subsidiary of Realty Income Corporation, with Realty Income Corporation's subsidiary as the surviving corporation (the "Merger"). These transactions, collectively, are referred to as the Mergers. VEREIT's shareholders are required to approve the Merger.

In connection with the Mergers, VEREIT and Realty Income Corporation intend to contribute some or all of their office real properties to Orion Office REIT, Inc. ("Orion"), a newly formed, wholly owned subsidiary of Realty Income Corporation, and following the Mergers, distribute the outstanding voting shares of common stock in Orion to the combined shareholders on a pro rata basis, which is referred to as the Spin-Off. Following the consummation of the Spin-Off, VEREIT and Realty Income Corporation intend for Orion to operate as a separate, publicly-traded Real Estate Investment Trust ("REIT"), which is comprised of Realty Income Office Assets and VEREIT Office Assets. VEREIT Office Assets includes the combined accounts related to certain of the office properties of VEREIT, currently operated through subsidiaries of VEREIT, and contain certain corporate costs. Realty Income Office Assets includes the combined accounts related to the office properties of Realty Income Corporation, currently operated by subsidiaries of Realty Income Corporation and contain certain corporate costs. Subject to the terms and conditions of the Merger Agreement, VEREIT and Realty Income Corporation may also seek to sell some or all of the Orion business in connection with the closing of the Mergers.

As of December 31, 2020, VEREIT Office Assets has one reportable segment which owns 52 properties, including one property owned by a consolidated joint venture, located in 25 U.S states, and an investment in one unconsolidated joint venture that owned four properties. As of December 31, 2020, VEREIT Office Assets has not conducted any business as a separate legal entity and has 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 ("U.S. GAAP") and include the accounts of VEREIT Office Assets on a combined and consolidated basis as the ownership interests are currently 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 owned by VEREIT, is presented as non-controlling interest in VEREIT Office Assets' combined and consolidated balances sheets and statements of operations and as other in VEREIT Office Assets' combined and consolidated statements of equity.

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 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 U.S. 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 our future performance as an independent, stand-alone company.

Subsequent to the issuance of VEREIT Office Assets' combined and consolidated financial statements on July 19, 2021, it was determined that VEREIT's equity method investment in an unconsolidated joint venture, which was formed during the year ended December 31, 2020, would be included in VEREIT Office Assets. The addition of the equity method investment in the unconsolidated joint venture and the properties contributed by VEREIT to the unconsolidated joint venture are reflected throughout the combined and consolidated financial statements.

Use of Estimates

The preparation of financial statements in conformity with U.S. 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.

Management performs 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 management considers include, but are 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, management 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 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 do not exceed the carrying value, the real estate assets will be adjusted to their respective fair values and an impairment loss will be 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 December 31, 2020, VEREIT Office Assets had a 20% ownership interest in an unconsolidated joint venture, which was formed during the year ended December 31, 2020, that owned four properties with total real estate investments, at cost, of $169.3 million and total debt outstanding of $102.6 million, which is non-recourse to VEREIT Office Assets.

VEREIT Office Assets accounts for its investment in unconsolidated joint venture using the equity method of accounting as VEREIT Office Assets has 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 records 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.

Management 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, management 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, management considers whether it has 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 requires 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 year ended December 31, 2020.

Goodwill Impairment

VEREIT evaluates goodwill for impairment annually or more frequently when an event occurs or circumstances change that indicate the carrying value may not be recoverable. To determine whether it is necessary to perform a quantitative goodwill impairment test, VEREIT first assesses 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 years ended December 31, 2020, 2019 or 2018. The results of the VEREIT impairment tests carry over to VEREIT Office Assets, therefore no impairments were recorded in the accompanying statements of operations.

Cash and Cash Equivalents

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

Restricted Cash

As of December 31, 2020 and 2019, restricted cash included $3.0 million and $2.7 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 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 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 December 31, 2020 and 2019, 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.

Management 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 year ended December 31, 2020, it could negatively impact tenant operations at our 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

VEREIT Office Assets is currently owned by VEREIT, which has elected to be taxed as a REIT for U.S. federal income tax purposes under Sections 856 through 860 of the Internal Revenue Code commencing with the taxable year ended December 31, 2011. VEREIT believes it is organized and operating in such a manner as to qualify to be taxed as a REIT for the taxable year ended December 31, 2020. As a REIT, VEREIT is generally not subject to federal income tax on taxable income that it distributes to its stockholders so long as it distributes at least 90% of its annual 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 the years ended December 31, 2020, 2019 and 2018, VEREIT Office Assets recognized state and local income and franchise tax expense of $0.6 million, $0.5 million and $0.6 million, respectively, which 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 years ended December 31, 2020, 2019 and 2018. 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 December 31, 2020, VEREIT OP had no material uncertain income tax positions.

Recent Accounting Pronouncements

During the first quarter of 2020, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2020-04, Reference Rate Reform (Topic 848). ASU 2020-04 contains practical expedients for reference rate reform related activities that impact debt, leases, derivatives and other contracts. The guidance in ASU 2020-04 is optional and may be elected over time as reference rate reform activities occur. VEREIT Office Assets continues to evaluate the impact of the guidance and may apply other elections as applicable as additional changes in the market occur.

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 gross sales price of $135.5 million. The dispositions resulted in proceeds of $116.4 million after closing costs and VEREIT Office Assets recorded a 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)	December 31, 2020	December 31, 2019
Intangible lease assets:			
In-place leases, net of accumulated amortization of $118,093 and $115,798, respectively	9.9	$ 40,622	$ 62,140
Leasing commissions, net of accumulated amortization of $4,211 and $3,600, respectively	8.2	7,974	9,085
Above-market lease assets and deferred lease incentives, net of accumulated amortization of $12,974 and $11,683, respectively	9.8	8,417	11,613
Total intangible lease assets, net		$ 57,013	$ 82,838
Intangible lease liabilities:			
Below-market leases, net of accumulated amortization of $17,553 and $15,353, respectively	10.2	$ 7,188	$ 9,389

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 $67,000 for the year ended December 31, 2020 and the aggregate amount included as a net increase to rental revenue was $231,000 and $316,000 for the years ended December 31, 2019 and 2018, respectively. The aggregate amount of in-place leases, leasing commissions and other lease intangibles amortized and included in depreciation and amortization expense was $17.8 million, $19.2 million and $19.7 million for the years ended December 31, 2020, 2019 and 2018, 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 December 31, 2020 (amounts in thousands):

	2021	2022	2023	2024	2025
In-place leases:					
Total projected to be included in amortization expense	$13,159	$10,516	$9,183	$5,524	$1,156
Leasing commissions:					
Total projected to be included in amortization expense	$ 1,588	$ 1,536	$1,281	$1,213	$1,032
Above-market lease assets and deferred lease incentives:					
Total projected to be deducted from rental revenue	$ 2,238	$ 2,223	$2,186	$1,104	$ 354
Below-market lease liabilities:					
Total projected to be included in rental revenue	$ 2,084	$ 2,049	$1,923	$ 867	$ 208

Consolidated Joint Venture

VEREIT Office Assets had an interest in one consolidated joint venture that owned one property as of December 31, 2020 and 2019. As of December 31, 2020 and 2019, the consolidated joint venture had total assets of $33.0 million and $32.5 million, respectively, of which $29.1 million and $29.6 million, respectively, were real estate investments, net of accumulated depreciation and amortization at each of the respective dates. The property is secured by a mortgage note payable, which is non-recourse to VEREIT Office Assets and had a balance of $14.8 million and $14.3 million as of December 31, 2020 and December 31, 2019, respectively. VEREIT Office Assets has the ability to control operating and financing policies of the consolidated joint venture. There are restrictions on the use of these assets as VEREIT Office Assets is generally required to obtain the approval of the joint venture partner in accordance with the joint venture agreement for any major transactions. VEREIT Office Assets 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.

Impairments

VEREIT Office Assets performs 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 Office Assets' quarterly 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. There were no impairment charges recorded during the year ended December 31, 2018. The impairment charges related to properties that 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 Office Assets believed the property would not be leased to another tenant at a rental rate that supports the current book value.

VEREIT OFFICE ASSETS

NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

VEREIT Office Assets estimates fair values using Level 3 inputs and uses 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 requires VEREIT Office Assets' 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 Office Assets' impairment tests for the real estate assets during the year ended December 31, 2020, VEREIT Office Assets used a discount rate of 8.9% and a capitalization rate of 8.4%. For VEREIT Office Assets' impairment tests for the real estate assets during the year ended December 31, 2019, discount rates and capitalization rates were not applicable as VEREIT Office Assets determined the fair value of the real estate assets based on sale scenarios and the properties had leases expiring within 12 months of the impairment analysis.

Note 3 — Mortgage Notes Payable, Net

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 years to maturity of 1.4 years and a weighted-average interest rate of 4.64%. As of December 31, 2019, VEREIT Office Assets had mortgage notes payable, net of $243.9 million, including net premiums of $0.5 million and net deferred financing costs of $0.3 million, with a weighted-average years to maturity of 2.3 years and a weighted-average interest rate of 4.66%. The weighted average interest rate for fixed rate loans is computed using the interest rate in effect until the anticipated repayment date and the weighted average interest rate for the variable rate loan is computed using the interest rate in effect as of December 31, 2020. As of December 31, 2020, the mortgage notes are 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 require the maintenance of certain financial ratios. Failure to maintain such ratios could result 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.

The following table summarizes the scheduled aggregate principal repayments due on mortgage notes subsequent to December 31, 2020 (in thousands):

	Total
2021	$ 74,565
2022	60,875
2023	82,451
Total	$217,891

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.

VEREIT OFFICE ASSETS

NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

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 on the results of operations.

Note 5 — Leases

Lessor

As of December 31, 2020, VEREIT Office Assets is the lessor for its 52 office properties. VEREIT Office Assets' operating leases have non-cancelable lease terms of 0.2 years to 8.75 years. 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.

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

	Year Ended December 31,		
	2020	2019	2018
Fixed:			
Cash rent	$132,402	$141,541	$134,697
Straight-line rent	(869)	(42)	6,950
Lease intangible amortization	(67)	231	316
Property operating cost reimbursements	3,794	3,690	3,622
Total fixed	135,260	145,420	145,585
Variable[(1)]	35,044	36,649	34,404
Total rental revenue	$170,304	$182,069	$179,989

(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 December 31, 2020 (in thousands).

	Future Minimum Operating Lease Payments
2021	$ 122,839
2022	107,206
2023	92,842
2024	68,243
2025	32,601
Thereafter	39,161
Total	$ 462,892

VEREIT OFFICE ASSETS

NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

Lessee

VEREIT Office Assets is the lessee under one ground lease arrangement, which meets the criteria of an operating lease. As of December 31, 2020, VEREIT Office Assets' lease has a remaining lease term of 36.6 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 December 31, 2020. 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.

VEREIT Office Assets incorporated renewal periods in the calculation of the ground lease right-of-use assets and lease liabilities, as VEREIT Office Assets is required to execute renewal options available under the ground lease through the building lease term. VEREIT Office Assets' lease agreement does not contain any material residual value guarantees or material restrictive covenants.

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.

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 December 31, 2020 (in thousands).

	Future Minimum Lease Payments
2021	$ 329
2022	329
2023	329
2024	329
2025	329
Thereafter	10,392
Total	12,037
Less: imputed interest	6,634
Total	$ 5,403

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 December 31, 2019 (in thousands).

	Future Minimum Lease Payments
2020	$ 329
2021	329
2022	329
2023	329
2024	329
Thereafter	10,721
Total	12,366
Less: imputed interest	6,915
Total	$ 5,451

Note 6 — Subsequent Events

Subsequent to December 31, 2020, VEREIT Office Assets deemed one property to be impaired resulting in impairment charges of $21.2 million recorded in the three months ended March 31, 2021, as management

determined the property would not be released by the tenant. In addition, subsequent to December 31, 2020, VEREIT Office Assets contributed $2.2 million to the unconsolidated joint venture, which acquired one property for a gross purchase price of $26.4 million. VEREIT Office Assets evaluated subsequent events through the issuance date, September 14, 2021, and no other items have come to the attention of management that require recognition or disclosure.

VEREIT OFFICE ASSETS
SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2020 (in thousands)

Schedule III — Real Estate and Accumulated Depreciation

Property	Encumbrances at December 31, 2020	Initial Costs[1]		Costs Capitalized Subsequent to Acquisition[2]	Gross Amount Carried at December 31, 2020[3][4]	Accumulated Depreciation[3][5]	Date Acquired	Date of Construction
		Land	Buildings, Fixtures and Improvements					
Government Services – Cocoa, FL	$ 500	$ 253	$ 1,435	$ 15	$ 1,703	$ (604)	12/13/2011	2009
Health Care – Berkeley, MO	—	5,706	32,333	(22,474)	15,565	—	1/25/2012	2011
Government Services – Grangeville, ID	2,100	317	6,023	27	6,367	(2,460)	3/5/2012	2007
Government Services – Fort Worth, TX	—	477	4,294	(4)	4,767	(1,724)	5/9/2012	2010
Government Services – Plattsburgh, NY	—	508	4,572	—	5,080	(1,824)	6/19/2012	2008
Financial Services – Warwick, RI	—	1,870	8,828	697	11,395	(3,183)	9/24/2013	1995
Health Care – Waukegan, IL	—	4,734	21,319	1,960	28,013	(7,431)	11/5/2013	1980
Insurance – Fresno, CA	—	3,405	22,343	2,937	28,685	(5,338)	11/5/2013	1984
Telecommunications – Richardson, TX	10,367	1,891	31,118	2,187	35,196	(9,966)	11/5/2013	1986
Health Care – San Antonio, TX	8,672	1,666	19,092	94	20,852	(5,980)	11/5/2013	2008
Government Services – Ponce, PR	—	1,780	9,313	(5,394)	5,699	(421)	11/5/2013	1995
Home Improvement – Denver, CO	—	12,648	66,398	2,073	81,119	(20,672)	11/5/2013	2001
Other – Lawrence, KS	—	2,548	18,057	(3,435)	17,170	(3,300)	11/5/2013	1997
Financial Services – Englewood, CO	—	2,563	22,026	655	25,244	(6,990)	11/5/2013	2009
Telecommunications – Nashville, TN	—	1,190	15,847	1,082	18,119	(5,345)	11/5/2013	2002
Health Care – Malvern, PA	—	2,666	40,981	(6,124)	37,523	(6,746)	11/5/2013	1999
Telecommunications – Milwaukee, WI	—	3,081	22,512	1,095	26,688	(7,285)	11/5/2013	2001
Energy – Tulsa, OK	—	1,253	70,274	1,868	73,395	(21,807)	11/5/2013	1995
Vacant – Englewood, CO	—	1,490	5,060	—	6,550	(1,738)	11/5/2013	2011
Vacant – Ridley Park, PA	—	—	6,114	(5,334)	780	(18)	11/5/2013	1976
Vacant – Richardson, TX	7,135	1,292	19,606	769	21,667	(6,246)	11/5/2013	2008

VEREIT OFFICE ASSETS
SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2020 (in thousands)

Property	Encumbrances at December 31, 2020	Initial Costs[1]		Costs Capitalized Subsequent to Acquisition[2]	Gross Amount Carried at December 31, 2020[3][4]	Accumulated Depreciation[3][5]	Date Acquired	Date of Construction
		Land	Buildings, Fixtures and Improvements					
Energy – The Woodlands, TX	—	4,724	40,332	671	45,727	(12,276)	11/5/2013	2009
Insurance – The Woodlands, TX	15,069	5,219	19,196	9,141	33,556	(5,689)	11/5/2013	2014
Diversified Industrial – Longmont, CO	—	1,402	15,640	1,364	18,406	(6,285)	1/8/2014	1993
Equipment Services – Duluth, GA	8,600	3,503	14,842	80	18,425	(3,954)	2/7/2014	1999
Insurance – Urbana, MD	19,187	2,733	31,483	—	34,216	(9,015)	2/7/2014	2011
Food Processing – Blair, NE	—	627	4,989	—	5,616	(1,374)	2/7/2014	2009
Health Care – Nashville, TN	4,700	688	10,417	—	11,105	(2,704)	2/7/2014	2010
Insurance – Plano, TX	—	10,036	42,676	53	52,765	(13,042)	2/7/2014	2009
Insurance – Phoenix, AZ	—	6,194	16,215	—	22,409	(4,862)	2/7/2014	2012
Insurance – Oklahoma City, OK	—	3,639	32,567	588	36,794	(10,018)	2/7/2014	2009
Drug Stores – Northbrook, IL	—	3,471	41,765	2,148	47,384	(12,066)	2/7/2014	1980
Other – Schaumburg, IL	—	5,935	26,003	(5,778)	26,160	(4,460)	2/7/2014	1986
Insurance – Buffalo, NY	39,611	2,569	89,399	194	92,162	(21,756)	2/7/2014	2007
Home Improvement – Kennesaw, GA	—	1,809	12,331	—	14,140	(3,575)	2/7/2014	2012
Financial Services – Hopewell, NJ	74,250	17,619	108,349	(11,513)	114,455	$ (23,429)	2/7/2014	2001
Telecommunications – Lincoln, NE	$ —	$ 2,812	$ 25,566	$ (355)	$ 28,023	$ (7,981)	2/7/2014	2009
Telecommunications – Bedford, MA	—	16,594	75,137	1,663	93,394	(21,993)	2/7/2014	2001
Health Care – Parsippany, NJ	27,700	5,150	50,051	748	55,949	(14,383)	2/7/2014	2009
Home Improvement – Santee, CA	—	2,400	7,312	36	9,748	(3,415)	2/21/2014	2003
Other Manufacturing – Glen Burnie, MD	—	2,127	23,198	(3,894)	21,431	(4,306)	2/21/2014	1984
Health Care – Irving, TX	—	3,237	37,297	341	40,875	(11,744)	4/28/2014	1997
Diversified Industrial – Annandale, NJ	—	1,367	14,223	(90)	15,500	(3,827)	4/30/2014	1999

VEREIT OFFICE ASSETS
SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2020 (in thousands)

Property	Encumbrances at December 31, 2020	Initial Costs[1]		Costs Capitalized Subsequent to Acquisition[2]	Gross Amount Carried at December 31, 2020[3][4]	Accumulated Depreciation[3][5]	Date Acquired	Date of Construction
		Land	Buildings, Fixtures and Improvements					
Health Care – Indianapolis, IN	—	981	3,922	775	5,678	(1,551)	5/19/2014	1993
Government Services – Covington, KY	—	3,120	80,689	1,691	85,500	(20,989)	6/5/2014	2002
Telecommunications – Amherst, NY	—	4,107	20,347	—	24,454	(7,215)	6/25/2014	1986
Other – Tulsa, OK	—	2,239	6,375	—	8,614	(1,602)	6/25/2014	1982
Other – Dublin, OH	—	945	8,520	—	9,465	(2,534)	6/26/2014	1997
Other – Sterling, VA	—	4,285	29,802	6,289	40,376	(8,632)	6/30/2014	2011
Other Manufacturing – Malvern, PA	—	1,816	—	9,747	11,563	(1,808)	8/27/2014	2014
Telecommunications – Schaumburg, IL	—	2,364	9,305	780	12,449	(3,351)	9/24/2014	1989
	$ 217,891	$175,050	$ 1,345,493	$ (12,627)	$ 1,507,916	$(368,914)		

(1) Initial costs exclude subsequent impairment charges.

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

(3) Gross intangible lease assets of $192.3 million and the associated accumulated amortization of $135.3 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, 2020 was $1.5 billion.

(5) Depreciation is computed using the straight-line method over the estimated useful lives of up to 40 years for buildings and five to 15 years for building fixtures and improvements.

(6) Includes two real estate properties.

The following is a reconciliation of the gross real estate activity for the years ended December 31, 2020, 2019 and 2018 (in thousands):

	Year Ended December 31,		
	2020	2019	2018
Balance, beginning of year	$1,649,436	$1,644,048	$1,627,586
Additions:			
Improvements	4,912	12,116	16,531
Deductions/Other:			
Dispositions	(123,629)	—	—
Impairments	(22,715)	(6,021)	—
Other	(88)	(707)	(69)
Balance, end of year	$1,507,916	$1,649,436	$1,644,048

The following is a reconciliation of the accumulated depreciation for the years ended December 31, 2020, 2019 and 2018 (in thousands):

	Year Ended December 31,		
	2020	2019	2018
Balance, beginning of year	$357,137	$308,655	$242,112
Additions:			
Depreciation expense	44,891	51,677	66,543
Deductions/Other:			
Dispositions	(19,542)	—	—
Impairments	(13,572)	(2,520)	—
Other	—	(675)	—
Balance, end of year	$368,914	$357,137	$308,655

VEREIT OFFICE ASSETS

COMBINED AND CONSOLIDATED BALANCE SHEETS
(in thousands) (unaudited)

	June 30, 2021	December 31, 2020
ASSETS		
Real estate investments, at cost:		
Land	$ 164,966	$ 167,658
Buildings, fixtures and improvements	1,309,833	1,340,258
Intangible lease assets	188,204	192,291
Total real estate investments, at cost	1,663,003	1,700,207
Less: accumulated depreciation and amortization	515,618	504,192
Total real estate investments, net	1,147,385	1,196,015
Operating lease right-of-use assets	5,378	5,403
Investment in unconsolidated joint venture	14,964	13,434
Cash and cash equivalents	1,300	400
Restricted cash	2,758	3,014
Rent and tenant receivables and other assets, net	33,602	34,964
Goodwill	159,129	159,129
Total assets	$ 1,364,516	$ 1,412,359
LIABILITIES AND EQUITY		
Mortgage notes payable, net	$ 158,330	$ 217,588
Below-market lease liabilities, net	6,111	7,188
Accounts payable and accrued expenses	7,978	12,632
Deferred rent and other liabilities	8,623	8,114
Operating lease liabilities	5,378	5,403
Total liabilities	186,420	250,925
Commitments and contingencies (Note 4)		
Net parent investment	1,176,939	1,160,246
Non-controlling interest	1,157	1,188
Total equity	1,178,096	1,161,434
Total liabilities and equity	$ 1,364,516	$ 1,412,359

The accompanying notes are an integral part of this statement.

VEREIT OFFICE ASSETS

COMBINED AND CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands) (unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Rental revenue	$ 41,111	$ 42,380	$ 80,894	$ 86,213
Fee income from unconsolidated joint venture	301	88	440	360
Total revenues	41,412	42,468	81,334	86,573
Operating expenses:				
Property operating	10,924	11,164	20,814	22,576
General and administrative	1,911	1,771	3,575	3,636
Depreciation and amortization	14,487	15,117	29,444	32,253
Impairments	445	199	21,624	199
Total operating expenses	27,767	28,251	75,457	58,664
Other (expenses) income:				
Interest expense	(1,784)	(2,445)	(3,816)	(4,972)
Gain on disposition of real estate assets, net	—	—	—	11,434
Gain (loss) on extinguishment of debt, net	37	—	(80)	(1,686)
Equity in income of unconsolidated joint venture	208	127	410	199
Other income, net	47	5	52	17
Total other (expenses) income, net	(1,492)	(2,313)	(3,434)	4,992
Income before taxes	12,153	11,904	2,443	32,901
Provision for income taxes	(157)	(161)	(313)	(321)
Net income	11,996	11,743	2,130	32,580
Net loss attributable to non-controlling interest	29	8	31	14
Net income attributable to VEREIT Office Assets	$ 12,025	$ 11,751	$ 2,161	$ 32,594

The accompanying notes are an integral part of this statement.

VEREIT OFFICE ASSETS

COMBINED AND CONSOLIDATED STATEMENTS OF EQUITY
(in thousands) (unaudited)

	Total Equity
Balance, January 1, 2020	$1,310,129
Distributions, net	(69,624)
Net income	20,837
Balance, March 31, 2020	$1,261,342
Distributions, net	(31,163)
Net income	11,743
Balance, June 30, 2020	$1,241,922
Balance, January 1, 2021	$1,161,434
Contributions, net	18,927
Net loss	(9,866)
Balance, March 31, 2021	$1,170,495
Distributions, net	(4,395)
Net income	11,996
Balance, June 30, 2021	$1,178,096

The accompanying notes are an integral part of this statement.

VEREIT OFFICE ASSETS

COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands) (unaudited)

	Six Months Ended June 30,	
	2021	**2020**
Cash flows from operating activities:		
Net income	$ 2,130	$ 32,580
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	29,421	31,975
Impairments	21,624	199
Gain on disposition of real estate assets, net	—	(11,434)
Loss on extinguishment of debt, net	80	1,686
Equity in income of unconsolidated joint venture	(410)	(199)
Distributions from unconsolidated joint venture	410	189
Changes in assets and liabilities:		
Rents and tenant receivables, operating lease right-of-use and other assets, net	1,318	1,156
Accounts payable and accrued expenses	(4,265)	(600)
Deferred rent, operating lease and other liabilities	481	571
Net cash provided by operating activities	50,789	56,123
Cash flows from investing activities:		
Capital expenditures and leasing costs	(3,956)	(4,737)
Real estate developments	(27)	(1,137)
Proceeds from disposition of real estate	—	79,104
Investments in unconsolidated joint venture	(2,180)	(2,669)
Return of investment from unconsolidated joint venture	649	207
Proceeds from the settlement of property-related insurance claims	70	10
Net cash (used in) provided by investing activities	(5,444)	70,778
Cash flows from financing activities:		
Proceeds from mortgage notes payable	—	1,032
Payments on mortgage notes payable	(59,513)	(27,223)
Refunds of deferred financing costs	280	—
Net contributions (distributions) to parent	14,532	(100,787)
Net cash used in financing activities	(44,701)	(126,978)
Net change in cash and cash equivalents and restricted cash	644	(77)
Cash and cash equivalents and restricted cash, beginning of period	3,414	2,891
Cash and cash equivalents and restricted cash, end of period	$ 4,058	$ 2,814
Supplemental disclosures:		
Cash paid for interest	$ 4,207	$ 5,355
Non-cash investing and financing activities:		
Real estate contributions to unconsolidated joint venture	$ —	$ 7,494
Accrued capital expenditures and real estate developments	$ (386)	$ (1,780)

The accompanying notes are an integral part of this statement.

VEREIT OFFICE ASSETS

NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Note 1 — Organization and Summary of Significant Accounting Policies

Organization

On April 29, 2021, VEREIT, Inc. ("VEREIT") and its operating partnership, VEREIT Operating Partnership, L.P. ("VEREIT OP") entered into an Agreement and Plan of Merger, or the Merger Agreement, with Realty Income Corporation, and two newly formed wholly owned subsidiaries of Realty Income Corporation. Pursuant to the terms of the Merger Agreement, (i) one of the newly formed subsidiaries of Realty Income Corporation will merge with and into VEREIT OP, with VEREIT OP as the surviving entity (the "Partnership Merger"), and (ii) immediately thereafter, VEREIT will merge with and into the other newly formed subsidiary of Realty Income Corporation, with Realty Income Corporation's subsidiary as the surviving corporation (the "Merger"). These transactions, collectively, are referred to as the Mergers. VEREIT's shareholders are required to approve the Merger.

In connection with the Mergers, VEREIT and Realty Income Corporation intend to contribute some or all of their office real properties to Orion Office REIT, Inc. ("Orion"), a newly formed wholly owned subsidiary of Realty Income Corporation, and following the Mergers, distribute the outstanding voting shares of common stock in Orion to the combined shareholders on a pro rata basis, which is referred to as the Spin-Off. Following the consummation of the Spin-Off, VEREIT and Realty Income Corporation intend for Orion to operate as a separate, publicly-traded Real Estate Investment Trust ("REIT"), which is comprised of Realty Income Office Assets and VEREIT Office Assets. VEREIT Office Assets includes the combined accounts related to certain of the office properties of VEREIT, currently operated through subsidiaries of VEREIT, and contain certain corporate costs. Realty Income Office Assets includes the combined accounts related to the office properties of Realty Income Corporation, currently operated by subsidiaries of Realty Income Corporation and contain certain corporate costs. Subject to the terms and conditions of the Merger Agreement, VEREIT and Realty Income Corporation may also seek to sell some or all of the Orion business in connection with the closing of the Mergers.

As of June 30, 2021, VEREIT Office Assets has one reportable segment which owns 52 properties, including one property owned by a consolidated joint venture, located in 25 U.S states, and an investment in one unconsolidated joint venture that owns five properties. As of June 30, 2021, VEREIT Office Assets has not conducted any business as a separate legal entity and has 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 ("U.S. GAAP") and include the accounts of VEREIT Office Assets on a combined and consolidated basis as the ownership interests are currently 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 owned by VEREIT, is presented as non-controlling interest in VEREIT Office Assets' combined and consolidated balances sheets and statements of operations and as other in VEREIT Office Assets' combined and consolidated statements of equity. The information furnished includes all adjustments and accruals of a normal recurring nature, which, in the opinion of management, are necessary for a fair presentation of results for the interim periods. The results of operations for the three and six months ended June 30, 2021 and 2020 are not necessarily indicative of the results for the entire year or any subsequent interim period. These combined and consolidated financial statements should be read in conjunction with the audited combined and consolidated financial statements and notes thereto as of and for the year ended December 31, 2020. Information and footnote disclosures normally included in financial statements have been condensed or omitted pursuant to the rules and regulations of the U.S. Securities and Exchange Commission and U.S. GAAP.

VEREIT OFFICE ASSETS

NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

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 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 U.S. 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 our future performance as an independent, stand-alone company.

Use of Estimates

The preparation of financial statements in conformity with U.S. 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 OFFICE ASSETS

NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Management performs 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 management considers include, but are 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, management 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 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 do not exceed the carrying value, the real estate assets will be adjusted to their respective fair values and an impairment loss will be 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 June 30, 2021 and December 31, 2020, VEREIT Office Assets had a 20% ownership interest in an unconsolidated joint venture that owned five and four properties, respectively, with total real estate investments, at cost, of $196.0 million and $169.3 million, respectively, and total debt outstanding of $118.4 million and $102.6 million, respectively, which is non-recourse to VEREIT Office Assets.

VEREIT Office Assets accounts for its investment in unconsolidated joint venture using the equity method of accounting as VEREIT Office Assets has 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 records 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.

Management 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, management 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, management considers whether it has 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 requires 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 three and six months ended June 30, 2021 and 2020.

Goodwill Impairment

VEREIT evaluates goodwill for impairment annually or more frequently when an event occurs or circumstances change that indicate the carrying value may not be recoverable. To determine whether it is necessary to perform a quantitative goodwill impairment test, VEREIT first assesses 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 three and six months ended June 30, 2021 and 2020. The results of the VEREIT impairment tests carry over to VEREIT Office Assets, therefore no impairments were recorded in the accompanying statements of operations.

Cash and Cash Equivalents

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

Restricted Cash

As of June 30, 2021 and December 31, 2020, restricted cash included $2.7 million 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 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 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 June 30, 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

NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

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.

Management 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 three and six months ended June 30, 2021 and 2020, it could negatively impact tenant operations at our 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

VEREIT Office Assets is currently owned by VEREIT, which has elected to be taxed as a REIT for U.S. federal income tax purposes under Sections 856 through 860 of the Internal Revenue Code commencing

VEREIT OFFICE ASSETS

NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

with the taxable year ended December 31, 2011. VEREIT believes it is 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 is generally not subject to federal income tax on taxable income that it distributes to its stockholders so long as it distributes at least 90% of its annual 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 three months ended June 30, 2021 and 2020 and each of the six months ended June 30, 2021 and 2020, VEREIT Office Assets recognized state and local income and franchise tax expense of $0.2 million and $0.3 million, respectively, which 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 three and six months ended June 30, 2021 and 2020. 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 June 30, 2021, VEREIT OP had no material uncertain income tax positions.

Recent Accounting Pronouncements

During the first quarter of 2020, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2020-04, Reference Rate Reform (Topic 848). ASU 2020-04 contains practical expedients for reference rate reform related activities that impact debt, leases, derivatives and other contracts. The guidance in ASU 2020-04 is optional and may be elected over time as reference rate reform activities occur. VEREIT Office Assets continues to evaluate the impact of the guidance and may apply other elections as applicable as additional changes in the market occur.

Note 2 — Real Estate Investments and Related Intangibles

Property Dispositions

During the six months ended June 30, 2020, VEREIT Office Assets disposed of two properties, selling them to the unconsolidated joint venture for an aggregate gross sales price of $87.7 million. The dispositions resulted in proceeds of $79.1 million after closing costs and VEREIT Office Assets recorded a gain of $11.4 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)	June 30, 2021	December 31, 2020
Intangible lease assets:			
In-place leases, net of accumulated amortization of $118,427 and $118,093, respectively	10.0	$33,487	$ 40,622
Leasing commissions, net of accumulated amortization of $5,087 and $4,211, respectively	9.1	9,701	7,974
Above-market lease assets and deferred lease incentives, net of accumulated amortization of $14,102 and $12,974, respectively	9.8	7,400	8,417
Total intangible lease assets, net		$50,588	$ 57,013
Intangible lease liabilities:			
Below-market leases, net of accumulated amortization of $18,148 and $17,553, respectively	10.3	$ 6,111	$ 7,188

VEREIT OFFICE ASSETS

NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

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 $51,000 and $82,000 for the three and six months ended June 30, 2021. The aggregate amount included as a net decrease to rental revenue was $29,000 and $4,000 for the three and six months ended June 30, 2020. The aggregate amount of in-place leases, leasing commissions and other lease intangibles amortized and included in depreciation and amortization expense was $3.8 million, $7.7 million, $4.2 million and $9.7 million for the three and six months ended June 30, 2021 and 2020, 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 June 30, 2021 (amounts in thousands):

	Remainder of 2021	2022	2023	2024	2025
In-place leases:					
Total projected to be included in amortization expense	$ 6,580	$10,516	$9,183	$5,524	$1,156
Leasing commissions:					
Total projected to be included in amortization expense	$ 804	$ 1,565	$1,310	$1,241	$1,061
Above-market lease assets and deferred lease incentives:					
Total projected to be deducted from rental revenue	$ 1,119	$ 2,223	$2,186	$1,104	$ 354
Below-market lease liabilities:					
Total projected to be included in rental revenue	$ 1,042	$ 2,049	$1,923	$ 867	$ 208

Consolidated Joint Venture

VEREIT Office Assets had an interest in one consolidated joint venture that owned one property as of June 30, 2021 and December 31, 2020. As of June 30, 2021 and December 31, 2020, the consolidated joint venture had total assets of $32.5 million and $33.0 million, respectively, of which $28.3 million and $29.1 million, respectively, were real estate investments, net of accumulated depreciation and amortization at each of the respective dates. The property is secured by a mortgage note payable, which is non-recourse to VEREIT Office Assets and had a net balance of $14.9 million and $14.8 million as of June 30, 2021 and December 31, 2020, respectively. VEREIT Office Assets has the ability to control operating and financing policies of the consolidated joint venture. There are restrictions on the use of these assets as VEREIT Office Assets is generally required to obtain the approval of the joint venture partner in accordance with the joint venture agreement for any major transactions. VEREIT Office Assets 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.

Impairments

VEREIT Office Assets performs 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 Office Assets' quarterly impairment review procedures, net real estate assets representing two properties were deemed to be impaired resulting in impairment charges of $0.4 million and $21.6 million during the three and six months ended June 30, 2021, respectively. During each of the three and six months ended June 30, 2020, net real estate assets related to one property, were deemed to be impaired resulting in impairment charges of $0.2 million. The impairment charges related to properties that 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 Office Assets believed the property would not be leased to another tenant at a rental rate that supports the current book value.

VEREIT Office Assets estimates fair values using Level 3 inputs and uses 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 requires VEREIT Office Assets' 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 Office Assets' impairment tests for the real estate assets during the three months ended June 30, 2021, discount rates and capitalization rates were not applicable as VEREIT Office Assets determined the fair value of the real estate assets based on sale scenarios and the properties had leases expiring within 12 months of the impairment analysis. For VEREIT Office Assets' impairment tests for the real estate assets during the six months ended June 30, 2021, VEREIT Office Assets used a discount rate of 8.6% and a capitalization rate of 8.1%. For VEREIT Office Assets' impairment tests for the real estate assets during the three and six months ended June 30, 2020, discount rates and capitalization rates were not applicable as VEREIT Office Assets determined the fair value of the real estate assets based on sale scenarios and the properties had leases expiring within 12 months of the impairment analysis.

Note 3 — Mortgage Notes Payable, Net

As of June 30, 2021, VEREIT Office Assets had mortgage notes payable, net of $158.3 million, including net discounts of $0.2 million and net deferred financing costs of $0.1 million, with a weighted-average years to maturity of 1.2 years and a weighted-average interest rate of 4.37%. 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 years to maturity of 1.4 years and a weighted-average interest rate of 4.64%. The weighted average interest rate for fixed rate loans is computed using the interest rate in effect until the anticipated repayment date and the weighted average interest rate for the variable rate loan is computed using the interest rate in effect as of June 30, 2021. As of June 30, 2021, the mortgage notes are secured by 10 properties with a net carrying value of $254.8 million. As of June 30, 2021, the estimated fair value of the mortgage notes payable was $162.3 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 require the maintenance of certain financial ratios. Failure to maintain such ratios could result in restrictions on the use of cash associated with the establishment of certain lender reserves. At June 30, 2021, there were no cash restrictions due to failure to maintain financial ratios.

The following table summarizes the scheduled aggregate principal repayments due on mortgage notes subsequent to June 30, 2021 (in thousands):

	Total
July 1, 2021 – December 31, 2021	$ 15,265
2022	60,875
2023	82,451
Total	$158,591

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 on the results of operations.

Note 5 — Leases

Lessor

As of June 30, 2021, VEREIT Office Assets is the lessor for its 52 office properties. VEREIT Office Assets' operating leases have non-cancelable lease terms of 0.2 years to 11.9 years. 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.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Fixed:				
Cash rent	$ 32,278	$ 33,338	$ 64,424	$ 67,341
Straight-line rent	(694)	104	(1,459)	(37)
Lease intangible amortization	(51)	(29)	(82)	(4)
Property operating cost reimbursements	973	926	1,921	1,852
Total fixed	32,506	34,339	64,804	69,152
Variable[(1)]	8,605	8,041	16,090	17,061
Total rental revenue	$ 41,111	$ 42,380	$ 80,894	$ 86,213

(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 June 30, 2021 (in thousands).

	Future Minimum Operating Lease Payments
July 1, 2021 – December 31, 2021	$ 62,633
2022	110,495
2023	93,735
2024	70,017
2025	36,413
2026	26,869
Thereafter	30,409
Total	$ 430,571

VEREIT OFFICE ASSETS

NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Lessee

VEREIT Office Assets is the lessee under one ground lease arrangement, which meets the criteria of an operating lease. As of June 30, 2021, VEREIT Office Assets' lease has a remaining lease term of 36.1 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 June 30, 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.

VEREIT Office Assets incorporated renewal periods in the calculation of the ground lease right-of-use assets and lease liabilities, as VEREIT Office Assets is required to execute renewal options available under the ground lease through the building lease term. VEREIT Office Assets' lease agreement does not contain any material residual value guarantees or material restrictive covenants.

Operating lease costs for each of the three months ended June 30, 2021 and 2020 and for each of the six months ended June 30, 2021 and 2020 was $82,000 and $164,000, respectively. 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 ground lease obligations as of June 30, 2021 (in thousands).

	Future Minimum Lease Payments
July 1, 2021 – December 31, 2021	$ 165
2022	329
2023	329
2024	329
2025	329
2026	329
Thereafter	10,063
Total	11,873
Less: imputed interest	6,495
Total	$ 5,378

Note 6 — Subsequent Events

VEREIT Office Assets evaluated subsequent events through the issuance date, September 14, 2021, and no items have come to the attention of management that require recognition or disclosure.