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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2025

OR

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

For the transition period from _________ to __________

Commission file number: 001-40873

Orion Properties 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.)
2398 E. Camelback Road, Suite 1060 Phoenix AZ	**85016**
(Address of principal executive offices)	(Zip Code)

(602) 698-1002

(Registrant's telephone number, including area code)

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

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

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

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

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

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

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

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

There were 56,193,665 shares of common stock of Orion Properties Inc. outstanding as of May 2, 2025.

ORION PROPERTIES INC.
For the quarterly period ended March 31, 2025

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PART I — FINANCIAL INFORMATION

Item 1. Unaudited Financial Statements.

ORION PROPERTIES INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except for share and per share data) (Unaudited)

	March 31, 2025	December 31, 2024
ASSETS		
Real estate investments, at cost:		
Land	$ 223,706	$ 227,145
Buildings, fixtures and improvements	1,058,186	1,055,307
Total real estate investments, at cost	1,281,892	1,282,452
Less: accumulated depreciation	185,982	177,906
Total real estate investments, net	1,095,910	1,104,546
Accounts receivable, net	24,128	22,833
Intangible lease assets, net	89,525	95,944
Cash and cash equivalents	9,384	15,600
Real estate assets held for sale, net	14,923	9,671
Other assets, net	93,996	87,828
Total assets	$ 1,327,866	$ 1,336,422
LIABILITIES AND EQUITY		
Mortgages payable, net	$ 371,403	$ 371,222
Credit facility revolver	132,000	119,000
Accounts payable and accrued expenses	27,924	31,585
Below-market lease liabilities, net	19,988	20,596
Distributions payable	1,124	5,633
Other liabilities, net	20,631	23,130
Total liabilities	573,070	571,166
Common stock, $0.001 par value, 100,000,000 shares authorized 56,193,665 and 55,951,876 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	56	56
Additional paid-in capital	1,148,461	1,148,223
Accumulated other comprehensive loss	(1)	(15)
Accumulated deficit	(395,036)	(384,348)
Total stockholders’ equity	753,480	763,916
Non-controlling interest	1,316	1,340
Total equity	754,796	765,256
Total liabilities and equity	$ 1,327,866	$ 1,336,422

The accompanying notes are an integral part of these statements.

ORION PROPERTIES INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except for per share data) (Unaudited)

	Three Months Ended March 31,	
	2025	2024
Rental	$ 37,797	$ 46,995
Fee income from unconsolidated joint venture	204	202
Total revenues	38,001	47,197
Operating expenses:		
Property operating	16,450	15,999
General and administrative	4,896	4,949
Depreciation and amortization	16,022	24,504
Impairments	1,709	19,685
Transaction related	64	110
Total operating expenses	39,141	65,247
Other (expenses) income:		
Interest expense, net	(8,156)	(8,146)
Other income, net	253	163
Equity in loss of unconsolidated joint venture, net	(246)	(116)
Total other (expenses) income, net	(8,149)	(8,099)
Loss before taxes	(9,289)	(26,149)
Provision for income taxes	(66)	(77)
Net loss	(9,355)	(26,226)
Net income attributable to non-controlling interest	(6)	(6)
Net loss attributable to common stockholders	$ (9,361)	$ (26,232)
Weighted average shares outstanding - basic and diluted	56,043	55,803
Basic and diluted net loss per share attributable to common stockholders	$ (0.17)	$ (0.47)

The accompanying notes are an integral part of these statements.

ORION PROPERTIES INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands) (Unaudited)

	Three Months Ended March 31,	
	2025	2024
Net loss	$ (9,355)	$ (26,226)
Total other comprehensive income (loss):		
Unrealized gain on interest rate derivatives	14	219
Total comprehensive loss	(9,341)	(26,007)
Comprehensive income attributable to non-controlling interest	(6)	(6)
Total comprehensive loss attributable to common stockholders	$ (9,347)	$ (26,013)

The accompanying notes are an integral part of these statements.

ORION PROPERTIES INC.
CONSOLIDATED STATEMENTS OF EQUITY
(In thousands, except for share data) (Unaudited)

	Common Stock							
	Number of Shares	Par Value	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity	Non-Controlling Interest	Total Equity
Balance, January 1, 2025	55,951,876	$ 56	$ 1,148,223	$ (15)	$ (384,348)	$ 763,916	$ 1,340	$ 765,256
Net (loss) income	—	—	—	—	(9,361)	(9,361)	6	(9,355)
Distributions	—	—	—	—	(1,327)	(1,327)	(30)	(1,357)
Repurchases of common stock to settle tax obligations	(132,362)	—	(466)	—	—	(466)	—	(466)
Equity-based compensation, net	374,151	—	704	—	—	704	—	704
Other comprehensive income, net	—	—	—	14	—	14	—	14
Balance, March 31, 2025	56,193,665	$ 56	$ 1,148,461	$ (1)	$ (395,036)	$ 753,480	$ 1,316	$ 754,796

	Common Stock							
	Number of Shares	Par Value	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity	Non-Controlling Interest	Total Equity
Balance, January 1, 2024	55,783,548	$ 56	$ 1,144,636	$ (264)	$ (258,805)	$ 885,623	$ 1,380	$ 887,003
Net (loss) income	—	—	—	—	(26,232)	(26,232)	6	(26,226)
Distributions	—	—	—	—	(5,673)	(5,673)	—	(5,673)
Repurchases of common stock to settle tax obligations	(46,598)	—	(162)	—	—	(162)	—	(162)
Equity-based compensation, net	132,869	—	790	—	—	790	—	790
Other comprehensive income, net	—	—	—	219	—	219	—	219
Balance, March 31, 2024	55,869,819	$ 56	$ 1,145,264	$ (45)	$ (290,710)	$ 854,565	$ 1,386	$ 855,951

The accompanying notes are an integral part of these statements.

ORION PROPERTIES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands) (Unaudited)

	Three Months Ended March 31,	
	2025	2024
Cash flows from operating activities:		
Net loss	$ (9,355)	$ (26,226)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	16,022	24,504
Non-cash revenue adjustments, net	(3,736)	(808)
Impairments	1,709	19,685
Amortization of deferred financing costs	912	924
Equity-based compensation	704	790
Equity in loss of unconsolidated joint venture, net	246	116
Changes in assets and liabilities:		
Accounts receivable, net and other assets, net	(1,538)	(2,970)
Accounts payable, accrued expenses and other liabilities, net	(7,211)	(4,993)
Net cash (used in) provided by operating activities	(2,247)	11,022
Cash flows from investing activities:		
Capital expenditures and leasing costs	(5,630)	(4,412)
Return of investment from unconsolidated joint venture	—	461
Origination of member loan to unconsolidated joint venture	(8,328)	—
Principal repayments received on member loan to unconsolidated joint venture	845	—
Principal repayments received on notes receivable	—	200
Net cash used in investing activities	(13,113)	(3,751)
Cash flows from financing activities:		
Proceeds from credit facility revolver	13,000	—
Repurchases of common stock to settle tax obligations	(466)	(162)
Distributions paid	(5,595)	(5,579)
Other financing activities	(272)	(85)
Net cash provided by (used in) financing activities	6,667	(5,826)
Net change in cash and cash equivalents and restricted cash	(8,693)	1,445
Cash and cash equivalents and restricted cash, beginning of year	57,170	57,198
Cash and cash equivalents and restricted cash, end of period	$ 48,477	$ 58,643
Reconciliation of Cash and Cash Equivalents and Restricted Cash		
Cash and cash equivalents at beginning of year	$ 15,600	$ 22,473
Restricted cash at beginning of year	41,570	34,725
Cash and cash equivalents and restricted cash at beginning of year	$ 57,170	$ 57,198
Cash and cash equivalents at end of period	$ 9,384	$ 23,618
Restricted cash at end of period	39,093	35,025
Cash and cash equivalents and restricted cash at end of period	$ 48,477	$ 58,643

The accompanying notes are an integral part of these statements.

ORION PROPERTIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2025 (Unaudited)

Note 1 – Organization

Organization

Orion Properties Inc. (the "Company", "Orion", "we" or "us") is an internally managed real estate investment trust ("REIT") engaged in the ownership, acquisition, and management of a diversified portfolio of office properties located in high-quality suburban markets across the United States and leased primarily on a single-tenant net lease basis to creditworthy tenants. The Company's portfolio is comprised of traditional office properties, as well as governmental, medical office, flex/laboratory and R&D and flex/industrial properties. On March 5, 2025, the Company changed its name from Orion Office REIT Inc. to Orion Properties Inc. to better describe its broader investment strategy to shift its portfolio concentration over time away from traditional office properties, towards more dedicated use assets that have an office component. The Company defines dedicated use assets as those that include a substantial specialized use component such as government, medical, laboratory and research and development, and flex operations, and would therefore not be considered traditional office properties.

The Company was initially formed as a wholly owned subsidiary of Realty Income Corporation ("Realty Income"). Following completion of the merger transaction involving Realty Income and VEREIT, Inc. ("VEREIT") on November 1, 2021, Realty Income contributed the combined business comprising certain office real properties and related assets previously owned by subsidiaries of Realty Income, and certain office real properties and related assets previously owned by subsidiaries of VEREIT (the "Separation"), to the Company and its operating partnership, Orion Properties LP ("Orion OP"), and on November 12, 2021, effected a special distribution to its stockholders of all the outstanding shares of common stock of the Company (the "Distribution").

Following the Distribution, the Company became an independent and publicly traded company and its common stock, par value $0.001 per share, trades on the New York Stock Exchange (the "NYSE") under the symbol "ONL." The Company has elected to be taxed as a REIT for U.S. federal income tax purposes, commencing with its initial taxable year ended December 31, 2021.

As of March 31, 2025, the Company owned and operated 68 operating properties, with an aggregate of 7.8 million leasable square feet located in 29 states, and eight non-operating properties. In addition, the Company owns an equity interest in OAP/VER Venture, LLC (the "Arch Street Joint Venture"), an unconsolidated joint venture with an affiliate of Arch Street Capital Partners, LLC ("Arch Street Capital Partners"). As of March 31, 2025, the Arch Street Joint Venture owned a portfolio consisting of six properties totaling approximately 1.0 million leasable square feet located within six states.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The consolidated financial statements of the Company presented herein include the accounts of the Company and its consolidated subsidiaries, including Orion OP, and a consolidated joint venture and are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). All intercompany transactions have been eliminated upon consolidation. The portion of the consolidated joint venture not owned by the Company is presented as non-controlling interest in the accompanying consolidated balance sheets, statements of operations, statements of comprehensive income (loss) and statements of equity.

The consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented. These adjustments are considered to be of a normal, recurring nature. The operating results presented for interim periods are not necessarily indicative of the results that may be expected for any other interim period or for the entire year. These consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto as of and for the year ended December 31, 2024, which are included in the Company's Annual Report on Form 10-K filed with the SEC on March 5, 2025. Information and footnote disclosures normally included in financial statements have been condensed or omitted pursuant to the rules and regulations of the SEC and U.S. GAAP.

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

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

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. Management makes significant estimates regarding real estate impairments and purchase price allocations.

Revenue Recognition

Rental Revenue

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

Certain of the Company's leases also contain provisions for tenants to reimburse the Company for real estate taxes, insurance and maintenance and other property operating expenses. Such reimbursements are included in rental revenue on a gross basis. Property operating expenses paid directly by tenants are recorded on a net basis (i.e., treated as fully offset by an identical amount of assumed reimbursement revenue) and, therefore, are not included in the accompanying consolidated financial statements.

The Company continually reviews receivables related to rent, straight-line rent and property operating expense reimbursements and determines collectability by taking into consideration the tenant's payment history, the financial condition of the tenant, business conditions in the industry in which the tenant operates and economic conditions in the area in which the property is located. The review includes a binary assessment of whether or not substantially all of the amounts due under a tenant's lease agreement are probable of collection. For leases that are deemed probable of collection, revenue continues to be recorded on a straight-line basis over the lease term. For leases that are deemed not probable of collection, revenue is recorded as cash is received and the Company reduces rental revenue for any straight-line rent receivables. The Company recognizes all changes in the collectability assessment for an operating lease as an adjustment to rental revenue. During the three months ended March 31, 2024, the Company recorded a reduction to rental revenue of less than $0.1 million for income not probable of collection. No such amounts were recorded for the three months ended March 31, 2025.

Periodically the Company receives reimbursements from previous tenants for certain end of lease obligations that are recognized on a cash basis or when the amounts are definitively agreed upon. During the three months ended March 31, 2024, the Company recognized $2.7 million of such reimbursements. No such amounts were recorded for the three months ended March 31, 2025. Rental revenue also includes lease termination income collected from tenants to allow for the tenants to settle their lease obligations and/or to vacate their space prior to their scheduled termination dates. During the three months ended March 31, 2025 and 2024, the Company recognized lease termination income of $0.8 million and $1.6 million, respectively. Amortization of above and below-market leases and lease incentives is also included in rental revenue and is discussed further in Note 3 – Real Estate Investments and Related Intangibles.

Fee Income from Unconsolidated Joint Venture

The Company provides various services to the Arch Street Joint Venture in exchange for market-based fees. Total asset and property management fees earned in connection with this entity was $0.2 million for the three months ended March 31, 2025 and 2024.

Cash and Cash Equivalents

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

Restricted Cash

The Company had $39.1 million and $41.6 million in restricted cash as of March 31, 2025 and December 31, 2024, respectively, primarily comprised of reserves held by the lender under the CMBS Loan (as defined in Note 6 – Debt, Net) for future rent concessions and tenant improvement allowances. Restricted cash is included in other assets, net in the accompanying consolidated balance sheets.

Segment Reporting

The Company operates in one business segment: commercial real estate. This segment is characterized as owning, managing and leasing commercial real estate assets under long-term agreements. The chief operating decision maker ("CODM") of the Company is the chief executive officer. The CODM reviews net income (loss) attributable to common stockholders, included in the accompanying consolidated statements of operations, when assessing performance and making operating decisions, including the allocation of resources. The CODM uses net income (loss) attributable to common stockholders as it informs comparative period trends for the forecasting process and is the baseline measurement for any additional measures of profit or loss of the Company's consolidated financial results. Additionally, the CODM reviews the following significant expenses when measuring segment performance: property operating expenses for properties that were fully vacant or became fully vacant during the reporting period ("Vacant Property Operating Expenses") and general and administrative expenses.

Segment revenues, profit or loss and general and administrative expenses are all disclosed in the accompanying consolidated statements of operations for the three months ended March 31, 2025 and 2024. Vacant Property Operating Expenses of $5.1 million and $2.8 million are included in property operating expenses in the accompanying consolidated statements of operations for the three months ended March 31, 2025 and 2024.

Asset information for the segment is not used by the CODM to measure performance but is disclosed in the accompanying consolidated balance sheets as of March 31, 2025 and December 31, 2024. The Company does not have intra-entity sales or transfers, and its revenues have been generated in and all long-lived assets are located within the United States.

Recent Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-03, Disaggregation of Income Statement Expenses (Subtopic 220-40, Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures). ASU 2024-03 serves to improve disclosures about a public business entity's expenses and provide detailed information about expense categories commonly presented in cost of sales, research and development and selling, general, and administrative expenses, including but not limited to purchases of inventory, employee compensation, depreciation, amortization and depletion. The guidance is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of the adoption of ASU 2024-03 on its consolidated financial statements.

Note 3 – Real Estate Investments and Related Intangibles

Property Acquisitions

During the three months ended March 31, 2025, the Company had no acquisitions.

During the three months ended March 31, 2024, the Company acquired for no consideration, the fee simple interest in one parcel of land in connection with the maturity of the tax advantaged bond and ground lease structure. As a result of the transaction, $3.5 million that was previously classified as a finance lease right-of-use asset with respect to such land parcel previously subject to the ground lease was reclassified from other assets, net to land in the Company's consolidated balance sheet as of March 31, 2024.

Property Dispositions and Real Estate Assets Held for Sale

During the three months ended March 31, 2025 and 2024, the Company had no dispositions. In April 2025, the Company closed on the sale of three vacant properties for an aggregate gross sales price of $19.1 million. All three of these properties were classified as held for sale in the accompanying consolidated balance sheet as of March 31, 2025. In connection with two of the property dispositions, the Company provided aggregate sales price credits to the buyers of $2.4 million. See Note 15 – Subsequent Events, below.

As of March 31, 2025, the Company had three properties classified as held for sale with a carrying value of $14.9 million, primarily comprised of land of $4.1 million and building, fixtures and improvements, net, of $10.8 million, included in real estate assets held for sale, net in the accompanying consolidated balance sheets, which it expects to be sold in the next 12 months as part of its portfolio management strategy. During the three months ended March 31, 2025, the Company recorded losses of $1.7 million related to properties that were classified as held for sale, which are included as part of impairments in the accompanying consolidated statements of operations. There were no recorded losses related to properties that were classified as held for sale during the three months ended March 31, 2024.

Intangible Lease Assets and Liabilities

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

	Weighted Average Useful Life (Years)	March 31, 2025	December 31, 2024
Intangible lease assets:			
In-place leases, net of accumulated amortization of $169,857 and $169,898, respectively	9.7	$ 61,545	$ 68,099
Leasing commissions, net of accumulated amortization of $5,688 and $4,508, respectively	12.5	22,765	21,834
Above-market lease assets, net of accumulated amortization of $12,303 and $12,831, respectively	10.7	1,789	2,041
Deferred lease incentives, net of accumulated amortization of $1,032 and $927, respectively	10.6	3,426	3,970
Total intangible lease assets, net		$ 89,525	$ 95,944
Intangible lease liabilities:			
Below-market leases, net of accumulated amortization of $18,672 and $24,877, respectively	15.0	$ 19,988	$ 20,596

The aggregate amount of amortization of above-market and below-market leases included as a net increase to rental revenue in the accompanying statements of operations was $0.4 million and $0.5 million for the three months ended March 31, 2025 and 2024, respectively. The aggregate amount of amortization of deferred lease incentives included as net decreases to rental revenue was $0.1 million for the three months ended March 31, 2025 and 2024. The aggregate amount of in-place leases, leasing commissions and other lease intangibles amortized and included in depreciation and amortization expense in the accompanying statements of operations was $7.7 million and $16.0 million for the three months ended March 31, 2025 and 2024, 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 March 31, 2025 (in thousands):

	Remainder of 2025	2026	2027	2028	2029	2030
In-place leases:						
Total projected to be included in amortization expense	$ 15,902	$ 16,157	$ 8,262	$ 5,517	$ 2,797	$ 2,377
Leasing commissions:						
Total projected to be included in amortization expense	$ 1,931	$ 2,312	$ 2,157	$ 1,936	$ 1,647	$ 1,627
Above-market lease assets:						
Total projected to be deducted from rental revenue	$ 595	$ 680	$ 237	$ 115	$ 63	$ 63
Deferred lease incentives:						
Total projected to be deducted from rental revenue	$ 366	$ 395	$ 372	$ 359	$ 348	$ 345
Below-market lease liabilities:						
Total projected to be added to rental revenue	$ 1,539	$ 1,928	$ 1,766	$ 1,682	$ 1,500	$ 1,425

Investment in Unconsolidated Joint Venture

The following is a summary of the Company's investment in the Arch Street Joint Venture, as of and for the periods indicated below (dollars in thousands):

	Ownership % (1)	Number of Properties	Carrying Value of Investment		Equity in Loss, Net Three Months Ended	
Investment	**March 31, 2025**		**March 31, 2025**	**December 31, 2024**	**March 31, 2025**	**March 31, 2024**
Arch Street Joint Venture (2)	20%	6	$ 11,576	$ 11,822	$ (246)	$ (116)

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

(2) The total carrying value of the Company's investment in the Arch Street Joint Venture was less than the underlying equity in net assets by $ 0.1 million and less than $ 0.1 million as of March 31, 2025 and December 31, 2024, respectively. This difference is related to the recognition of the fair value of the investment in the Arch Street Joint Venture in connection with the Separation and the Distribution. The difference in fair value and carrying value of the investment was allocated based on the underlying assets and liabilities of the Arch Street Joint Venture and is being amortized over the estimated useful lives of the respective assets and liabilities in accordance with the Company's accounting policies.

The non-recourse mortgage notes associated with the Arch Street Joint Venture are scheduled to mature on November 27, 2025, with one remaining option to extend the maturity for an additional 12 months until November 27, 2026. As of March 31, 2025, there was $130.9 million outstanding under the mortgage notes and the Company's proportionate share was $26.2 million. The mortgage notes have a variable interest rate and the spread on a SOFR (the secured overnight financing rate as administered by the Federal Reserve Bank of New York) loan is 2.60% per annum, and the spread on a base rate loan is 0.50% per annum. The Arch Street Joint Venture has entered into an interest rate cap agreement that caps the SOFR rate at 5.50% per annum.

On November 22, 2024, the Company provided a member loan to the Arch Street Joint Venture of $1.4 million in connection with the partial repayment of the Arch Street Joint Venture mortgage notes to satisfy the maximum 60% loan-to-value extension condition. During the three months ended March 31, 2025, the Company made an additional member loan of $8.3 million to fund leasing costs related to a lease extension that was completed for one of the properties in the Arch Street Joint Venture portfolio. The Company's member loan to the Arch Street Joint Venture, which had $ 8.9 million receivable as of March 31, 2025, earns interest at 15% per annum, matures on November 27, 2026 and is non-recourse and unsecured, structurally subordinate to the Arch Street Joint Venture mortgage notes. Interest and principal are payable monthly solely out of the excess cash from the joint venture after payment of property operating expenses, interest and principal on the Arch Street mortgage notes and other joint venture expenses and excess proceeds from the sale of any of the joint venture properties.

Note 4 – Receivables and Other Assets

Accounts receivable, net consisted of the following as of the periods indicated below (in thousands):

	March 31, 2025	December 31, 2024
Accounts receivable, net	$ 5,176	$ 5,852
Straight-line rent receivable, net	18,952	16,981
Total	$ 24,128	$ 22,833

Other assets, net consisted of the following as of the periods indicated below (in thousands):

	March 31, 2025	December 31, 2024
Restricted cash	$ 39,093	$ 41,570
Right-of-use assets, net (1)	21,982	22,216
Investment in unconsolidated joint venture	11,576	11,822
Notes receivable (2)	11,383	3,900
Prepaid expenses	4,604	2,133
Deferred costs, net (3)	3,865	4,596
Other assets, net	1,493	1,591
Total	$ 93,996	$ 87,828

(1) Includes right-of-use finance leases of $5.6 million, right-of-use operating leases of $ 10.0 million and a below-market right-of-use asset, net of $ 6.4 million, as of March 31, 2025. Includes right-of-use finance leases of $5.6 million, right-of-use operating leases of $ 10.2 million and a below-market right-of-use asset, net of $ 6.4 million, as of December 31, 2024. Amortization expense for below market right-of-use asset was less than $0.1 million for the three months ended March 31, 2025 and 2024.

(2) Notes receivable includes a member loan to the Arch Street Joint Venture discussed in Note 3 – Real Estate Investments and Related Intangibles – Investment in Unconsolidated Joint Venture of $8.9 million and $1.4 million as of March 31, 2025 and December 31, 2024, respectively. Notes receivable also includes one $2.5 million long-term seller financed promissory note for one property sold during the year ended December 31, 2023, as of March 31, 2025 and December 31, 2024. This loan was structured as first mortgage loan on the property sold with an unsecured recourse guaranty from the buyer principal.

(3) Includes accumulated amortization for deferred costs related to the Revolving Facility of $ 7.7 million and $7.0 million as of March 31, 2025 and December 31, 2024, respectively. Amortization expense for deferred costs related to the Revolving Facility was $0.7 million and $0.8 million for the three months ended March 31, 2025 and 2024, respectively. Deferred costs, net as of March 31, 2025 and December 31, 2024 also includes outstanding deferred equity offering costs of $0.6 million, which will be offset against additional paid in capital for future issuances of shares of the Company's common stock.

Note 5 – Fair Value Measures

Items Measured at Fair Value on a Recurring Basis

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

	Level 1	Level 2	Level 3	Balance as of March 31, 2025
Derivative liabilities	$ —	$ 1	$ —	$ 1

	Level 1	Level 2	Level 3	Balance as of December 31, 2024
Derivative liabilities	$ —	$ 15	$ —	$ 15

Derivative Liabilities – The Company's derivative financial instruments comprise interest rate collar agreements entered into in order to hedge interest rate volatility with respect to the Company's borrowings on the Revolving Facility with an aggregate notional amount of $60.0 million as of March 31, 2025 and December 31, 2024 (as described in Note 6 – Debt, Net). The valuation of derivative instruments is determined using a discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, as well as observable market-based inputs, including interest rate curves and implied volatilities. In addition, credit valuation adjustments are incorporated into the fair values to account for the Company's potential nonperformance risk and the performance risk of the counterparties.

Although the Company determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with those derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by the Company and its counterparties. However, as of March 31, 2025 and December 31, 2024, the Company assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and determined that the credit valuation adjustments are not significant to the overall valuation of the Company's derivatives. As a result, the Company determined that its derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

Items Measured at Fair Value on a Non-Recurring Basis

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

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

The following table summarizes the Company's provisions for impairment during the periods indicated below (dollars in thousands). The impairment charges reflect changes in the Company's future cash flow assumptions for agreed-upon or estimated sales proceeds with respect to real estate assets that were expected to be sold as well as changes to assumptions with regard to management's intent to sell or lease the real estate assets.

	Three Months Ended March 31,	
	2025	**2024**
Number of properties	2	2
Carrying value of impaired properties	$ 13,643	$ 30,060
Provisions for impairment	(1,709)	(19,685)
Estimated fair value	$ 11,934	$ 10,375

The Company estimates fair values using Level 2 and Level 3 inputs and uses a combined income and market approach, specifically using discounted cash flow analysis and/or recent comparable sales transactions. The evaluation of real estate assets for potential impairment requires the Company's management to exercise significant judgment and make certain key assumptions, including the following: (1) capitalization rates; (2) discount rates; (3) number of years the property will be held; (4) property operating expenses; and (5) re-leasing assumptions including the number of months to re-lease, market rental revenue and required tenant improvements. There are inherent uncertainties in making these estimates such as market conditions and performance and sustainability of the Company's tenants.

For the Company's impairment tests for the real estate assets during the three months ended March 31, 2025, the fair value measurements for two properties were determined based on the sales prices under definitive agreements. During the three months ended March 31, 2025, impairment charges of $1.7 million were recorded for held for sale properties and no impairment charges were recorded for held and used properties.

For the Company's impairment tests for the real estate assets during the three months ended March 31, 2024, the fair value measurement for one property was determined based on the sales price under a definitive agreement and one property was determined by a discount rate of 9.0% and capitalization rate of 8.5%. During the three months ended March 31, 2024, impairment charges of $19.7 million were recorded for held and used properties and no impairment charges were recorded for held for sale properties.

The following tables present certain of the Company's assets measured at fair value on a non-recurring basis as of the periods indicated below, aggregated by the level in the fair value hierarchy within which those assets fall (in thousands):

	Level 1	Level 2 (1)	Level 3 (1)	Balance as of March 31, 2025
Assets of properties held for sale	$ —	$ 11,934	$ —	$ 11,934

	Level 1	Level 2 (1)	Level 3 (1)	Balance as of December 31, 2024
Assets of properties held and used	$ —	$ —	$ 22,903	$ 22,903
Assets of properties held for sale	—	9,671	—	9,671
Total	$ —	$ 9,671	$ 22,903	$ 32,574

(1) The fair value of the level 2 category was derived using negotiated sales prices with third parties and the fair value of the level 3 category was derived using discounted cash flow analysis and management estimates of selling prices.

Fair Value of Financial Instruments

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

	Level	Carrying Value at March 31, 2025	Fair Value at March 31, 2025	Carrying Value at December 31, 2024	Fair Value at December 31, 2024
Assets:					
Notes receivable	3	$ 11,383	$ 11,383	$ 3,900	$ 3,900
Liabilities (1):					
Mortgages payable	2	$ 373,000	$ 358,607	$ 373,000	$ 352,476
Credit facility revolver	2	132,000	132,000	119,000	119,000
Derivative liabilities	2	1	1	15	15
Total		$ 505,001	$ 490,608	$ 492,015	$ 471,491

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

Notes Receivable – The carrying value of the Company's long-term promissory notes receivable were determined to be at fair value based on management's estimates of credit spreads and observable market interest rates, representing level 3 on the fair value hierarchy.

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

Note 6 – Debt, Net

As of March 31, 2025, the Company had $503.4 million of debt outstanding, including net deferred financing costs, with a weighted average years to maturity of1.8 years and a weighted average effective interest rate for the three months ended March 31, 2025 of 5.69%. The following table summarizes the carrying value of debt as of and the debt activity for the periods indicated below (in thousands):

	Balance as of December 31, 2024	Three Months Ended March 31, 2025 Debt Issuances	Repayments, Extinguishment and Assumptions	Accretion and Amortization	Balance as of March 31, 2025
Mortgages payable:					
Outstanding balance	$ 373,000	$ —	$ —	$ —	$ 373,000
Deferred costs	(1,778)	—	—	181	(1,597)
Mortgages payable, net	371,222	—	—	181	371,403
Credit facility revolver	119,000	13,000	—	—	132,000
Total debt	$ 490,222	$ 13,000	$ —	$ 181	$ 503,403

The following table summarizes the scheduled aggregate principal repayments due on the Company's debt outstanding as of March 31, 2025 (in thousands):

	Total
April 1, 2025 to December 31, 2025	$ —
2026	132,000
2027	355,000
Thereafter	18,000
Total	$ 505,000

Credit Agreement

In connection with the Separation and the Distribution, on November 12, 2021, the Company, as parent, and Orion OP, as borrower, entered into a credit agreement (the "Credit Agreement") providing for a three-year, $425.0 million senior revolving credit facility (the "Revolving Facility"), including a $25.0 million letter of credit sub-facility, and a two-year, $175.0 million senior term loan facility (the "Term Loan Facility") with Wells Fargo Bank, National Association, as administrative agent, and the lenders and issuing banks party thereto.

In June 2023, as further described below, the Term Loan Facility was repaid and retired with borrowings under the Revolving Facility and, as of March 31, 2025, $132.0 million of principal amount was outstanding under the Revolving Facility with $218.0 million available for future borrowings thereunder, including the $25.0 million letter of credit sub-facility.

The Company and Orion OP have entered into three amendments to the Credit Agreement. The purpose of the first amendment entered into in December 2022 was to change the benchmark rate for borrowings under the Credit Agreement from LIBOR (the London interbank offered rate as administered by the ICE Benchmark Administration) to SOFR (the secured overnight financing rate as administered by the Federal Reserve Bank of New York). The purpose of the second amendment entered into in June 2023 was to repay and retire $175.0 million of outstanding borrowings under the Term Loan Facility with borrowings from the Revolving Facility which was undrawn at the time of the second amendment, provide Orion OP with the option to extend the maturity of the Revolving Facility for an additional 18 months to May 12, 2026 from November 12, 2024 and to effect certain other modifications. On May 3, 2024, the Company entered into a third amendment to the Credit Agreement which resulted in a permanent $75.0 million reduction in the capacity of the Revolving Facility to $350.0 million from $425.0 million, while making a proportional reduction in the minimum value of the unencumbered asset pool required under the Credit Agreement to $500.0 million from $600.0 million and certain other modifications to financial covenants. On May 16, 2024, the Company elected its option to extend the maturity of the Revolving Facility to May 12, 2026.

The interest rate applicable to the loans under the Revolving Facility may be determined, at the election of Orion OP, on the basis of Daily Simple SOFR, Term SOFR or a base rate, in the case of a SOFR loan, plus a SOFR adjustment of 0.10% per annum, and in the case of a SOFR loan or a base rate loan, plus an applicable margin of 3.25% for SOFR loans and 2.25% for base rate loans. Loans under the Revolving Facility may be prepaid and reborrowed, and unused commitments under the Revolving Facility may be reduced, at any time, in whole or in part, by Orion OP, without premium or penalty (except for SOFR breakage costs).

In December 2022, the Company entered into interest rate swap agreements with an aggregate notional amount of $175.0 million, which effectively fixed the interest rate on $175.0 million of principal under the Revolving Facility (or, until June 29, 2023, the Term Loan Facility) at 3.92% per annum until November 12, 2023. Upon the scheduled expiration of the interest rate swap agreements, the Company entered into interest rate collar agreements on a total notional amount of $60.0 million to hedge against interest rate volatility on the Revolving Facility. Under the agreements, the benchmark rate for the Revolving Facility will float between 5.50% per annum and 4.20% per annum on $25.0 million, and 5.50% per annum and 4.035% per annum on $35.0 million, effective from November 13, 2023 until May 12, 2025. Unless a new interest rate collar or other hedge instrument is entered into, upon the scheduled expiration of the interest rate collar agreements, the Company's borrowing cost on outstanding principal balances under the Revolving Facility will be subject to increased risk associated with interest rate fluctuations. As of March 31, 2025, the weighted average effective interest rate of the Revolving Facility was 7.66%.

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

The Revolving Facility is guaranteed pursuant to a guaranty by the Company and, subject to certain exceptions, substantially all of Orion OP's existing and future subsidiaries (including substantially all of its subsidiaries that directly or indirectly own unencumbered real properties), other than certain joint ventures and subsidiaries that own real properties subject to certain other indebtedness (such subsidiaries of Orion OP, the "Subsidiary Guarantors").

The Revolving Facility is secured by, among other things, first priority pledges of the equity interests in the Subsidiary Guarantors.

The Revolving Facility requires that Orion OP comply with various covenants, including covenants restricting, subject to certain exceptions, liens, investments, mergers, asset sales and the payment of certain dividends. Pursuant to the second amendment described above, if, on any day, Orion OP has unrestricted cash and cash equivalents in excess of $25.0 million (excluding amounts that are then designated for application or use and are subsequently used for such purposes within 30 days), Orion OP will use such excess amount to prepay loans under the Revolving Facility, without premium or penalty and without any reduction in the lenders' commitment under the Revolving Facility.

In addition, the Revolving Facility giving effect to the modifications pursuant to the second amendment described above, requires that Orion OP satisfy the following financial covenants:

- ratio of total debt to total asset value of not more than 0.60 to 1.00;
- ratio of adjusted EBITDA to fixed charges of not less than 1.50 to 1.00;
- ratio of secured debt to total asset value of not more than 0.40 to 1.00;
- ratio of unsecured debt to unencumbered asset value of not more than 0.60 to 1.00;
- ratio of net operating income from all unencumbered real properties to unsecured interest expense of not less than 2.00 to 1.00; and
- the unencumbered asset value maintained by Orion OP must be at least $500.0 million.

Pursuant to the second amendment described above, if the ratio of unsecured debt to unencumbered asset value exceeds 0.35 to 1.00 as of the end of two consecutive fiscal quarters, Orion OP will be required, within 90 days and subject to cure rights, to grant the administrative agent a first priority lien on all the properties included in the pool of unencumbered assets (other than properties identified for disposition by the Company so long as such properties are sold within one year of such identification).

As of March 31, 2025, Orion OP was in compliance with the Revolving Facility financial covenants.

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

CMBS Loan

On February 10, 2022, certain indirect subsidiaries of the Company (the “Mortgage Borrowers”) obtained a $355.0 million fixed rate mortgage note (the “CMBS Loan”) from Wells Fargo Bank, National Association (together with its successor, the “Lender”), which is secured by the Mortgage Borrowers’ fee simple or ground lease interests in 19 properties owned indirectly by the Company (collectively, the “Mortgaged Properties”). During March 2022, Wells Fargo effected a securitization of the CMBS Loan. The CMBS Loan bears interest at a fixed rate of 4.971% per annum and matures on February 11, 2027.

The CMBS Loan requires monthly payments of interest only and all principal is due at maturity. Upon closing of the CMBS Loan, the Mortgage Borrowers funded $35.5 million of loan reserves primarily for future rent concessions and tenant improvement allowances under the leases with respect to the19 Mortgaged Properties. These amounts, as well as the transaction expenses incurred in connection with the CMBS Loan, were funded with cash on hand and borrowings under the Company’s Revolving Facility. During the three months ended March 31, 2025 and December 31, 2024, the Mortgage Borrowers funded an additional $1.5 million and $9.4 million, respectively, of loan reserves for future rent concessions and tenant improvement allowances agreed to as part of the extension of certain leases in the CMBS collateral pool.

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

The CMBS Loan is generally not freely prepayable by the Mortgage Borrowers without payment of certain prepayment premiums and costs. The CMBS Loan may be prepaid in whole, but not in part, except as provided in the loan agreement governing the CMBS Loan (the “CMBS Loan Agreement”), at any time, subject to the payment of a yield maintenance premium and the satisfaction of other terms and conditions set forth in the CMBS Loan Agreement. Further, releases of individual properties are permitted in connection with an arm’s length third party sale upon repayment of the Release Price (as defined in the CMBS Loan Agreement) for the applicable individual property and subject to payment of the applicable yield maintenance premium and the satisfaction of other terms and conditions set forth in the CMBS Loan Agreement. The CMBS Loan may be prepaid in full without premium or penalty beginning in May 2026 (nine months prior to maturity).

The CMBS Loan Agreement also contains customary cash management provisions, including certain trigger events (such as failure of the Mortgage Borrowers to satisfy a minimum debt yield of 8.0%) which allow the Lender to retain any excess cash flow as additional collateral for the Loan, until such trigger event is cured.

In connection with the CMBS Loan Agreement, the Company (as the guarantor) delivered a customary non-recourse carveout guaranty to the Lender (the “Guaranty”), under which the Company guaranteed the obligations and liabilities of the Mortgage Borrowers to the Lender with respect to certain non-recourse carveout events and the circumstances under which the CMBS Loan will be fully recourse to the Mortgage Borrowers, and which includes requirements for the Company to maintain a net worth of no less than $355.0 million and liquid assets of no less than $10.0 million, in each case, exclusive of the values of the collateral for the CMBS Loan. As of March 31, 2025, the Company was in compliance with these financial covenants.

The Mortgage Borrowers and the Company also provided a customary environmental indemnity agreement, pursuant to which the Mortgage Borrowers and the Company agreed to protect, defend, indemnify, release and hold harmless the Lender from and against certain environmental liabilities relating to the Mortgaged Properties.

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

San Ramon Loan

On November 7, 2024, an indirect subsidiary of the Company (the “San Ramon Borrower”) obtained an $18.0 million fixed rate mortgage note (the “San Ramon Loan”) from RGA Americas Investments LLC (the “San Ramon Lender”) secured by the fee simple interest in the San Ramon, California property acquired in September 2024 (the “San Ramon Property”). The San Ramon Loan bears interest at a fixed rate of 5.90% per annum and matures on December 1, 2031.

The San Ramon Loan requires monthly payments of interest only and all principal is due at maturity and is generally not freely prepayable by the San Ramon Borrower until December 2026, and thereafter without payment of certain prepayment premiums and costs. In connection with the San Ramon Loan, the Company (as guarantor) delivered a customary non-recourse carveout guaranty, under which the Company guaranteed the obligations and liabilities of the San Ramon Borrower under the San Ramon Loan with respect to certain non-recourse carveout events and the circumstances under which the San Ramon Loan will be fully recourse to the San Ramon Borrower. The San Ramon Borrower and the Company also provided a customary environmental indemnity agreement, pursuant to which the San Ramon Borrower and the Company agreed to protect, defend, indemnify and hold harmless the San Ramon Lender from and against certain environmental liabilities related to the San Ramon Property.

The loan agreement governing the San Ramon Loan (the “San Ramon Loan Agreement”) includes customary representations, warranties and covenants of the San Ramon Borrower and the Company. The San Ramon Loan Agreement also includes customary events of default, the occurrence of which, following any applicable grace period, would permit the Lender to, among other things, declare the principal, accrued interest and other obligations of the San Ramon Borrower to be immediately due and payable and foreclose on the San Ramon Property.

The Company’s mortgages payable consisted of the following as of March 31, 2025 (dollars in thousands):

	Encumbered Properties	Net Carrying Value of Collateralized Properties (1)	Outstanding Balance	Weighted Average Interest Rate	Weighted Average Years to Maturity
Fixed-rate debt	20	$ 433,746	$ 373,000	5.02 %	2.1

(1) Net carrying value is real estate assets, including right-of-use assets, net of real estate liabilities.

The table above does not include non-recourse mortgage notes associated with the Arch Street Joint Venture of $130.9 million, of which the Company’s proportionate share was $26.2 million, as of March 31, 2025.

Note 7 – Derivatives and Hedging Activities

Cash Flow Hedges of Interest Rate Risk

As of March 31, 2025 and December 31, 2024, the Company had outstanding derivative agreements with aggregate notional amounts of $60.0 million, which were designated as cash flow hedges under U.S. GAAP. The interest rate derivative agreements comprise interest rate collar agreements entered into in order to hedge interest rate volatility with respect to the Company’s borrowings under the Revolving Facility. Under the agreements, the benchmark rate for the Revolving Facility will float between 5.50% per annum and 4.20% per annum on $25.0 million, and 5.50% per annum and 4.035% per annum on $35.0 million, effective from November 13, 2023 until May 12, 2025.

The table below presents the fair value of the Company’s derivative financial instruments designated as cash flow hedges as well as their classification in the accompanying consolidated balance sheets as of the periods indicated below (in thousands):

Derivatives Designated as Hedging Instruments	Balance Sheet Location	March 31, 2025	December 31, 2024
Interest rate collars	Other liabilities, net	$ (1)	$ (15)

During the three months ended March 31, 2025 and 2024, the Company recorded net unrealized gains of less than $0.1 million and $0.2 million for changes in the fair value of its cash flow hedges in accumulated other comprehensive loss.

During the three months ended March 31, 2025 and 2024, the Company did not reclassify any previous net gains or losses from accumulated other comprehensive loss into interest expense as a result of the hedged transactions impacting earnings. During the next twelve months, the Company estimates that no amounts will be reclassified from other comprehensive income as an increase to interest expense.

Derivatives Not Designated as Hedging Instruments

As of each of March 31, 2025 and December 31, 2024, the Company had no derivatives that were not designated as qualifying hedging relationships.

Tabular Disclosure of Offsetting Derivatives

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

	Offsetting of Derivative Assets and Liabilities							
	Gross Amounts of Recognized Assets	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Consolidated Balance Sheets	Net Amounts of Assets Presented in the Consolidated Balance Sheets	Net Amounts of Liabilities Presented in the Consolidated Balance Sheets	Financial Instruments	Cash Collateral Received	Net Amount
March 31, 2025	$ —	$ (1)	$ —	$ —	$ (1)	$ —	$ —	$ (1)
December 31, 2024	$ —	$ (15)	$ —	$ —	$ (15)	$ —	$ —	$ (15)

Note 8 – Supplemental Cash Flow Disclosures

Supplemental cash flow information was as follows during the periods indicated below (in thousands):

	Three Months Ended March 31,	
	2025	2024
Supplemental disclosures:		
Cash paid for interest	$ 7,164	$ 7,232
Cash paid for income taxes, net of refunds	$ (33)	$ (23)
Non-cash investing and financing activities:		
Accrued capital expenditures and leasing costs	$ 7,260	$ 2,188
Distributions declared and unpaid	$ 1,124	$ 5,587
Land acquired upon finance lease termination	$ —	$ 3,470

Note 9 – Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following as of the periods indicated below (in thousands):

	March 31, 2025	December 31, 2024
Accrued capital expenditures and leasing costs	$ 10,176	$ 8,040
Accrued real estate and other taxes	7,172	11,228
Accrued operating and other	6,687	9,141
Accrued interest	2,073	2,017
Accounts payable	1,816	1,159
Total	$ 27,924	$ 31,585

Note 10 – Commitments and Contingencies

Leasing

As part of its ordinary re-leasing activities, the Company has agreed and anticipates that it will continue to agree to provide rent concessions to tenants and incur leasing costs with respect to its properties, including amounts paid directly to tenants to improve their space and/or building systems, or tenant improvement allowances, landlord agreements to perform and pay for certain improvements, and leasing commissions. These rent concession and leasing cost commitments could be significant and are expected to vary due to factors such as competitive market conditions for leasing of commercial office space and the volume of square footage subject to re-leasing by the Company.

ORION PROPERTIES INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2025 (Unaudited)

As of March 31, 2025, the Company had the following estimated total outstanding leasing costs commitments (in thousands):

	Total (1)
Tenant improvement allowances (2)	$ 49,241
Reimbursable landlord work (3)	11,077
Non-reimbursable landlord work (3)	14,310
Total	$ 74,628

(1) Outstanding commitments do not include rent concessions as such amounts are recorded as a component of straight-line rent receivable, net, in accordance with U.S. GAAP.

(2) Includes additional allowances of $3.6 million provided within the respective lease agreements, which require election by the tenant in exchange for additional rental income through the remaining term of the lease.

(3) Landlord work represents specific improvements agreed to within the lease agreement to be performed by the Company, as landlord, as a new and non-recurring obligation and in order to induce the tenant to enter into a new lease or lease renewal or extension. Outstanding commitments for reimbursable and non-reimbursable landlord work include estimates and are subject to change.

The actual amount the Company pays for tenant improvement allowances may be lower than the amount agreed upon in the applicable lease and will depend upon the tenant's use of the capital on the agreed upon timeline. The timing of the Company's cash outlay for tenant improvement allowances is significantly uncertain and will depend upon the applicable tenant's schedule for the improvements and corresponding use of capital, if any.

For assets financed on the CMBS Loan, the Company has funded reserves with the lender for tenant improvement allowances and rent concessions. As of March 31, 2025, total restricted cash of $38.8 million was reserved for outstanding leasing costs, including $29.3 million for tenant improvement allowances and $9.5 million for rent concession commitments, and is included in other assets, net in the accompanying consolidated balance sheets.

Litigation

From time to time, the Company may be party to various legal proceedings which it believes are routine in nature and incidental to the operation of its business. The Company does not believe that any such legal proceedings will have a material adverse effect upon its consolidated position or results of operations.

Environmental Matters

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

Note 11 – Leases

Lessor

As of March 31, 2025, the Company's operating leases have non-cancelable lease terms ranging from 0.1 years to 15.8 years. Certain leases with tenants include tenant 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).

The components of rental revenue from the Company's operating leases during the periods indicated below were as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Fixed:		
Cash rental revenue	$ 23,642	$ 31,678
Straight-line rental revenue	3,631	549
Lease intangible amortization	250	414
Fixed property operating cost reimbursements	1,509	1,446
Other fixed rental revenue	703	1,038
Total fixed	29,735	35,125
Variable:		
Variable property operating cost reimbursements	7,460	11,196
Other variable rental revenue	602	674
Total variable	8,062	11,870
Total rental revenue	$ 37,797	$ 46,995

The following table presents future minimum base rent payments due to the Company under the terms of its operating lease agreements, excluding expense reimbursements, over the next five years and thereafter as of March 31, 2025 (in thousands).

	Future Minimum Base Rent Payments
April 1, 2025 - December 31, 2025	$ 65,187
2026	83,276
2027	69,676
2028	60,787
2029	44,090
2030	42,042
Thereafter	203,574
Total	$ 568,632

Lessee

The Company is the lessee under ground lease arrangements and corporate office leases, which meet the criteria under U.S. GAAP for an operating lease. As of March 31, 2025, the Company's operating leases had remaining lease terms ranging from 0.7 years to 59.8 years, which includes options to extend. Under the operating leases, the Company pays rent and may also pay variable costs, including property operating expenses and common area maintenance. The weighted average discount rate used to measure the lease liability for the Company's operating leases was 3.69% as of March 31, 2025. As the Company's leases do not provide an implicit rate, the Company used an estimated incremental borrowing rate based on the information available at the lease commencement date or the lease guidance adoption date, as applicable, in determining the present value of lease payments.

Operating lease costs were $0.3 million for the three months ended March 31, 2025 and 2024.No cash paid for operating lease liabilities was capitalized during the three months ended March 31, 2025 and 2024.

The following table reflects the maturity analysis of payments due from the Company over the next five years and thereafter for ground and corporate office lease obligations as of March 31, 2025 (in thousands).

	Future Minimum Lease Payments
April 1, 2025 - December 31, 2025	$ 888
2026	778
2027	752
2028	761
2029	473
2030	447
Thereafter	11,597
Total	15,696
Less: imputed interest	5,450
Total	$ 10,246

Note 12 – Stockholders' Equity

Common Stock

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

On November 10, 2021, the Company issued 56,525,650 additional shares of common stock to Realty Income, such that Realty Income owned 56,625,650 shares of the Company's common stock. On November 12, 2021, Realty Income effected the Distribution.

Distributions

During the three months ended March 31, 2025 and 2024, the Company's Board of Directors declared quarterly cash dividends on shares of the Company's common stock as follows:

Declaration Date	Record Date	Paid Date	Distributions Per Share
March 4, 2025	March 31, 2025	April 15, 2025	$ 0.02

Declaration Date	Record Date	Paid Date	Distributions Per Share
February 27, 2024	March 29, 2024	April 15, 2024	$ 0.10

On May 6, 2025, the Company's Board of Directors declared a quarterly cash dividend of $0.02 per share for the second quarter of 2025, payable on July 15, 2025, to stockholders of record as of June 30, 2025

Share Repurchase Program

On November 1, 2022, the Company's Board of Directors authorized the repurchase of up to $50.0 million of the Company's outstanding common stock until December 31, 2025, as market conditions warrant (the "Share Repurchase Program"). Repurchases may be made through open market purchases, privately negotiated transactions, structured or derivative transactions, including accelerated stock repurchase transactions, or other methods of acquiring shares in accordance with applicable securities laws and other legal requirements. The Share Repurchase Program does not obligate the Company to make any repurchases at a specific time or in a specific situation. Repurchases are subject to prevailing market conditions, the trading price of the Company's common stock, the Company's liquidity and anticipated liquidity needs, financial performance and other conditions. Shares of common stock repurchased by the Company under the Share Repurchase Program, if any, will be returned to the status of authorized but unissued shares of common stock.

The Company did not repurchase any shares under the Share Repurchase Program during the three months ended March 31, 2025 or 2024. As of March 31, 2025, the approximate dollar value of shares that remain available for repurchase under the Share Repurchase Program was $45.0 million.

Note 13 – Equity-Based Compensation

The Company has an equity-based incentive award plan (the "Equity Plan") for officers, other employees, non-employee directors and consultants who provide services to the Company. Awards under the Equity Plan are accounted for under U.S. GAAP as share-based payments. The expense for such awards is recognized over the requisite service period, which is generally the vesting period. Under the Equity Plan, the Company may grant various types of awards, including restricted stock units that will vest if the recipient maintains employment with the Company over the requisite service period (the "Time-Based RSUs") and restricted stock units that may vest in a number ranging from 0% to 100% of the total number of units granted, based on the Company's total shareholder return measured on an absolute basis ("TSR-Based RSUs") and based on certain operational performance metrics ("Metrics-Based RSUs" and collectively with the TSR-Based RSUs, "Performance-Based RSUs"), in each case for officers and other employees during a three-year performance period. The Company also granted Time-Based RSUs to its non-employee directors which are scheduled to vest on the earlier of the one-year anniversary of the grant date and the next annual meeting, subject to the recipient's continued service with the Company.

Failure to satisfy the performance conditions for the Metrics-Based RSUs will result in the forfeiture of the units and, in the case of awards where the performance conditions were previously determined to be likely of achieving, a reversal of any previously recognized equity-based compensation expense. Failure to satisfy the market conditions for the TSR-Based RSUs will result in the forfeiture of the units but does not result in a reversal of previously recognized equity-based compensation expense, provided that the requisite service has been rendered. Forfeiture of Time-Based RSUs or Performance-Based RSUs due to the failure to meet the service requirements results in the reversal of previously recognized equity-based compensation expense. The Company adjusts for forfeitures of Time-Based RSUs and Performance-Based RSUs as they occur.

During the three months ended March 31, 2025 and 2024, the Company granted Time-Based RSUs and/or Performance-Based RSUs to officers and other employees of the Company. The fair value of the Time-Based RSUs is determined using the closing stock price on the grant date and is expensed over the requisite service period on a straight-line basis. The fair value of the TSR-Based RSUs is determined using a Monte Carlo simulation which takes into account multiple input variables that determine the probability of satisfying the required total shareholder return, and such fair value is expensed over the performance period. The fair value of the Metrics-Based RSUs is determined using the closing stock price on the grant date and is expensed over the requisite service period to the extent that the likelihood of achieving the performance metrics is probable. As of March 31, 2025, the Company determined that the likelihood of achieving some of the performance metrics was probable and, accordingly, the Company recognized compensation expense for such Metrics-Based RSUs and determined that the likelihood of achieving the remaining performance metrics was improbable and the Company recognized no compensation expense for the remaining Metrics-Based RSUs.

Time-Based RSUs and Performance-Based RSUs do not provide for any rights of a common stockholder prior to the vesting of such restricted stock units. Equity-based compensation expense related to Time-Based RSUs and Performance-Based RSUs for the three months ended March 31, 2025 and 2024 was $0.7 million and $0.8 million, respectively. As of March 31, 2025, total unrecognized compensation expense related to Time-Based RSUs and Performance-Based RSUs was approximately $3.3 million, with an aggregate weighted average remaining term of 1.5 years.

The Company was also required under U.S. GAAP to recognize equity-based compensation expense for awards to employees who received grants of Realty Income time-based restricted stock units and stock options in connection with the Separation and the Distribution. Equity-based compensation expense related to such Realty Income equity-based compensation awards was less than $0.1 million for the three months ended March 31, 2024. As of March 31, 2025, there wasno remaining unrecognized compensation expense related to Realty Income time-based restricted stock units and stock options and no equity-based compensation expense related to these awards during the three months ended March 31, 2025.

Note 14 – Net Loss Per Share

The computation of basic and diluted earnings per share is as follows for the periods indicated below (in thousands, except per share data):

	Three Months Ended March 31,	
	2025	2024
Net loss	$ (9,355)	$ (26,226)
Net income attributable to non-controlling interest	(6)	(6)
Net loss attributable to common stockholders and used in basic and diluted net loss per share	(9,361)	(26,232)
Weighted average shares of common stock outstanding - basic	56,043	55,803
Effect of dilutive securities [(1)]	—	—
Weighted average shares of common stock - diluted	56,043	55,803
Basic and diluted net loss per share attributable to common stockholders	$ (0.17)	$ (0.47)

(1) There were no adjustments to the weighted average common shares outstanding used in the diluted calculation given that all potentially dilutive shares were antidilutive for the three months ended March 31, 2025 and 2024.

The following were excluded from diluted net loss per share attributable to common stockholders during the periods indicated below, as the effect would have been antidilutive (in thousands):

	Three Months Ended March 31,	
	2025	2024
Weighted average unvested Time-Based RSUs and Performance-Based RSUs [(1)]	267	55
Weighted average stock warrants	1,120	1,120

(1) Net of assumed purchases in accordance with the treasury stock method and exclude Performance-Based RSUs for which the performance thresholds have not been met by the end of the applicable reporting period.

Note 15 – Subsequent Events

Distributions

On May 6, 2025, the Company's Board of Directors declared a quarterly cash dividend of $0.02 per share for the second quarter of 2025, payable on July 15, 2025, to stockholders of record as of June 30, 2025.

Dispositions

In April 2025, the Company closed on the sale of three vacant properties for an aggregate gross sales price of $19.1 million. In connection with two of the property dispositions, the Company provided aggregate sales price credits to the buyers of $2.4 million.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis should be read in conjunction with the accompanying consolidated financial statements and notes thereto appearing elsewhere in this Quarterly Report on Form 10-Q.

Forward-Looking Statements

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

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

- the risk of rising interest rates, including that our borrowing costs may increase and we may be unable to extend or refinance our debt obligations on favorable terms and in a timely manner, or at all;
- the risk of inflation, including that our operating costs, such as insurance premiums, utilities, real estate taxes, capital expenditures and repair and maintenance costs, may rise;
- conditions associated with the global market, including an oversupply of office space, tenant credit risk and general economic conditions and geopolitical conditions;
- the risk that recent changes in United States trade policy and the imposition of new tariffs continue to create disruption in macroeconomic conditions and could adversely impact our lenders, tenants and prospective tenants, and cause them to reduce or decline to do business with us or fail to meet their obligations to us;
- the extent to which changes in workplace practices and office space utilization, including remote and hybrid work arrangements, and changes in government budgetary priorities, will continue and the impact that may have on demand for office space at our properties;
- our ability to acquire new properties, convert certain vacant properties to multi-tenant use and sell non-core assets on favorable terms and in a timely manner, or at all;
- risks associated with acquisitions, including 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 will fail to perform as expected;
- our assumption concerning tenant utilization and renewal probability of dedicated use assets, and our ability to successfully execute on our strategy to shift our portfolio concentration over time away from traditional office properties, towards more dedicated use assets;
- our ability to comply with the terms of our credit agreements or to meet the debt obligations on our properties;
- our ability to access the capital markets to raise additional equity or refinance maturing debt on favorable terms and in a timely manner, or at all;
- changes in the real estate industry and in performance of the financial markets and interest rates and our ability to effectively hedge against interest rate changes;
- the risk of tenants defaulting on their lease obligations, which is heightened due to our focus on single-tenant properties;
- our ability to renew leases with existing tenants or re-let vacant space to new tenants on favorable terms and in a timely manner, or at all;

- uncertainty as to whether the new Department of Government Efficiency, or DOGE, will lead to efforts by the General Services Administration to exercise termination options under or otherwise seek to terminate our leases with the United States Government or make it more likely the United States Government terminates the applicable lease at lease expiration;
- the cost of rent concessions, tenant improvement allowances and leasing commissions;
- the potential for termination of existing leases pursuant to tenant termination rights;
- the amount, growth and relative inelasticity of our expenses;
- risks associated with the ownership and development of real property;
- risks accompanying our investment in and the management of OAP/VER Venture, LLC (the "Arch Street Joint Venture"), our unconsolidated joint venture, in which we hold a non-controlling ownership interest, including that our joint venture partner may not be able to contribute its share of capital requirements;
- our ability to close pending real estate transactions, which may be subject to conditions that are outside of our control;
- we may change our dividend policy at any time, and therefore the amount, timing and continued payment of dividends are not assured;
- our properties may be subject to impairment charges;
- risks resulting from losses in excess of insured limits or uninsured losses;
- risks associated with the potential volatility of our common stock;
- the risk that we may fail to maintain our income tax qualification as a real estate investment trust; and
- other risks and uncertainties detailed from time to time in our SEC filings.

All forward-looking statements should be read in light of the risks identified in Part I, Item 1A. Risk Factors in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

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

When we refer to "annualized base rent," we mean the monthly aggregate cash amount charged to tenants under our leases (including monthly base rent receivables and certain fixed contractually obligated reimbursements by our tenants), as of March 31, 2025, multiplied by 12, including the Company's proportionate share of such amounts related to the Arch Street Joint Venture, the Company's unconsolidated joint venture with an affiliate of Arch Street Capital Partners, LLC ("Arch Street Capital Partners"). Annualized base rent is not indicative of future performance.

Under a "net lease", the tenant occupying the leased property (usually as a single tenant) does so in much the same manner as if the tenant were the owner of the property. There are various forms of net leases, most typically classified as triple net or double net. Triple net leases typically require that the tenant pay all expenses associated with the property (*e.g.*, real estate taxes, insurance, maintenance and repairs in accordance with the lease terms). Double net leases typically require that the tenant pay all operating expenses associated with the property (*e.g.*, real estate taxes, insurance and maintenance), but excludes some or all major repairs (*e.g.*, roof, structure and parking lot, in each case, as further defined in the applicable lease). Accordingly, the owner receives the rent "net" of these expenses, rendering the cash flow associated with the lease predictable for the term of the lease.

Overview

Orion is an internally managed real estate investment trust ("REIT") engaged in the ownership, acquisition, and management of a diversified portfolio of office properties located in high-quality suburban markets across the United States and leased primarily on a single-tenant net lease basis to creditworthy tenants. Our portfolio is comprised of traditional office properties, as well as governmental, medical office, flex/laboratory and R&D and flex/industrial properties. On March 5, 2025, we changed our name from Orion Office REIT Inc. to Orion Properties Inc. to better describe our broader investment strategy to shift our portfolio concentration over time away from traditional office properties, towards more dedicated use assets that have an office component. We define dedicated use assets as those that include a substantial specialized use component such as government, medical, laboratory and research and development, and flex operations, and would therefore not be considered traditional office properties.

The Company was initially formed as a wholly owned subsidiary of Realty Income Corporation ("Realty Income"). Following completion of the merger transaction involving Realty Income and VEREIT, Inc. ("VEREIT") on November 1, 2021, Realty Income contributed the combined business comprising certain office real properties and related assets previously owned by subsidiaries of Realty Income, and certain office real properties and related assets previously owned by subsidiaries of VEREIT (the "Separation"), to the Company and its operating partnership, Orion Properties LP ("Orion OP"), and on November 12, 2021, effected a special distribution to its stockholders of all the outstanding shares of common stock of the Company (the "Distribution").

Following the Distribution, we became an independent and publicly traded company, and our common stock, par value $0.001, trades on the New York Stock Exchange (the "NYSE") under the symbol "ONL". The Company has elected to be taxed as a REIT for U.S. federal income tax purposes, commencing with its initial taxable year ended December 31, 2021.

As of March 31, 2025, we owned and operated 68 operating properties with an aggregate of 7.8 million leasable square feet located in 29 states with an occupancy rate of 73.7% and a weighted average remaining lease term of 5.2 years. As of March 31, 2025, we had eight properties designated as non-operating properties. We also owned a 20% equity interest in the Arch Street Joint Venture, which as of March 31, 2025, owned a portfolio of six properties with an aggregate of 1.0 million leasable square feet located in six states with an occupancy rate of 100% and a weighted average remaining lease term of 7.1 years. Including our proportionate share of leasable square feet and annualized base rent from the Arch Street Joint Venture, we owned an aggregate of 8.0 million leasable square feet with an occupancy rate of 74.3%, or 75.2% adjusted for three operating properties that are currently under agreements to be sold or have been sold following March 31, 2025, and a weighted average remaining lease term of 5.2 years, as of March 31, 2025.

Factors That May Influence Our Operating Results and Financial Condition

Rental Revenues

Our operating results depend primarily upon generating rental revenue from the properties in our portfolio. The amount of rental revenue generated by these properties is affected by our ability to maintain or increase occupancy levels, which will depend upon our ability to re-lease expiring space at favorable rates (see "Economic Environment and Tenant Retention" below). In addition, we have agreed to provide rent concessions to tenants and incur leasing costs with respect to our properties, including amounts paid directly to tenants to improve their space and/or building systems, or tenant improvement allowances, landlord agreements to perform and pay for certain improvements, and leasing commissions, and we anticipate we will continue to do so in future periods (see "Leasing Activity and Capital Expenditures" below).

Economic Environment and Tenant Retention

Our portfolio comprises primarily single-tenant leases, and tenant retention remains a significant challenge, as we have faced and will continue to face significant lease expirations the next few years. For example, leases representing approximately 11.3% and 11.1% of our annualized base rent are scheduled to expire during the remainder of 2025 and in 2026, respectively, and we may be unable to renew leases or find replacement tenants. Certain changes in office space utilization, including increased remote and hybrid work arrangements and tenants consolidating their real estate footprint, continue to impact the office leasing market. The utilization and demand for office space continue to face headwinds and the duration and ultimate impact of current trends on the demands for office space at our properties remains uncertain and subject to change. Accordingly, we do not yet know what the full extent of the impacts will be on our or our tenants' businesses and operations or the long-term outlook for leasing our properties. Higher interest rates, inflationary pressures, geopolitical hostilities and tensions, changes in United States trade policy and the imposition of new tariffs and concerns that the United States economy may enter an economic recession have caused disruptions in the financial markets and these factors could adversely affect our and our tenants' financial condition and the ability or willingness of our current and prospective tenants to renew their leases, enter into new leases or pay rent to us.

Our leasing and asset disposition activity since the completion of our distribution from Realty Income continues to be adversely impacted by a variety of market and property specific conditions. The COVID-19 pandemic and its aftermath has significantly reduced demand for office space and changes in space usage in the office leasing market, as tenants seek to attract employees back to the office, in newer, renovated properties with more amenities. As of March 31, 2025, 63.7%, 31.1% and 5.2% of our properties by rentable square feet were classified as class A, class B and class C, respectively, as determined primarily by the most recent appraisals of the properties. As of March 31, 2025, our class B and class C properties collectively included the following 10% or greater geographic concentrations as measured by rentable square feet: Texas (17.9%) and California (11.7%); and the following 10% or greater property type concentrations as measured by rentable square feet: traditional office (65.7%), flex/industrial (18.9%) and governmental (10.1%). In the current office environment, class B and class C properties generally have been experiencing reduced demand and lease or sell at discounts to class A properties and our tenants and prospective new tenants across our portfolio sometimes compare the cost and the value of leasing space in our property to the value of newer space with more amenities asking higher rent in other properties in the market. The class of buildings we own may be negatively impacting our leasing velocity and pushing our leasing costs higher and may also be negatively impacting our sales price on non-core asset sales.

Indebtedness

We have incurred significant amounts of indebtedness and, therefore, are subject to the risks normally associated with debt financing, including that we may be unable to extend, refinance or repay our debt obligations as they come due. Deteriorating office fundamentals, high interest rates, market sentiment towards the office sector and recent changes in United States trade policy and the imposition of new tariffs may adversely impact us or our lenders restrict our access to, and increase our cost of, capital as we seek to extend, refinance or repay our debts. Our nearest debt maturity is the non-recourse mortgage notes associated with the Arch Street Joint Venture, which are scheduled to mature on November 27, 2025. As of March 31, 2025, our proportionate share of the non-recourse mortgage notes associated with the Arch Street Joint Venture was $26.2 million. The Arch Street Joint Venture has one remaining option to extend the maturity date for an additional 12 months until November 27, 2026, subject to satisfaction of certain conditions, including satisfaction of certain financial and operating covenants. We cannot provide any assurance the Arch Street Joint Venture will be able to satisfy the extension conditions for the second loan extension or otherwise extend or refinance this debt obligation prior to maturity. If the Arch Street Joint Venture is unable to extend or refinance the mortgage notes, our investment in the Arch Street Joint Venture could be materially adversely affected.

Property Acquisitions and Dispositions

We intend to shift our portfolio concentration over time away from traditional office properties, towards more dedicated use assets that have an office component. We expect to continue to selectively dispose of properties in our current portfolio if we determine that they do not fit our investment strategies. Proceeds from the sale of real estate assets are expected to be redeployed to fund capital investment into our existing portfolio to further enhance the quality of our portfolio and stability of our cash flows, selective acquisitions and other general corporate purposes. As part of our capital recycling efforts, we are seeking opportunities to invest in properties featuring, among other uses, government, medical, laboratory and research and development, and flex operations. We cannot provide any assurance as to whether we will be able to acquire new properties or sell non-core assets on favorable terms and in a timely manner, or at all.

Emerging Growth Company Status

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act (the "JOBS Act"). As such, we are eligible to take advantage of certain exemptions from various reporting requirements that apply to other public companies that are not emerging growth companies, including compliance with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act and the requirements to hold a non-binding advisory vote on executive compensation and any golden parachute payments not previously approved. We cannot predict if investors will find our common stock less attractive because we rely on the exemptions available to us as an emerging growth company. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

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

We will remain an emerging growth company until the earliest of (i) the last day of the first fiscal year in which our annual gross revenues exceed $1.235 billion, (ii) the last day of the fiscal year following the fifth anniversary of the date of the first sale of our common equity securities pursuant to an effective registration statement under the Securities Act, (iii) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, which would occur on the last day of the fiscal year in which the market value of our common stock that is held by non-affiliates exceeds $700.0 million as of the last business day of our most recently completed second fiscal quarter, or (iv) the date on which we have issued more than $1.0 billion in non-convertible debt during the preceding three-year period. As of June 30, 2024, the market value of our common stock held by non-affiliates was less than $700.0 million, and therefore, we expect to remain an "emerging growth company" at least until the next measuring date, which is June 30, 2025.

Basis of Presentation

The consolidated financial statements of the Company for the three months ended March 31, 2025 and 2024, include the accounts of the Company and its consolidated subsidiaries, including Orion OP, and a consolidated joint venture. All intercompany transactions have been eliminated upon consolidation.

Election as a REIT

The Company elected to be taxed as a REIT for U.S. federal income tax purposes under Sections 856 through 860 of the Internal Revenue Code of 1986, as amended, commencing with the taxable year ended December 31, 2021. To maintain our qualification as a REIT, we must meet certain organizational and operational requirements, including a requirement to distribute annually at least 90% of our REIT taxable income, subject to certain adjustments and excluding any net capital gain, to stockholders. As a REIT, except as discussed below, we generally are not subject to federal income tax on taxable income that we distribute to our stockholders so long as we distribute at least 90% of our annual taxable income (computed without regard to the deduction for dividends paid and excluding net capital gains). REITs are subject to a number of other organizational and operational requirements. Even if we maintain our qualification for taxation as a REIT, we may become subject to certain state and local taxes on our income and property, and federal income taxes on certain income and excise taxes on our undistributed income.

Critical Accounting Estimates

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

Real Estate Impairment

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

- The review of impairment indicators and subsequent determination of the undiscounted future cash flows could require us to reduce the carrying value of assets and recognize an impairment loss.
- The evaluation of real estate assets for potential impairment requires our management to exercise significant judgment and make certain key assumptions, including the following: (1) capitalization rate; (2) discount rate; (3) number of years the property will be held; (4) property operating expenses; and (5) re-leasing assumptions including the 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 our tenants.
- Changes related to management's intent to sell or lease the real estate assets used to develop the forecasted cash flows may have a material impact on our financial results.

Allocation of Purchase Price of Real Estate Assets

We generally account for acquisitions of properties as asset acquisitions and we measure the real estate assets acquired based on the purchase price or total consideration exchanged, inclusive of acquisition costs, and allocate the total consideration exchanged to tangible and intangible assets and liabilities based on their respective estimated fair values. Tangible assets consist of land, buildings, fixtures and improvements. Intangible assets and liabilities consist of any above-market and below-market leases, acquired in-place leases and other identified intangible assets and assumed liabilities (including ground leases, if applicable). Our purchase price allocations are developed utilizing third-party appraisal reports, industry standards and management experience. The risks and uncertainties involved in applying the principles related to purchase price allocations include, but are not limited to, the following:

- The value allocated to land, as opposed to buildings, fixtures and improvements, affects the amount and timing of depreciation expense we record. If more value is attributed to land, depreciation expense is lower than if more value is attributed to buildings, fixtures and improvements.
- Intangible lease assets and liabilities can be significantly affected by estimates, including market rent, lease term (including renewal options at rental rates below estimated market rental rates), carrying costs of the property during a hypothetical expected lease-up period, and current market conditions and costs, including tenant improvement allowances and rent concessions.
- If any financing is assumed, we determine whether such financing is above-market or below-market based upon comparison to similar financing terms for similar investment properties.

Recently Issued Accounting Pronouncements

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

Significant Transactions Summary

Activity through March 31, 2025 and Subsequent Events

Real Estate Operations

- During the three months ended March 31, 2025, we completed approximately 380,000 square feet of lease renewals and new leases across four different properties with a weighted average lease term of 6.7 years.
- During February 2025, we made an additional member loan of $8.3 million to fund leasing costs related to a lease extension that was completed for one of the properties in the Arch Street Joint Venture portfolio. As of March 31, 2025, the outstanding principal balance of the member loan was $8.9 million.
- During the three months ended March 31, 2025, one lease expired consisting of 136,000 square feet. The vacated property was immediately backfilled with a lease executed during the three months ended December 31, 2024. As of March 31, 2025, we had a total of 10 fully vacant operating properties.
- In April 2025, we closed on the sale of three vacant properties totaling approximately 287,000 square feet for an aggregate gross sales price of $19.1 million. In connection with two of the property dispositions, we provided aggregate sales price credits to the buyers of $2.4 million. As of May 7, 2025, we had pending agreements in place to sell two operating properties for an aggregate gross sales price of $27.3 million. Our pending sale agreements are subject to a variety of conditions outside of our control, such as the buyer's satisfactory completion of its due diligence and therefore, we cannot provide any assurance the transaction will close on the agreed upon price or other terms, or at all.

Equity

- The Company's Board of Directors declared a quarterly cash dividend of $0.02 per share for the first quarter of 2025 which was paid on April 15, 2025.
- On May 6, 2025 the Company's Board of Directors declared a quarterly cash dividend of $0.02 per share for the second quarter of 2025, payable on July 15, 2025, to stockholders of record as of June 30, 2025.

Portfolio Overview

Real Estate Portfolio Metrics

Our financial performance is impacted by the timing of acquisitions and dispositions and the operating performance of our properties. The following table shows the property statistics of our operating properties as of the periods indicated below, including our proportionate share of the applicable statistics of the properties owned by the Arch Street Joint Venture:

	March 31, 2025	December 31, 2024
Portfolio Metrics		
Operating properties	68	69
Arch Street Joint Venture properties	6	6
Non-Operating properties	8	7
Rentable square feet (in thousands)(1)	8,037	8,112
Annualized base rent (in thousands)	$120,121	$120,293
Occupancy rate (2)	74.3%	73.7%
Leased rate (3)	77.4%	74.7%
Investment-grade tenants (4)	72.3%	74.4%
Weighted average remaining lease term (in years)	5.2	5.2

(1) Represents leasable square feet of operating properties and the Company's proportionate share of leasable square feet of properties owned by the Arch Street Joint Venture.

(2) Occupancy rate equals the sum of occupied square feet divided by rentable square feet of operating properties. Adjusting for three operating properties that are currently under agreements to be sold or have been sold following March 31, 2025, the occupancy rate as of March 31, 2025 would be 75.2%.

(3) Leased rate equals the sum of leased square feet divided by rentable square feet of operating properties.

(4) Based on annualized base rent of our real estate portfolio, including the Company's proportionate share of annualized base rent for properties owned by the Arch Street Joint Venture, as of March 31, 2025. Investment-grade tenants are those with a credit rating of BBB- or higher by Standard & Poor's Financial Services LLC or a credit rating of Baa3 or higher by Moody's Investor Service, Inc. The ratings may reflect those assigned by Standard & Poor's Financial Services LLC or Moody's Investor Service, Inc. to the lease guarantor or the parent company, as applicable.

Operating Performance

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

	Three Months Ended March 31,	
	2025	2024
Financial Metrics		
Total revenues	$ 38,001	$ 47,197
Net loss attributable to common stockholders	$ (9,361)	$ (26,232)
Basic and diluted net loss per share attributable to common stockholders	$ (0.17)	$ (0.47)
FFO attributable to common stockholders (1)	$ 8,805	$ 18,389
FFO attributable to common stockholders per diluted share(1)	$ 0.16	$ 0.33
Core FFO attributable to common stockholders (1)	$ 10,653	$ 20,365
Core FFO attributable to common stockholders per diluted share(1)	$ 0.19	$ 0.36

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

Leasing Activity and Capital Expenditures

We remain highly focused on leasing activity, given the 5.2 year weighted average remaining lease term and the significant lease maturities which will occur across the portfolio over the next few years. If our tenants decide not to renew their leases, terminate their leases early or default on their leases, we will seek to re-lease the space to new tenants. We may not, however, be able to re-lease the space to suitable replacement tenants on a timely basis, or at all. Our properties may not be as attractive to existing or new tenants as properties owned by our competitors due to age of buildings, physical condition, lack of amenities or other similar factors. Even if we are able to renew leases with existing tenants or enter into new leases with replacement tenants, the terms of renewals or new leases, including the cost of required renovations, improvements or concessions to tenants, may be less favorable to us than current lease terms. As a result, our net income and ability to pay dividends to stockholders could be materially adversely affected. Further, if any of our properties cannot be leased on terms and conditions favorable to us, we may seek to dispose of the property; however, such property may not be marketable at a suitable price without substantial capital improvements, alterations, or at all, which could inhibit our ability to effectively dispose of those properties and could require us to expend capital to fund necessary capital improvements or alterations. In general, when we sell properties that are vacant or soon to be vacant, the valuation will be discounted to reflect that the new owner will bear carrying costs until the property has been leased up and take the risk that the property may not be leased up on a timely basis, favorable terms or at all.

As an owner of commercial real estate, we are required to make capital expenditures with respect to our portfolio, which include normal building improvements to replace obsolete building components and expenditures to extend the useful life of existing assets and lease related expenditures to retain existing tenants or attract new tenants to our properties. We have agreed to provide rent concessions to tenants and incur leasing costs with respect to our properties, including amounts paid directly to tenants to improve their space and/or building systems, or tenant improvement allowances, landlord agreements to perform and pay for certain improvements, and leasing commissions. We anticipate that we will continue to agree to tenant improvement allowances, the amount of which may increase in future periods. These rent concessions and leasing costs could be significant and are expected to vary due to factors such as competitive market conditions for leasing of commercial office space and the volume of square footage subject to re-leasing by us.

As of March 31, 2025, we had the following estimated total outstanding rent concessions and leasing costs commitments, including our proportionate share of the commitments of the Arch Street Joint Venture (in thousands, except per square foot amounts):

	Outstanding Amount	Leased Square Feet (1)	Outstanding Amount Per Square Foot (1)
Rent concessions (2)	$ 24,795	1,309	$ 18.94
Tenant improvement allowances (3)	50,641	2,019	$ 25.08
Reimbursable landlord work (4)	11,077	128	$ 86.54
Non-reimbursable landlord work (4)	14,310	1,157	$ 12.37
Total	$ 100,823	2,816	$ 35.80

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(1) Certain leases may contain more than one of the above rent concessions and leasing costs. The total leased square feet associated with our outstanding rent concessions and leasing costs excludes any duplicate square footage for the purpose of calculating the total outstanding amount per square foot.

(2) Rent concessions include free rent for future periods under our executed leases which include certain leases for which the lease term has yet to commence, and includes estimates of property operating expenses, where applicable.

(3) Includes additional allowances of $3.6 million provided within the respective lease agreements, which require election by the tenant in exchange for additional rental income through the remaining term of the lease.

(4) Landlord work represents specific improvements agreed to within the lease agreement to be performed by us, as landlord, as a new non-recurring obligation and in order to induce the tenant to enter into a new lease or lease renewal or extension. Outstanding commitments for reimbursable and non-reimbursable landlord work amounts include estimates and are subject to change.

The actual amount we pay for tenant improvement allowances may be lower than the amount agreed upon in the applicable lease and will depend upon the tenant's use of the capital on the agreed upon timeline. The timing of our cash outlay for tenant improvement allowances is significantly uncertain and will depend upon the applicable tenant's schedule for the improvements and corresponding use of capital, if any. We estimate that the foregoing rent concessions and leasing costs will be funded between 2025 and 2039.

We have funded and intend to continue to fund our outstanding leasing costs with cash on hand, which may include proceeds from dispositions. For assets financed on our CMBS Loan, we have funded reserves with the lender for tenant improvement allowances and rent concessions. As of March 31, 2025, total restricted cash of $38.8 million was reserved for outstanding leasing costs, including $29.3 million for tenant improvement allowances and $9.5 million for rent concession commitments, and is included in other assets, net in our consolidated balance sheets.

During the periods indicated below, we entered into new and renewal leases as summarized in the following tables (dollars and square feet in thousands):

	Three Months Ended March 31, 2025		
	New Leases	Renewals (1)	Total
Number of leases	1	3	4
Rentable square feet leased	160	220	380
Weighted average rental rate change (cash basis)(2) (3)	N/A	(17.9)%	(17.9)%
Tenant rent concessions and leasing costs (4)	$ 14,092	$ 4,388	$ 18,480
Tenant rent concessions and leasing costs per rentable square foot (5)	$ 87.91	$ 20.08	$ 48.77
Weighted average lease term (by rentable square feet) (years)(6)	10.0	4.3	6.7
Tenant rent concessions and leasing costs per rentable square foot per year	$ 8.79	$ 4.62	$ 7.24

	Three Months Ended March 31, 2024		
	New Leases	Renewals	Total
Number of leases	2	3	5
Rentable square feet leased	92	16	108
Weighted average rental rate change (cash basis)(2) (3)	N/A	32.6 %	32.6 %
Tenant rent concessions and leasing costs (4)	$ 8,432	$ 688	$ 9,120
Tenant rent concessions and leasing costs per rentable square foot (5)	$ 91.46	$ 43.33	$ 84.39
Weighted average lease term (by rentable square feet) (years)(6)	7.2	10.8	7.7
Tenant rent concessions and leasing costs per rentable square foot per year	$ 12.68	$ 4.01	$ 10.91

(1) Includes the Company's proportionate share of rentable square feet and tenant rent concessions and leasing costs for one 163,000 square foot renewal at a property owned by the Company's Arch Street Joint Venture.

(2) Represents weighted average percentage increase or decrease in (i) the annualized monthly cash amount charged to the applicable tenants (including monthly base rent receivables and certain fixed contractually obligated reimbursements by the applicable tenants, which may include estimates) as of the commencement date of the new lease term (excluding any full or partial rent abatement period) compared to (ii) the annualized monthly cash amount charged to the applicable tenants (including the monthly base rent receivables and certain fixed contractually obligated reimbursements by the applicable tenants, which may include estimates) as of the expiration date of the prior lease term. Contractually obligated reimbursements include estimated amortization of certain landlord funded improvements under our United States Government leases. If a space has been or will be vacant for more than 12 months prior to the commencement of a new lease, was previously otherwise not generating full cash rental revenue or if the lease types are not comparable, the lease will be excluded from the rental rate change calculation.

(3) Excludes one new lease for approximately 160,000 square feet and two new leases for approximately 92,000 square feet for the three months ended March 31, 2025 and 2024, respectively, that had been or will be vacant for more than 12 months at the time the new lease commences.

(4) Includes tenant improvement allowances and base building allowances, certain reimbursable and non-reimbursable landlord funded improvements, leasing commissions and rent concessions (includes estimates of property operating expenses, where applicable). For our multi-tenant properties, we have allocated the estimated cost of landlord funded improvements that benefit the property generally and/or the common areas and not the tenant's premises in particular, to the applicable lease based on square footage of the related tenant.

(5) Includes reimbursable landlord funded improvements and reimbursable tenant improvement allowances per rentable square foot of $10.00 for new leases and $4.23 in total for the three months ended March 31, 2025. Includes reimbursable landlord funded improvements per rentable square foot of $51.89 for new leases, $17.09 for renewals and $46.77 in total for the three months ended March 31, 2024.

(6) Weighted average lease term does not include specified periods of the stated lease term during which a tenant has the right to terminate their space without a termination fee, or "non-firm terms". The total weighted average lease term for new leases and renewals executed during the three months ended March 31, 2025 and 2024 would be 6.7 years and 14.2 years, respectively if such non-firm terms were included.

During the three months ended March 31, 2025, one lease expired consisting of 136,000 square feet. The vacated property was immediately backfilled with a lease executed during the three months ended December 31, 2024. The ending base rent under the expired lease was $18.00 per square foot, and the beginning base rent under the new lease is $16.25 per square foot.

During the periods indicated below, amounts capitalized by the Company for capital expenditures were as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Lease related costs [1]	$ 2,111	$ 651
Lease incentives [2]	147	77
Building, fixtures and improvements [3]	6,083	2,717
Total capital expenditures	$ 8,341	$ 3,445

(1) Lease related costs generally include lease commissions paid in connection with the execution of new and/or renewed leases.

(2) Lease incentives generally include expenses paid on behalf of the tenant or reimbursed to the tenant, including expenditures related to the construction of tenant-owned improvements.

(3) Building, fixtures and improvements generally include expenditures to replace obsolete building or land components, expenditures that extend the useful life of existing assets and expenditures to construct landlord owned improvements.

Results of Operations

The results of operations discussed in this section include the accounts of the Company and its consolidated subsidiaries for the three months ended March 31, 2025 and 2024.

Revenues

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

	Three Months Ended March 31,		
	2025	2024	2025 vs 2024 Increase/(Decrease)
Rental	$ 37,797	$ 46,995	$ (9,198)
Fee income from unconsolidated joint venture	204	202	2
Total revenues	$ 38,001	$ 47,197	$ (9,196)

Rental

The decrease in rental revenue of $9.2 million during the three months ended March 31, 2025 as compared to the same period in 2024 was primarily due to the impact from a decrease in our overall occupied square footage from expiration of leases totaling $7.1 million in rental revenues. Additionally, $2.7 million of reimbursements from previous tenants for certain end of lease obligations was recognized during the three months ended March 31, 2024 compared to no such amount during the same period in 2025. We had 68 operating properties with an aggregate of 7.8 million leasable square feet and an occupancy rate of 73.7% as of March 31, 2025, as compared to 75 operating properties with an aggregate of 8.7 million leasable square feet and an occupancy rate of 75.3% as of March 31, 2024. The decrease in revenues was partially offset by $1.3 million of rental revenue during the three months ended March 31, 2025 from the property we acquired during September 2024.

Fee income from unconsolidated joint venture

Fee income from unconsolidated joint venture consists of fees earned for providing various services to the Arch Street Joint Venture. Fee income from unconsolidated joint venture remained consistent at $0.2 million during the three months ended March 31, 2025 and 2024.

Operating Expenses

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

	Three Months Ended March 31,		
	2025	2024	2025 vs 2024 Increase/(Decrease)
Property operating	$ 16,450	$ 15,999	$ 451
General and administrative	4,896	4,949	(53)
Depreciation and amortization	16,022	24,504	(8,482)
Impairments	1,709	19,685	(17,976)
Transaction related	64	110	(46)
Total operating expenses	$ 39,141	$ 65,247	$ (26,106)

Property operating expenses

Property operating expenses such as taxes, insurance, ground rent and maintenance include both reimbursable and non-reimbursable property expenses. Property operating expenses increased $0.5 million during the three months ended March 31, 2025 as compared to the same period in 2024. The increase is the result of property operating expenses of $1.1 million from additional property vacancies and $0.2 million from the property we acquired in September 2024, offset by the timing of certain operating expenses of $0.6 million and decreases in property operating expenses resulting from property dispositions of $0.3 million.

General and administrative expenses

General and administrative expenses remained relatively consistent during the three months ended March 31, 2025 as compared to the same period in 2024.

Depreciation and amortization expenses

Depreciation and amortization expenses decreased $8.5 million during the three months ended March 31, 2025 as compared to the same period in 2024 due to the impact of full amortization of certain intangible assets as a result of leases expiring in accordance with their terms and early terminations of $9.3 million, offset by the impact of accelerated amortization for one early lease termination of $0.6 million and depreciation and amortization from the property we acquired in September 2024 of $0.4 million.

Impairments

Impairments decreased $18.0 million during the three months ended March 31, 2025 as compared to the same period in 2024. The impairment charges of $1.7 million in the three months ended March 31, 2025, include a total of two properties and the charges reflect management's estimates of lease renewal probability, timing and terms of such renewals, carrying costs for vacant properties, sale probability and estimates of sale proceeds. Impairment charges totaling $19.7 million with respect to two properties were recorded during the same period in 2024. See Note 5 - Fair Value Measures for further information.

Transaction related expenses

Transaction related expense remained relatively consistent during the three months ended March 31, 2025 as compared to the same period in 2024.

Other (Expense) Income and Provision for Income Taxes

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

	Three Months Ended March 31,		
	2025	2024	2025 vs 2024 Increase/(Decrease)
Interest expense, net	$ (8,156)	$ (8,146)	$ 10
Other income, net	$ 253	$ 163	$ 90
Equity in loss of unconsolidated joint venture, net	$ (246)	$ (116)	$ 130
Provision for income taxes	$ (66)	$ (77)	$ (11)

Interest expense, net

Interest expense, net remained relatively consistent at $8.2 million during the three months ended March 31, 2025 as compared to the same period in 2024. The Company's average debt outstanding was $498.5 million for the three months ended March 31, 2025 compared to $471.0 million during the same period in 2024. The Company's weighted average interest rate on its debt obligations was 5.69% for the three months ended March 31, 2025 and 5.88% for the same period in 2024.

Non-GAAP Measures

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

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

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

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

In addition to FFO, we use Core FFO as a non-GAAP supplemental financial performance measure to evaluate the operating performance of the Company. Core FFO, as defined by the Company, excludes from FFO items that we believe do not reflect the ongoing operating performance of our business such as transaction related expenses, spin related expenses, amortization of deferred financing costs, amortization of deferred lease incentives, net, equity-based compensation, amortization of premiums and discounts on debt, net and gains or losses on extinguishment of swaps and/or debt, and our proportionate share of Core FFO adjustments related to the unconsolidated joint venture.

We believe that FFO and Core FFO allow for a comparison of the performance of our operations with other publicly-traded REITs, as FFO and Core FFO, or a substantially similar measure, are routinely reported by publicly-traded REITs, each adjust for items that we believe do not reflect the ongoing operating performance of our business and we believe are often used by analysts and investors for comparison purposes.

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

The table below presents a reconciliation of FFO and Core FFO to net loss attributable to common stockholders, the most directly comparable U.S. GAAP financial measure, for the periods indicated below (in thousands, except per share amounts):

	Three Months Ended March 31,	
	2025	2024
Net loss attributable to common stockholders	$ (9,361)	$ (26,232)
Depreciation and amortization of real estate assets	15,988	24,472
Impairment of real estate	1,709	19,685
Proportionate share of adjustments for unconsolidated joint venture	469	464
FFO attributable to common stockholders	$ 8,805	$ 18,389
Transaction related	64	110
Amortization of deferred financing costs	912	924
Amortization of deferred lease incentives	104	123
Equity-based compensation	704	790
Other adjustments, net	50	—
Proportionate share of adjustments for unconsolidated joint venture	14	29
Core FFO attributable to common stockholders	$ 10,653	$ 20,365
Weighted average shares of common stock outstanding - basic	56,043	55,803
Effect of weighted average dilutive securities [1]	267	55
Weighted average shares of common stock outstanding - diluted	56,310	55,858
FFO attributable to common stockholders per diluted share	$ 0.16	$ 0.33
Core FFO attributable to common stockholders per diluted share	$ 0.19	$ 0.36

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(1) Dilutive securities include unvested restricted stock units net of assumed repurchases in accordance with the treasury stock method and exclude Performance-Based RSUs for which the performance thresholds have not been met by the end of the applicable reporting period. Such dilutive securities are not included when calculating net loss per diluted share applicable to the Company for the three months ended March 31, 2025 and 2024 as the effect would be antidilutive.

Liquidity and Capital Resources

General

Our principal liquidity needs for the next twelve months are to: (i) fund operating expenses; (ii) pay interest on our debt; (iii) pay dividends to our stockholders; (iv) fund capital expenditures and leasing costs at properties we own; (v) fund capital contributions to the Arch Street Joint Venture and (vi) fund new acquisitions. We believe that our principal sources of short-term liquidity, which are our cash and cash equivalents on hand, cash flows from operations, proceeds from real estate dispositions, and borrowings under the Revolving Facility (as defined below), are sufficient to meet our liquidity needs for the next twelve months. As of March 31, 2025, we had $9.4 million of cash and cash equivalents and $218.0 million of borrowing capacity under the Revolving Facility.

The non-recourse mortgage notes associated with the Arch Street Joint Venture are scheduled to mature on November 27, 2025, with one remaining option to extend the maturity for an additional 12 months until November 27, 2026. As of March 31, 2025, there was $130.9 million outstanding under the mortgage notes and our proportionate share was $26.2 million. The mortgage notes have a variable interest rate and the spread on a SOFR (the secured overnight financing rate as administered by the Federal Reserve Bank of New York) loan is 2.60% per annum, and the spread on a base rate loan is 0.50% per annum. The Arch Street Joint Venture has entered into an interest rate cap agreement that caps the SOFR rate at 5.50% per annum.

During February 2025, we made an additional member loan of $8.3 million to fund leasing costs related to a lease extension that was completed for one of the properties in the Arch Street Joint Venture portfolio. Our member loan to the Arch Street Joint Venture, which had $8.9 million receivable as of March 31, 2025, earns interest at 15% per annum and is non-recourse and unsecured, and structurally subordinate to the Arch Street Joint Venture mortgage notes and matures on November 27, 2026. Interest and principal are payable monthly solely out of the excess cash from the joint venture after payment of property operating expenses, interest and principal on the Arch Street mortgage notes and other joint venture expenses and excess proceeds from the sale of any of the joint venture properties.

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

Credit Agreements

Summary

As of March 31, 2025, we had $505.0 million of total consolidated debt outstanding, consisting of a $355.0 million fixed rate mortgage note collateralized by 19 properties (the “CMBS Loan”), $132.0 million borrowed under our $350.0 million senior revolving credit facility (the “Revolving Facility”) and an $18.0 million fixed rate mortgage note secured by our San Ramon, California property (the “San Ramon Loan”). The following is a summary of the interest rate and scheduled maturities of our consolidated debt obligations as of March 31, 2025 (in thousands):

			Principal Amounts Due During the Years Ending December 31,				
	Weighted Average Interest Rate (1)	Weighted Average Years to Maturity	Total	2025	2026	2027	Thereafter
Credit facility revolver (2)	7.66%	1.1	$ 132,000	$ —	$ 132,000	$ —	—
Mortgages payable (3) (4)	5.02%	2.1	373,000	—	—	355,000	18,000
Total			$ 505,000	$ —	$ 132,000	$ 355,000	$ 18,000

(1) The weighted average interest rate represents the interest rate in effect as of March 31, 2025.

(2) Includes interest rate margin of 3.25% plus SOFR adjustment of 0.10%. As of March 31, 2025, a total of $60.0 million of the debt outstanding under the Revolving Facility was subject to interest rate collar agreements to hedge against interest rate volatility. Under the agreements, the benchmark rate for the Revolving Facility will float between 5.50% per annum and 4.20% per annum on $25.0 million, and 5.50% per annum and 4.035% per annum on $35.0 million, effective from November 13, 2023 until May 12, 2025.

(3) Includes $355.0 million securitized mortgage note secured by 19 of our properties which bears interest at a fixed rate of 4.971% per annum and matures on February 11, 2027. Also includes $18.0 million fixed rate mortgage note entered into on November 7, 2024 and secured by the San Ramon, California property, which bears interest at a fixed rate of 5.90% per annum and matures on December 1, 2031.

(4) Does not include non-recourse mortgage notes associated with the Arch Street Joint Venture of $130.9 million, of which our proportionate share was $26.2 million, as of March 31, 2025.

Credit Agreement Obligations

In connection with the Separation and the Distribution, on November 12, 2021, we, as parent, and Orion OP, as borrower, entered into a credit agreement (the “Credit Agreement”) providing for a three-year, $425.0 million senior revolving credit facility (the “Revolving Facility”), including a $25.0 million letter of credit sub-facility, and a two-year, $175.0 million senior term loan facility (the “Term Loan Facility”) with Wells Fargo Bank, National Association, as administrative agent, and the lenders and issuing banks party thereto. In June 2023, as further described below, the Term Loan Facility was repaid and retired with borrowings under the Revolving Facility.

We have entered into three amendments to the Credit Agreement. The purpose of the first amendment entered into in December 2022 was to change the benchmark rate for borrowings under the Credit Agreement from LIBOR (the London interbank offered rate as administered by the ICE Benchmark Administration) to SOFR (the secured overnight financing rate as administered by the Federal Reserve Bank of New York). The purpose of the second amendment entered into in June 2023 was to repay and retire $175.0 million of outstanding borrowings under the Term Loan Facility with borrowings from the Revolving Facility (which was undrawn at the time of the second amendment), provide us with the option to extend the maturity of the Revolving Facility for an additional 18 months to May 12, 2026 from November 12, 2024 and to effect certain other modifications. On May 3, 2024, we entered into the Third Amendment, which resulted in a permanent $75.0 million reduction in the capacity of the Revolving Facility to $350.0 million from $425.0 million, while making a proportional reduction in the minimum value of the unencumbered asset pool required under the Credit Agreement to $500.0 million from $600.0 million and certain other modifications to financial covenants. On May 16, 2024, we elected its option to extend the maturity of the Revolving Facility to May 12, 2026.

The interest rate applicable to the loans under the Revolving Facility may be determined, at the election of Orion OP, on the basis of Daily Simple SOFR, Term SOFR or a base rate, in the case of a SOFR loan, plus a SOFR adjustment of 0.10% per annum, and in the case of a SOFR loan or a base rate loan, plus an applicable margin of 3.25% for SOFR loans and 2.25% for base rate loans. Loans under the Revolving Facility may be prepaid and reborrowed, and unused commitments under the Revolving Facility may be reduced, at any time, in whole or in part, by Orion OP, without premium or penalty (except for SOFR breakage costs).

In December 2022, we entered into interest rate swap agreements with an aggregate notional amount of $175.0 million, which effectively fixed the interest rate on $175.0 million of principal under the Revolving Facility at 3.92% per annum until November 12, 2023. Upon the scheduled expiration of the interest rate swap agreements, we entered into interest rate collar agreements on a total notional amount of $60.0 million to hedge against interest rate volatility on the Revolving Facility. Under the agreements, the benchmark rate for the Revolving Facility will float between 5.50% per annum and 4.20% per annum on $25.0 million, and 5.50% per annum and 4.035% per annum on $35.0 million, effective from November 13, 2023 until May 12, 2025.

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

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

The Revolving Facility is secured by, among other things, first priority pledges of the equity interests in the Subsidiary Guarantors.

Revolving Facility Covenants

The Revolving Facility requires that Orion OP comply with various covenants, including covenants restricting, subject to certain exceptions, liens, investments, mergers, asset sales and the payment of certain dividends. Pursuant to the second amendment described above, if, on any day, Orion OP has unrestricted cash and cash equivalents in excess of $25.0 million (excluding amounts that are then designated for application or use and are subsequently used for such purposes within 30 days), Orion OP will use such excess amount to prepay loans under the Revolving Facility, without premium or penalty and without any reduction in the lenders' commitment under the Revolving Facility.

In addition, the Revolving Facility requires that Orion OP satisfy certain financial covenants. The following is a summary of financial covenants for the Company's Revolving Facility and the Company's compliance therewith as of March 31, 2025, as calculated per the terms of the Credit Agreement, giving effect to the modifications pursuant to the second and third amendments described above. These calculations are presented to show the Company's compliance with the financial covenants and are not measures of the Company's liquidity or performance.

Revolving Facility Financial Covenants	Required	March 31, 2025
Ratio of total indebtedness to total asset value	≤ 60%	43.6%
Ratio of adjusted EBITDA to fixed charges	≥ 1.5x	2.16x
Ratio of secured indebtedness to total asset value	≤ 40%	32.8%
Ratio of unsecured indebtedness to unencumbered asset value	≤ 60% (1)	18.2%
Ratio of unencumbered adjusted NOI to unsecured interest expense	≥ 2.00x	4.95x
Unencumbered asset value	≥ $500.0 million	$725.5 million

(1) Pursuant to the second amendment described above, if the ratio of unsecured debt to unencumbered asset value exceeds 35% as of the end of two consecutive fiscal quarters, Orion OP will be required, within 90 days and subject to cure rights, to grant the administrative agent a first priority lien on all the properties included in the pool of unencumbered assets (other than properties identified for disposition by us so long as such properties are sold within one year of such identification).

As of March 31, 2025, Orion OP was in compliance with these financial covenants.

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

CMBS Loan

On February 10, 2022, certain indirect subsidiaries of the Company (the "Mortgage Borrowers") obtained a $355.0 million fixed rate mortgage note (the "CMBS Loan") from Wells Fargo Bank, National Association (together with its successor, the "Lender"), which is secured by the Mortgage Borrowers' fee simple or ground lease interests in 19 properties owned indirectly by the Company (collectively, the "Mortgaged Properties"). During March 2022, Wells Fargo effected a securitization of the CMBS Loan. The CMBS Loan bears interest at a fixed rate of 4.971% per annum and matures on February 11, 2027.

The CMBS Loan requires monthly payments of interest only and all principal is due at maturity. Upon closing of the CMBS Loan, the Mortgage Borrowers funded $35.5 million of loan reserves primarily for future rent concessions and tenant improvement allowances under the leases with respect to the 19 Mortgaged Properties. These amounts, as well as the transaction expenses incurred in connection with the CMBS Loan, were funded with cash on hand and borrowings under the Company's Revolving Facility. During the three months ended March 31, 2025 and December 31, 2024, the Mortgage Borrowers funded an additional $1.5 million and $9.4 million, respectively, of loan reserves for future rent concessions and tenant improvement allowances agreed to as part of the extension of certain leases in the CMBS collateral pool.

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

The CMBS Loan is generally not freely prepayable by the Mortgage Borrowers without payment of certain prepayment premiums and costs. The CMBS Loan may be prepaid in whole, but not in part, except as provided in the loan agreement governing the CMBS Loan (the "CMBS Loan Agreement"), at any time, subject to the payment of a yield maintenance premium and the satisfaction of other terms and conditions set forth in the CMBS Loan Agreement. Further, releases of individual properties are permitted in connection with an arm's length third party sale upon repayment of the Release Price (as defined in the CMBS Loan Agreement) for the applicable individual property and subject to payment of the applicable yield maintenance premium and the satisfaction of other terms and conditions set forth in the CMBS Loan Agreement. The CMBS Loan may be prepaid in full without premium or penalty beginning in May 2026 (nine months prior to maturity).

The CMBS Loan Agreement also contains customary cash management provisions, including certain trigger events (such as failure of the Mortgage Borrowers to satisfy a minimum debt yield test of 8.0%) which allow the Lender to retain any excess cash flow as additional collateral for the Loan, until such trigger event is cured.

In connection with the CMBS Loan Agreement, the Company (as the guarantor) delivered a customary non-recourse carveout guaranty to the Lender (the "Guaranty"), under which the Company guaranteed the obligations and liabilities of the Mortgage Borrowers to the Lender with respect to certain non-recourse carveout events and the circumstances under which the CMBS Loan will be fully recourse to the Mortgage Borrowers, and which includes requirements for the Company to maintain a net worth of no less than $355.0 million and liquid assets of no less than $10.0 million, in each case, exclusive of the values of the collateral for the CMBS Loan. As of March 31, 2025, the Company was in compliance with these financial covenants.

The Mortgage Borrowers and the Company also provided a customary environmental indemnity agreement, pursuant to which the Mortgage Borrowers and the Company agreed to protect, defend, indemnify, release and hold harmless the Lender from and against certain environmental liabilities relating to the Mortgaged Properties.

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

San Ramon Loan

On November 7, 2024, an indirect subsidiary of the Company (the "San Ramon Borrower") obtained an $18.0 million fixed rate mortgage note (the "San Ramon Loan") from RGA Americas Investments LLC (the "San Ramon Lender") secured by the fee simple interest in the San Ramon, California property acquired in September 2024 (the "San Ramon Property"). The San Ramon Loan bears interest at a fixed rate of 5.90% per annum and matures on December 1, 2031.

The San Ramon Loan requires monthly payments of interest only and all principal is due at maturity and is generally not freely prepayable by the San Ramon Borrower until December 2026, and thereafter without payment of certain prepayment premiums and costs. In connection with the San Ramon Loan, the Company (as guarantor) delivered a customary non-recourse carveout guaranty, under which the Company guaranteed the obligations and liabilities of the San Ramon Borrower under the San Ramon Loan with respect to certain non-recourse carveout events and the circumstances under which the San Ramon Loan will be fully recourse to the San Ramon Borrower. The San Ramon Borrower and the Company also provided a customary environmental indemnity agreement, pursuant to which the San Ramon Borrower and the Company agreed to protect, defend, indemnify and hold harmless the San Ramon Lender from and against certain environmental liabilities related to the San Ramon Property.

The loan agreement governing the San Ramon Loan (the "San Ramon Loan Agreement") includes customary representations, warranties and covenants of the San Ramon Borrower and the Company. The San Ramon Loan Agreement also includes customary events of default, the occurrence of which, following any applicable grace period, would permit the Lender to, among other things, declare the principal, accrued interest and other obligations of the San Ramon Borrower to be immediately due and payable and foreclose on the San Ramon Property.

Arch Street Warrants

On November 12, 2021, in connection with the Distribution, Orion OP entered into an amendment and restatement of the limited liability agreement (the "LLCA") for the Arch Street Joint Venture with the Arch Street Partner, an affiliate of Arch Street Capital Partners, pursuant to which the Arch Street Partner consented to the transfer of the equity interests of the Arch Street Joint Venture previously held by VEREIT Real Estate, L.P. to Orion OP.

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

In accordance with our obligation under the Arch Street Warrants, on November 2, 2022, we filed with the SEC a registration statement on Form S-3 for the registration, under the Securities Act, of the shares of our common stock issuable upon exercise of the Arch Street Warrants, and the registration statement was declared effective by the SEC on November 14, 2022. We will use our commercially reasonable efforts to maintain the effectiveness of the registration statement, and a current prospectus relating thereto, until the earlier of (a) the expiration of the Arch Street Warrants, or (b) the shares issuable upon such exercise become freely tradable under United States federal securities laws by anyone who is not an affiliate (as such term is defined in Rule 144 under the Securities Act (or any successor rule)) of us. The holders of the Arch Street Warrants will also remain subject to the ownership limitations pursuant to our organizational documents.

Derivatives and Hedging Activities

During the year ended December 31, 2021, we entered into interest rate swap agreements with an aggregate notional amount of $175.0 million, effective on December 1, 2021 and terminating on November 12, 2023, which were designated as cash flow hedges, in order to hedge interest rate volatility. During the year ended December 31, 2022, in connection with the transition of the benchmark rate for borrowings under the Credit Agreement from LIBOR to SOFR, we terminated the interest rate swap agreements that had been entered into during the year ended December 31, 2021, and entered into new interest rate swap agreements with an aggregate notional amount of $175.0 million, effective on December 1, 2022 and terminating on November 12, 2023, which were designated as cash flow hedges, to hedge interest rate volatility with respect to our borrowings under the Term Loan Facility. These swap agreements remained in effect for the $175.0 million of borrowings under the Revolving Facility used to pay down the Term Loan Facility until November 12, 2023. Upon the scheduled expiration of the interest rate swap agreements, we entered into interest rate collar agreements on a total notional amount of $60.0 million to hedge against interest rate volatility on the Revolving Facility. Under the agreements, the benchmark rate for the Revolving Facility will float between 5.50% per annum and 4.20% per annum on $25.0 million, and 5.50% per annum and 4.035% per annum on $35.0 million, effective from November 13, 2023 until May 12, 2025.

Distributions

We have elected to be taxed as a REIT for U.S. federal income tax purposes beginning with our taxable year ended December 31, 2021. We intend to make distributions to our stockholders to satisfy the requirements to maintain our qualification as a REIT.

During the three months ended March 31, 2025, the Company's Board of Directors declared quarterly cash dividends on shares of the Company's common stock as follows:

Declaration Date	Record Date	Paid Date	Distributions Per Share
March 4, 2025	March 31, 2025	April 15, 2025	$ 0.02

On May 6, 2025, the Company's Board of Directors declared a quarterly cash dividend of $0.02 per share for the second quarter of 2025, payable on July 15, 2025, to stockholders of record as of June 30, 2025.

Our dividend policy is established at the discretion of the Company's Board of Directors and the amount and timing of dividends will depend upon cash generated by operating activities, the Company's business, financial condition, results of operations, capital requirements, annual distribution requirements under the REIT provisions of the Code, and such other factors as the Company's Board of Directors deems relevant. The Company's 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.

Universal Shelf Registration Statement

On November 2, 2022, the Company filed a universal shelf registration statement on Form S-3 (the "Universal Shelf") with the SEC, and the Universal Shelf was declared effective by the SEC on November 14, 2022. Pursuant to the Universal Shelf, the Company is able to offer and sell from time to time in multiple transactions, up to $750.0 million of the Company's securities, including through "at the market" offering programs or firm commitment underwritten offerings. These securities may include shares of the Company's common stock, shares of the Company's preferred stock, depository shares representing interests in shares of the Company's preferred stock, debt securities, warrants to purchase shares of the Company's common stock or shares of the Company's preferred stock and units consisting of two or more shares of common stock, shares of preferred stock, depository shares, debt securities and warrants.

ATM Program

In November 2022, the Company established, as part of its Universal Shelf, an "at the market" offering program for its common stock (the "ATM Program"). Pursuant to the ATM Program, the Company may from time to time offer and sell shares of its common stock, having an aggregate offering price of up to $100.0 million. Such offers or sales of shares of the Company's common stock may be made in privately negotiated transactions, including block trades, brokers' transactions that are deemed to be "at the market" offerings as defined in Rule 415 under the Securities Act, including sales made directly on the New York Stock Exchange, or through forward transactions under separate master forward sale confirmations and related supplemental confirmations for the sale of shares of the Company's common stock on a forward basis. As of March 31, 2025, we had not sold any shares of common stock pursuant to the ATM Program.

Net proceeds from the securities issued, if any, may be used for general corporate purposes, which may include funding capital expenditures and leasing costs at the Company's properties and repaying outstanding indebtedness. The Company has no immediate plans to issue any securities for capital raising purposes pursuant to the Universal Shelf or otherwise, but may utilize the ATM Program to satisfy future liquidity needs.

Share Repurchase Program

On November 1, 2022, the Company's Board of Directors authorized the repurchase of up to $50.0 million of the Company's outstanding common stock until December 31, 2025, as market conditions warrant (the "Share Repurchase Program"). Repurchases may be made through open market purchases, privately negotiated transactions, structured or derivative transactions, including accelerated stock repurchase transactions, or other methods of acquiring shares in accordance with applicable securities laws and other legal requirements. The Share Repurchase Program does not obligate the Company to make any repurchases at a specific time or in a specific situation. Repurchases are subject to prevailing market conditions, the trading price of the Company's common stock, the Company's liquidity and anticipated liquidity needs, financial performance and other conditions. Shares of common stock repurchased by the Company under the Share Repurchase Program, if any, will be returned to the status of authorized but unissued shares of common stock. The Company did not repurchase any shares under the Share Repurchase Program during the three months ended March 31, 2025 and 2024. As of March 31, 2025, the approximate dollar value of shares that remain available for repurchase under the Share Repurchase Program was $45.0 million.

Cash Flow Analysis

The following table summarizes the changes in cash flows for the three months ended March 31, 2025 compared to the three months ended March 31, 2024 (in thousands):

	Three Months Ended March 31,		2025 vs 2024
	2025	2024	Increase/(Decrease)
Net cash (used in) provided by operating activities	$ (2,247)	$ 11,022	$ (13,269)
Net cash used in investing activities	$ (13,113)	$ (3,751)	$ 9,362
Net cash provided by (used in) financing activities	$ 6,667	$ (5,826)	$ 12,493

Net cash from operating activities decreased $13.3 million during the three months ended March 31, 2025, compared to the same period in 2024, primarily due to a decrease in revenues and increase in property operating expenses as a result of property dispositions and vacancies, and net changes in accounts payable, accrued expenses and other liabilities, net, offset by net changes in accounts receivable, net and other assets, net.

Net cash used in investing activities increased $9.4 million during the three months ended March 31, 2025, compared to the same period in 2024, primarily due to the funding of an additional member loan of $8.3 million to the Arch Street Joint Venture, offset by payments received on the member loan of $0.8 million during the three months ended March 31, 2025. Net cash used for capital expenditures and leasing costs also increased $1.2 million during the three months ended March 31, 2025, compared to the same period in 2024.

Net cash from financing activities increased $12.5 million during the three months ended March 31, 2025, compared to the same period in 2024, primarily due to net draws on the Revolving Facility of $13.0 million during the three months ended March 31, 2025.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

See information appearing under the caption "Liquidity and Capital Resources" appearing in "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Quarterly Report on Form 10-Q.

Market Risk

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

Interest Rate Risk

As of March 31, 2025, our debt included fixed-rate debt, with a fair value and carrying value of $358.6 million and $373.0 million, respectively. Changes in market interest rates on our fixed-rate debt impact the fair value of the debt, but they have no impact on interest incurred or cash flow. For instance, if interest rates rise 100 basis points, and the fixed-rate debt balance remains constant, we expect the fair value of our debt to decrease, the same way the price of a bond declines as interest rates rise. The sensitivity analysis related to our fixed-rate debt assumes an immediate 100 basis point move in interest rates from March 31, 2025 levels, with all other variables held constant. A 100 basis point increase in market interest rates would result in a decrease in the fair value of our fixed-rate debt of $6.7 million. A 100 basis point decrease in market interest rates would result in an increase in the fair value of our fixed-rate debt of $6.9 million.

As of March 31, 2025, our debt included variable-rate debt with a fair value and carrying value of $132.0 million. As a result, we are subject to the potential impact of rising interest rates, which could negatively impact our results of operations and cash flows. The sensitivity analysis related to our variable-rate debt assumes an immediate 100 basis point move in interest rates from March 31, 2025 levels and excludes the impact of the derivative instrument, with all other variables held constant. A 100 basis point increase or decrease in variable interest rates would result in a decrease or increase in the fair value of our variable-rate debt of less than $0.1 million and would increase or decrease our interest expense by $1.3 million annually.

As of March 31, 2025, the Company had interest rate collar agreements in place on a total notional amount of $60.0 million to hedge against interest rate volatility on the Revolving Facility. Unless a new interest rate collar or other interest rate hedge instrument is entered into, upon the scheduled expiration of the interest rate collar agreements, the Company's borrowing cost on outstanding principal balances under the Revolving Facility will be subject to increased risk associated with interest rate fluctuations. See Note 6 – Debt, Net to our consolidated financial statements.

As of March 31, 2025, our outstanding derivative agreements had a fair value that resulted in net liabilities of less than $0.1 million. See Note 7 – Derivatives and Hedging Activities to our consolidated financial statements for further discussion.

As the information presented above includes only those exposures that existed as of March 31, 2025, it does not consider exposures or positions arising after that date. The information presented herein has limited predictive value. Future actual realized gains or losses with respect to interest rate fluctuations will depend on cumulative exposures, hedging strategies employed and the magnitude of the fluctuations.

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

Credit Risk

Concentrations of credit risk arise when a number of tenants are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations, including those to the Company, to be similarly affected by changes in economic conditions. The Company is subject to tenant, geographic and industry concentrations. See "Item 1. Business" and "Item 2. Properties" in the Company's Annual Report on Form 10-K for the year ended December 31, 2024. Any downturn of the economic conditions in one or more of these tenants, geographies or industries could result in a material reduction of our cash flows or material losses to us.

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

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

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

As required by Rules 13a-15(b) and 15d-15(b) of the Exchange Act, an evaluation was conducted under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of March 31, 2025. Based on this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures, as of March 31, 2025, were effective at a reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act of 1934) during the three months ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

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

Item 1A. Risk Factors.

There have been no material changes to the risk factors previously disclosed in Part I, Item 1A. "Risk Factors" of the Company's Annual Report on Form 10-K for the year ended December 31, 2024, except as set forth below.

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

We believe that recent government budgetary and spending priorities and enhancements in technology have resulted in a decrease in government office use for employees. Furthermore, over the past several years, government tenants have reduced their space utilization per employee and consolidated government tenants into existing government owned properties. Persistent remote and hybrid work practices have also reduced space utilization at many of our government properties. These factors have reduced the demand for government leased space, and may continue to do so. The Trump Administration's initiative to dramatically cut government spending introduces additional uncertainty for our portfolio of properties leased to the United States Government. The Department of Government Efficiency ("DOGE") has begun to look at ways to increase government office utilization and shrink the federal government's real estate portfolio. This could lead to the General Services Administration ("GSA") exercising termination options under, or otherwise seeking to terminate, our leases with the United States Government, or make it more likely that the United States Government decides not to renew the applicable lease at lease expiration. As of March 31, 2025, approximately 88,000 of our occupied square feet leased to the GSA were within periods during which the tenant has the right to terminate their space without a termination fee, or "non-firm terms," and 6,000 square feet were in "month-to-month" terms. The GSA recently announced a suspension of the execution of substantially all GSA funded obligations, including new leases and lease amendments. This action by the GSA has resulted in delays in lease negotiations at certain other properties leased to the United States Government. It also resulted in an approximately 50-day delay in obtaining authorization to proceed with landlord work at our property in Lincoln, Nebraska the substantial completion of which is a condition to lease commencement of our lease with the United States Government at this property. We received this authorization during March 2025. We do not know how long the GSA suspension will continue to impact us and cannot provide any assurance as to how ongoing developments with respect to DOGE and the Trump Administration's efforts to reduce government spending may impact our portfolio of properties leased to the United States Government. Efforts to manage space utilization rates and reduce government spending may result in the government tenants exercising early termination rights under our leases, vacating our properties upon expiration of our leases in order to relocate, or renewing their leases for less space than they currently occupy. Also, our government tenants' desire to reconfigure leased office space to manage utilization per employee may require us to spend significant amounts for tenant improvements, and tenant relocations are often more prevalent in those circumstances. Compared to our historical experience with government tenants, the current government tenants' leasing decisions and strategies may be less predictable. Additionally, 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.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities.

Recent Sales of Unregistered Securities

None.

Use of Proceeds from Sales of Registered Securities

Not applicable.

Issuer Purchases of Equity Securities

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Rule 10b5-1 Trading Agreements

During the three months ended March 31, 2025, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(c) of Regulation S-K.

Item 6. Exhibits.

The following exhibits are included, or incorporated by reference, in this Quarterly Report on Form 10-Q for the period ended March 31, 2025 (and are numbered in accordance with Item 601 of Regulation S-K):

Exhibit No.	Description
10.1	Retirement and Consultancy Agreement by and between Gary E. Landriau and Orion Properties Inc. dated March 5, 2025(filed as Exhibit 10.20 to the Company's Form 10-K filed on March 5, 2025 and incorporated herein by reference)
10.2*	Form of Performance-Based Restricted Stock Unit Agreement pursuant to the Orion Office REIT Inc. 2021 Equity Incentive Plan (March 2025 Awards).
10.3*	Form of Time-Based Restricted Stock Unit Agreement pursuant to the Orion Office REIT Inc. 2021 Equity Incentive Plan (March 2025 Awards).
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover Page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101.*).

* Filed herewith

SIGNATURES

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

Orion Properties Inc.

By: /s/ Gavin B. Brandon

Gavin B. Brandon

Chief Financial Officer, Executive Vice President and Treasurer

Dated: May 7, 2025

Exhibit 10.2

PERFORMANCE-BASED RESTRICTED STOCK UNIT AGREEMENT (20__)

This Restricted Stock Unit Agreement (20__) (this "***Agreement***"), dated as of _____, 20__ (the "***Grant Date***"), is made by and between Orion Properties Inc., a Maryland corporation (formerly known as Orion Office REIT Inc., the "***Company***"), and [_______________] (the "***Participant***"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan (as defined below).

WHEREAS, the Company maintains the Orion Office REIT Inc. 2021 Equity Incentive Plan (as amended from time to time, the "***Plan***");

WHEREAS, the Company wishes to carry out the Plan (the terms of which are hereby incorporated by reference and made a part of this Agreement);

WHEREAS, Section 8 of the Plan provides for the issuance of Restricted Stock Units ("***RSUs***"); and

WHEREAS, the Administrator has determined that it would be to the advantage and in the best interest of the Company to issue RSUs to the Participant as an inducement to enter into or remain in the service of the Company or any Subsidiary, and as an additional incentive during such service, and has advised the Company thereof.

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

1. Issuance of and Conditions for Award of RSUs.

(a) Pursuant to the Plan, in consideration of the Participant's agreement to provide services to the Company or any Subsidiary (as applicable), the Company hereby issues to the Participant an award of [_____________]RSUs. Each RSU that vests (and ceases to be subject to the Restrictions) shall represent the right to receive payment, in accordance with this Agreement, of one share of Stock. Unless and until an RSU vests, the Participant will have no right to payment in respect of any such RSU. Prior to actual payment in respect of any vested RSU, such RSU will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

(b) As a result of a limit on the maximum aggregate number of Shares that may be issued under the Plan, the foregoing award shall be subject to satisfaction of the following conditions:

(i) the stockholders of the Company must have approved an amendment to the Plan at the 2025 stockholders' annual meeting that authorizes a sufficient number of Shares to permit the award under the Plan;

(ii) the registration of such additional Shares with the Securities and Exchange Commission on Form S-8 (or successor form) must have effectuated as soon as reasonably practical after the above 2025 stockholders' annual meeting;

(iii) the listing of such additional Shares on the New York Stock Exchange; and

(iv) the Participant shall be employed by the Company on the date the above conditions are satisfied.

If any of the above conditions are not satisfied, none of the RSUs contemplated hereunder shall be issued and the award shall immediately and automatically be rescinded and become null and void.

2. Dividend Equivalent Rights. Each RSU granted hereunder that becomes a Performance Vested RSU is hereby granted in tandem with a corresponding Dividend Equivalent Right, which Dividend Equivalent Right shall remain outstanding from the Grant Date until the earlier of the payment or forfeiture of the RSU to which it corresponds. Pursuant to each outstanding Dividend Equivalent Right, with respect to each dividend declared by the Company with respect to the Performance Period, the Participant shall be entitled to receive payment equal to the amount of such dividend, if any, on the Shares underlying the Performance Vested RSU to which such Dividend Equivalent Right relates, payable in the same form and amounts as dividends paid to each holder of a Share. Each such payment shall be made no later than thirty (30) days following the applicable dividend payment date, provided that no such payments shall be made prior to the date on which the RSU becomes a Performance Vested RSU, and any Dividend Equivalent Right payments that would have been made prior to such date had the RSU been a Performance Vested RSU shall be paid in a single lump sum no later than forty-five (45) days following the date on which the RSU becomes a Performance Vested RSU. Dividend Equivalent Rights shall not entitle the Participant to any payments relating to dividends for which the record date occurs after the payment of the Performance Vested RSU underlying such Dividend Equivalent Right, and the Participant shall not be entitled to any Dividend Equivalent Right payments with respect to any RSU that does not become a Performance Vested RSU. Dividend Equivalent Rights and any amounts that may become distributable in respect thereof shall be treated separately from the RSUs and the rights arising in connection therewith for purposes of the designation of time and form of payments required by Section 409A of the Code.

3. Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below.

(a) "***Absolute TSR Performance Vesting Percentage***" means the percentage determined as set forth on Exhibit A attached hereto, which is a function of the Company TSR Percentage during the Performance Period.

(b) "***Absolute TSR RSUs***" means the number of RSUs designated as Absolute TSR RSUs on Exhibit A attached hereto.

(c) "***Absolute TSR Vested RSUs***" means the product of (i) the total number of Absolute TSR RSUs, and (ii) the applicable Absolute TSR Performance Vesting Percentage.

(d) "***Acquisition Performance Vesting Percentage***" means the percentage determined as set forth on Exhibit A attached hereto, which is a function of the Company Acquisition Value during the Performance Period.

(e) "***Acquisition Vesting RSUs***" means the number of RSUs designated as Acquisition Vesting RSUs on Exhibit A attached hereto.

(f) "***Acquisition Vested RSUs***" means the product of (i) the total number of Acquisition Vesting RSUs, and (ii) the applicable Acquisition Performance Vesting Percentage.

(g) "***Annualized Base Rent***" means the monthly aggregate cash amount charged to tenants under the Company's leases (including monthly base rent receivables and certain contractually obligated reimbursements by the Company's tenants), as of the final date of the applicable Performance Period, multiplied by twelve (12). In calculating Annualized Base Rent, the Company's percentage ownership interest in the monthly aggregate cash amount charged to tenants from properties owned through any unconsolidated joint venture such as OAP/VER Venture, LLC (the "***Arch Street Joint Venture***"), shall be included.

UAH/VEK Venture, LLC (the "*Arch Street Joint Venture*"), shall be included.

(h) "***Average Lease Term Performance Vesting Percentage***" means the percentage determined as set forth on Exhibit A attached hereto, which is a function of the Company's Weighted Average Lease Term during the Performance Period.

(i) "***Average Lease Term Vesting RSUs***" means the number of RSUs designated as Average Lease Term Vesting RSUs on Exhibit A attached hereto.

(j) "***Average Lease Term Vested RSUs***" means the product of (i) the total number of Average Lease Term Vesting RSUs, and (ii) the applicable Average Lease Term Performance Vesting Percentage.

(k) "***Cause***" means "Cause" as defined in the Participant's applicable employment or severance agreement with the Company if such an agreement exists and contains a definition of Cause, or, if no such agreement exists or such agreement does not contain a definition of Cause, then Cause shall mean (i) commission, with respect to the Company, of an act of fraud, embezzlement, misappropriation, intentional misrepresentation or conversion of assets, (ii) conviction of, or entered a plea of guilty or "nolo contendere" to, a felony (excluding any felony relating to the negligent operation of an automobile), (iii) willfully failing to substantially perform (other than by reason of illness or temporary disability) the Participant's reasonably assigned material duties, (iv) engaging in willful misconduct in the performance of the Participant's duties, (v) engaging in conduct that violated the Company's then existing written internal policies or procedures and which is materially detrimental to the business and reputation of the Company, or (vi) materially breached any non-competition, non-disclosure or other agreement in effect between the Participant and the Company.

(l) "***Company Acquisition Value***" means the aggregate purchase price paid (whether in cash or other consideration) by the Company and its affiliates for properties purchased during the Performance Period, provided that with respect to any properties purchased through an unconsolidated joint venture, including the Arch Street Joint Venture, the Company Acquisition Value shall include the aggregate purchase price for such property, multiplied by the Company's percentage ownership interest in such unconsolidated joint venture at the time of such purchase. For purposes of this definition, the contribution of the Company's Deerfield, Illinois properties to a joint venture shall constitute an acquisition.

(m) "***Company Disposition Square Footage***" means the aggregate rentable square feet of properties sold during the Performance Period, provided that with respect to any properties sold through an unconsolidated joint venture, including the Arch Street Joint Venture, the Company Disposition Square Footage shall include the aggregate rentable square feet of such property, multiplied by the Company's percentage ownership interest in such unconsolidated joint venture at the time of such sale. For purposes of this definition, the demolition of the improvements at the Company's Deerfield, Illinois properties shall constitute a disposition of the applicable square footage.

(n) "***Company TSR Percentage***" means, as applied to the Company, the change in the Share Value from the beginning to the end of the Performance Period, plus dividends and distributions made or declared (assuming such dividends or distributions are reinvested on the ex-dividend date (at a price equal to the closing price of the Stock on the applicable ex-dividend date)) during the Performance Period, expressed as a percentage.

(o) "***Disability***" means "Disability" as defined in the Participant's applicable employment or severance agreement with the Company if such an agreement exists and contains a definition of Disability, or, if no such agreement exists or such agreement does not contain a definition of Disability, then Disability then "Disability" shall mean that the Participant is unable to perform his/her duties due to any sickness, injury or disability for a consecutive period of one hundred eighty (180) days or an aggregate of six (6) months in any twelve (12)-consecutive month period. A determination of "Disability" shall be made by a physician satisfactory to both the Participant and the Company, provided that if the Participant and the Company do not agree on a to both the Participant and the Company, provided that if the Participant and the Company do not agree on a physician, the Participant and the Company shall each select a physician and these two together shall select a third physician, whose determination as to Disability shall be binding on all parties. The appointment of one or more individuals to carry out the Participant's offices or duties during a period of Participant's inability to perform such duties and pending a determination of Disability shall not be considered a breach of any agreement by the Company

(p) "***Disposition Performance Vesting Percentage***" means the percentage determined as set forth on Exhibit A attached hereto, which is a function of the Company's dispositions during the Performance Period.

(q) "***Disposition Vested RSUs***" means the product of (i) the total number of Disposition Vesting RSUs, and (ii) the applicable Disposition Performance Vesting Percentage.

(r) "***Disposition Vesting RSUs***" means the number of RSUs designated as Disposition Vesting RSUs on Exhibit A attached hereto.

(s) "***Good Reason***" means "Good Reason" as defined in the Participant's applicable employment or severance agreement with the Company if such an agreement exists and contains a definition of Good Reason, or, if no such agreement exists or such agreement does not contain a definition of Good Reason, then Good Reason means (i) a material reduction in the Participant's base salary or target bonus percentage, (ii) a material reduction in the Participant's title or a material diminution in the Participant's duties, responsibilities or authorities, or (iii) the relocation of the Participant's primary place of employment to a location that is more than 50 miles from the location of the Company's offices in [Phoenix, Arizona / New York, New York], as of the date hereof; provided that no event will constitute Good Reason unless (A) the Participant has given the Company written notice setting forth the conduct of the Company that is alleged to constitute Good Reason, within thirty (30) days of the first date on which the Participant has knowledge of such conduct, (B) the Company fails to cure such conduct within thirty (30) days following the date on which such written notice is provided, and (C) the effective date of the Participant's actual termination for Good Reason occurs no later than 60 days after the expiration of such Company cure period.

(t) "***Occupancy Rate***" means the sum of occupied square feet divided by rentable square feet under all Company leases and properties as of the end of the Performance Period, other than those classified by the Company as "Non-Operating Properties" for public reporting purposes. In calculating Occupancy Rate, the Company's percentage interest in properties owned through any unconsolidated joint venture such as the Arch Street Joint Venture shall be included. Occupied square feet means rentable square feet leased for which revenue recognition has commenced in accordance with United States generally accepted accounting principles.

(u) "***Occupancy Rate Performance Vesting Percentage***" means the percentage determined as set forth on Exhibit A attached hereto, which is a function of the Company's Occupancy Rate during the Performance Period.

(v) "***Occupancy Rate Vested RSUs***" means the product of (i) the total number of Occupancy Rate Vesting RSUs, and (iii) the applicable Occupancy Rate Performance Vesting Percentage.

(w) "***Occupancy Rate Vesting RSUs***" means the number of RSUs designated as Occupancy Rate Vesting RSUs on Exhibit A attached hereto.

(x) "***Performance Period***" means the period set forth on Exhibit A attached hereto.

(y) "***Performance Vested RSUs***" means (i) the Absolute TSR Vested RSUs, plus (ii) the Acquisition Vested RSUs, plus (iii) the Average Lease Term Vested RSUs, plus (iv) the Disposition Vested RSUs, plus (v) the Occupancy Rate Vested RSUs.

(z) "***Qualifying Termination***" means a Termination of Service by reason of (i) the Participant's death, (ii) a termination by the Company or any Subsidiary due to the Participant's Disability, (iii) a termination by the Company or any Subsidiary other than for Cause, or (iv) a termination by the Participant for Good Reason.

(aa) "***Restrictions***" means the exposure to forfeiture set forth in Sections 5(a) and 6(a).

(bb) "***Service Provider***" means an employee, Consultant or Non-Employee Director, as applicable, of the Company or its Subsidiaries.

(cc) "***Share***" means a share of Stock.

(dd) "***Share Value***," means (i) for the first day of the Performance Period, the closing trading price of a Share on the principal exchange on which such shares are then traded on such date and (ii) for any other given date, the average of the closing trading prices of a Share on the principal exchange on which such shares are then traded during the twenty (20) consecutive trading days ending on such date; *provided, however,* that if a Change in Control occurs prior to the completion of the Performance Period, Share Value shall mean the price per Share paid in cash by the acquiror in the Change in Control transaction or, to the extent that the consideration in the Change in Control transaction is paid in stock of the acquiror or its affiliates, then, unless otherwise determined by the Administrator, Share Value shall mean the value of the consideration paid per Share based on the average of the high and low trading prices of a share of such acquiror stock on the principal exchange on which such shares are then traded on the date on which a Change in Control occurs.

(ee) "***Termination of Service***" means a termination of the Participant's employment (or cessation of Service Relationship) with the Company and its Subsidiaries for any reason.

(ff) "***Unvested RSU***" means any RSU that has not become fully vested pursuant to Section 5 hereof and remains subject to the Restrictions.

(gg) "***Weighted Average Lease Term***" means the number of years remaining under all Company leases as of the end of the Performance Period, weighted based on Annualized Base Rent. In calculating Weighted Average Lease Term, the Company's percentage interest in properties owned through any unconsolidated joint venture such as the Arch Street Joint Venture shall be included.

4. <u>RSUs and Dividend Equivalent Rights Subject to the Plan; Ownership and Transfer Restrictions</u>.

(b) The RSUs and Dividend Equivalent Rights are subject to the terms, definitions and provisions of the Plan, which is incorporated herein by reference, including, without limitation, the restrictions on transfer set forth in Section 12 of the Plan and the REIT restrictions set forth in Section 18(c) of the Plan.

(c) Without limiting the foregoing, the RSUs and Stock issuable with respect thereto shall be subject to the restrictions on ownership and transfer set forth in the charter of the Company, as amended and supplemented from time to time.

5. <u>Vesting</u>.

(b) Performance Vesting. As soon as reasonably practicable (but in no event more than forty-five (45) days) following the completion of the Performance Period, the Administrator shall determine the Absolute TSR Performance Vesting Percentage, the Acquisition Performance Vesting Percentage, the Average Lease Term Performance Vesting Percentage, the Disposition Performance Vesting Percentage, the Occupancy Rate Performance Vesting Percentage and the number of RSUs granted hereby that have become Absolute TSR Vested RSUs, Acquisition Vested RSUs, Average Lease Term Vested RSUs, Disposition Vested RSUs, Occupancy Rate Vested RSUs and Performance Vested RSUs, in each case as of the completion of the Performance Period. Subject to Sections 5(b) and 6(b) below, upon such determination by the Administrator, the Restrictions set forth in Section 6(a) below applicable to any outstanding Performance Vested RSUs (if any) shall lapse and such Performance Vested RSUs shall become fully vested, subject to Participant's continued status as a Service Provider through such vesting date. Any RSUs granted hereby which do not satisfy the requirements to become Performance Vested RSUs as of the completion of the Performance Period will automatically be cancelled and forfeited without payment of any consideration therefor, and the Participant shall have no further right to or interest in such RSUs.

(c) Change in Control. Notwithstanding the foregoing, in the event that (i) a Change in Control occurs prior to the completion of the Performance Period, (ii) the Participant has not incurred a Termination of Service prior to such Change in Control and (iii) this award of RSUs is not continued, converted, assumed or replaced by the surviving or successor entity in an equitable manner as approved by the Administrator in good faith, the Restrictions shall lapse with respect to a number of RSUs equal to the greater of (A) the number of RSUs which would be Performance Vested RSUs (if any) assuming the completion of the Performance Period as of the date of the Change in Control and (B) the number of RSUs which would be Performance Vested RSUs (if any) assuming that the Company TSR Percentage, the Company Acquisition Value, the Company Disposition Square Footage, the Occupancy Rate and the Weighted Average Lease Term were each achieved at "Target Level" (as set forth on Exhibit A attached hereto), and such RSUs shall, immediately prior to such Change in Control, become fully vested and shall be deemed to be Performance Vested RSUs. Any RSUs that do not become fully vested in accordance with the preceding sentence will automatically be cancelled and forfeited as of the date of the Change in Control without payment of any consideration therefor, and the Participant shall have no further right to or interest in such RSUs.

6. Effect of Termination of Service.

(b) Termination of Service. Subject to Sections 6(b) below, in the event of the Participant's Termination of Service for any reason, any and all Unvested RSUs as of the date of such Termination of Service (after taking into account any accelerated vesting that occurs in connection with such termination) will automatically and without further action be cancelled and forfeited without payment of any consideration therefor, and the Participant shall have no further right to or interest in such Unvested RSUs. Subject to Section 6(b) below, no RSUs which have not vested as of the date of the Participant's Termination of Service shall thereafter become vested.

(c) Qualifying Termination. In the event that the Participant incurs a Qualifying Termination prior to the completion of the Performance Period, the Restrictions shall lapse with respect to a number of RSUs equal to the greater of (A) the number of RSUs which would be Performance Vested RSUs (if any) assuming the completion of the Performance Period as of the date of the Participant's Qualifying Termination, and (B) the number of RSUs which would be Performance Vested RSUs (if any) assuming that the Company TSR Percentage, the Company Acquisition Value, the Company Disposition Square Footage, the Occupancy Rate and the Weighted Average Lease Term were each achieved at "Target Level" (as set forth on Exhibit A attached hereto) (such greater number of RSUs, the "***Qualifying Termination RSUs***"), and such RSUs shall become fully vested and shall be deemed to be Performance Vested RSUs upon the Administrator's determination, within forty-five (45) days following the date of the Participant's Qualifying Termination, of the number of Qualifying Termination RSUs. Any RSUs that do not become fully vested in accordance with the preceding sentence will

Termination RSUs. Any RSUs that do not become fully vested in accordance with the preceding sentence will automatically be cancelled and forfeited as of the date of the Administrator's determination of the number of Qualifying Termination RSUs without payment of any consideration therefor, and the Participant shall have no further right to or interest in such RSUs.

7. Payment. Payments in respect of any RSUs that vest in accordance herewith shall be made to the Participant (or in the event of the Participant's death, to his or her estate) in whole Shares, and any fractional Share will be rounded as determined by the Company; *provided, however*, that in no event shall the aggregate number of RSUs that vest or become payable hereunder exceed the total number of RSUs set forth in Section 1 of this Agreement. The Company shall make such payments as soon as practicable after the applicable vesting date, but in any event within twenty (20) days after such vesting date, provided that, in the event of vesting upon a Change in Control under Section 5(b) above, such payment shall be made or deemed made immediately preceding and effective upon the occurrence of such Change in Control.

8. Determinations by Administrator. Notwithstanding anything contained herein, all determinations, interpretations and assumptions relating to the vesting of the RSUs (including, without limitation, determinations, interpretations and assumptions with respect to Company TSR Percentage, the Company Acquisition Value, the Company Disposition Square Footage, the Occupancy Rate and the Weighted Average Lease Term) shall be made by the Administrator and shall be applied consistently and uniformly to all similar Awards granted under the Plan. In making such determinations, the Administrator may employ attorneys, consultants, accountants, appraisers, brokers, or other persons, and the Administrator, the Board, the Company and its officers and directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Administrator in good faith and absent manifest error shall be final and binding upon the Participant, the Company and all other interested persons. In addition, the Administrator, in its discretion, may adjust or modify the methodology for calculations relating to the vesting of the RSUs (including, without limitation, the methodology for calculating Company TSR Percentage, the Company Acquisition Value, the Company Disposition Square Footage, the Occupancy Rate and the Weighted Average Lease Term), other than the Absolute TSR Performance Vesting Percentage, the Acquisition Performance Vesting Percentage, the Average Lease Term Performance Vesting Percentage, the Disposition Performance Vesting Percentage and the Occupancy Rate Performance Vesting Percentage, as necessary or desirable to account for events affecting the value of the Stock which, in the discretion of the Administrator, are not considered indicative of Company performance, which may include events such as the issuance of new Stock, stock repurchases, stock splits, issuances and/or exercises of stock grants or stock options, and similar events, all in order to properly reflect the Company's intent with respect to the performance objectives underlying the RSUs or to prevent dilution or enlargement of the benefits or potential benefits intended to be made available with respect to the RSUs. In addition, the Administrator shall have discretion to apply adjustments to the calculations relating to the vesting of the RSUs where it determines that the RSUs granted hereby that have not become Absolute TSR Vested RSUs, Acquisition Vested RSUs, Average Lease Term Vested RSUs, Disposition Vested RSUs, Occupancy Rate Vested RSUs and Performance Vested RSUs, as applicable, as a result of actions taken by the management of the Company which the Administrator determines, in its sole discretion, are in the long-term best interests of the Company.

9. Restrictions on New RSUs or Shares. In the event that the RSUs or the Shares underlying the RSUs are changed into or exchanged for a different number or kind of securities of the Company or of another corporation or other entity by reason of merger, consolidation, recapitalization, reclassification, stock split, stock dividend or combination of shares, such new or additional or different securities which are issued upon conversion of or in exchange or substitution for RSUs or the Shares underlying the RSUs which are then subject to vesting shall be subject to the same vesting conditions as such RSUs or Shares, as applicable, unless the Administrator provides for the vesting of the RSUs or the Shares underlying the RSUs, as applicable.

10. Conditions to Issuance of Shares. Shares issued as payment for the RSUs will be issued out of the Company's authorized but unissued Shares. Upon issuance, such Shares shall be fully paid and nonassessable. The Shares issued pursuant to this Agreement shall be held in book-entry form and no certificates shall be issued therefor. In addition to the other requirements set forth herein, the Shares issued as payment for the RSUs shall be issued only upon the fulfillment of all of the following conditions:

(b) The admission of such Shares to listing on all stock exchanges on which such class of stock is then listed;

(c) The completion of any registration or other qualification of such shares under any state or federal law or under rulings or regulations of the Securities and Exchange Commission or of any other governmental regulatory body, which the Administrator shall, in its absolute discretion, deem necessary or advisable;

(d) The obtaining of any approval or other clearance from any state or federal governmental agency which the Administrator shall, in its absolute discretion, determine to be necessary or advisable;

(e) The lapse of such reasonable period of time as the Administrator may from time to time establish for reasons of administrative convenience; and

(f) The receipt by the Company of full payment for any applicable withholding or other employment tax or required payments with respect to any such Shares to the Company with respect to the issuance or vesting of such Shares.

In the event that the Company delays a distribution or payment in settlement of RSUs because it reasonably determines that the issuance of Shares in settlement of RSUs will violate federal securities laws or other applicable law, such distribution or payment shall be made at the earliest date at which the Company reasonably determines that the making of such distribution or payment will not cause such violation, as required by Treasury Regulation Section 1.409A-2(b)(7)(ii). The Company shall not delay any payment if such delay will result in a violation of Section 409A of the Code.

11. Rights as Stockholder. Neither the Participant nor any person claiming under or through the Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder, including without limitation any voting rights in respect of such Shares, unless and until such Shares will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to the Participant or any person claiming under or through the Participant.

12. Tax Withholding. The Company or any Subsidiary shall have the authority and the right to deduct or withhold, or require the Participant to remit to such entity, an amount sufficient to satisfy federal, state, local and foreign taxes (including the Participant's FICA obligation) required by law to be withheld with respect to the issuance, vesting or payment of the RSUs and the Dividend Equivalent Rights. In satisfaction of the foregoing requirement or in satisfaction of any additional tax withholding, the Company or any Subsidiary may, or the Administrator may in its discretion allow the Participant to elect to have the Company or any Subsidiary (as applicable), withhold Shares otherwise issuable under such award (or allow the return of Shares) having a Fair Market Value equal to the sums required to be withheld. Notwithstanding any other provision of the Plan or this Agreement, the number of Shares which may be withheld with respect to the issuance, vesting or payment of the RSUs and the Dividend Equivalent Rights in order to satisfy the Participant's income and payroll tax liabilities with respect thereto shall be limited to the number of shares which have a fair market value on the date of withholding no greater than the aggregate amount of such liabilities based on the maximum individual statutory withholding rates in the applicable jurisdiction.

13. Remedies. The Participant shall be liable to the Company for all costs and damages, including incidental and consequential damages, resulting from a disposition of the RSUs which is in violation of the provisions of this Agreement. Without limiting the generality of the foregoing, the Participant agrees that the Company shall be entitled to obtain specific performance of the obligations of the Participant under this Agreement and immediate injunctive relief in the event any action or proceeding is brought in equity to enforce the same. The Participant will not urge as a defense that there is an adequate remedy at law.

14. Restrictions on Public Sale by the Participant. To the extent not inconsistent with applicable law, the Participant agrees not to effect any sale or distribution of the RSUs or the Shares underlying the RSUs or any similar security of the Company, or any securities convertible into or exchangeable or exercisable for such securities, including a sale pursuant to Rule 144 under the Securities Act, during the fourteen (14) days prior to, and during the up to 90 day period beginning on, the date of the pricing of any public or private debt or equity securities offering by the Company (except as part of such offering), if and to the extent requested in writing by the Company in the case of a non-underwritten public or private offering or if and to the extent requested in writing by the managing underwriter or underwriters (or initial purchaser or initial purchasers, as the case may be) and consented to by the Company, which consent may be given or withheld in the Company's sole and absolute discretion, in the case of an underwritten public or private offering (such agreement to be in the form of a lock-up agreement provided by the Company, managing underwriter or underwriters, or initial purchaser or initial purchasers, as the case may be).

15. Conformity to Securities Laws. The Participant acknowledges that the Plan and this Agreement are intended to conform to the extent necessary with all provisions of all applicable federal and state laws, rules and regulations (including, but not limited to the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, including without limitation the applicable exemptive conditions of Rule 16b-3 of the Exchange Act) and to such approvals by any listing, regulatory or other governmental authority as may, in the opinion of counsel for the Company, be necessary or advisable in connection therewith. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the RSUs are granted, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan, this Agreement and the RSUs shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

16. Code Section 409A. To the extent applicable, this Agreement shall be interpreted in accordance with Section 409A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the effective date of this Agreement. Notwithstanding any provision of this Agreement to the contrary, in the event that following the effective date of this Agreement, the Company determines that the RSUs may be subject to Section 409A of the Code and related Department of Treasury guidance (including such Department of Treasury guidance as may be issued after the effective date of this Agreement), the Company may adopt such amendments to this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Company determines are necessary or appropriate to (a) exempt the RSUs from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the RSUs, or (b) comply with the requirements of Section 409A of the Code and related Department of Treasury guidance; provided, however, that this Section 16 shall not create any obligation on the part of the Company or any Subsidiary to adopt any such amendment, policy or procedure or take any such other action. For purposes of Section 409A of the Code, any right to a series of payments pursuant to this Agreement shall be treated as a right to a series of separate payments. Notwithstanding anything to the contrary in this Agreement, no amounts shall be paid to the Participant under this Agreement during the six-month period following the Participant's "separation from service" to the extent that the Administrator determines that the Participant is a "specified employee" (each within the meaning of Section 409A of the Code) at the time of such separation from service and that paying such amounts at the time or times indicated in this Agreement would be a prohibited distribution under Code Section 409A(a)(2)(b)(i). If the payment of any such amounts is delayed as a

prohibited distribution under Code Section 409A(a)(2)(b)(i). If the payment of any such amounts is delayed as a result of the previous sentence, then on the first business day following the end of such six-month period (or such earlier date upon which such amount can be paid under Section 409A of the Code without being subject to such additional taxes), the Company shall pay to the Participant in a lump-sum all amounts that would have otherwise been payable to the Participant during such six-month period under this Agreement.

17. No Right to Continued Service. Nothing in this Agreement shall confer upon the Participant any right to continue as a Service Provider of the Company or any Subsidiary, or shall interfere with or restrict in any way the rights of the Company or any Subsidiary, which rights are hereby expressly reserved, to discharge the Participant at any time for any reason whatsoever, with or without cause.

18. Miscellaneous.

(b) Incorporation of the Plan. This Agreement is made under and subject to and governed by all of the terms and conditions of the Plan. In the event of any discrepancy or inconsistency between this Agreement and the Plan, the terms and conditions of the Plan shall control. By signing this Agreement, the Participant confirms that he or she has received access to a copy of the Plan and has had an opportunity to review the contents thereof.

(c) Clawback. This award, the RSUs and the Shares issuable with respect to the RSUs shall be subject to any clawback or recoupment policy, including, without limitation, the Company's Policy for Recoupment of Incentive Compensation, currently in effect or as may be adopted by the Company, as may be amended from time to time.

(d) Successors and Assigns. Subject to the limitations set forth in this Agreement, this Agreement shall be binding upon, and inure to the benefit of, the executors, administrators, heirs, legal representatives, successors and assigns of the parties hereto, including, without limitation, any business entity that succeeds to the business of the Company.

(e) Entire Agreement; Amendments and Waivers. This Agreement, together with the Plan, constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties. In the event that the provisions of such other agreement or letter conflict or are inconsistent with the provisions of this Agreement, the provisions of this Agreement shall control. Except as set forth in Section 16 above, this Agreement may not be amended except in an instrument in writing signed on behalf of each of the parties hereto and approved by the Administrator. No amendment, supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

(f) Severability. If for any reason one or more of the provisions contained in this Agreement or in any other instrument referred to herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, then to the maximum extent permitted by law, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement or any other such instrument.

(g) Titles. The titles, captions or headings of the Sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

(h) Counterparts. This Agreement may be executed in any number of counterparts, any of which may be executed and transmitted by facsimile (including, without limitation, transfer by .pdf), and each of which shall be deemed to be an original, but all of which together shall be deemed to be one and the same instrument.

instrument.

(i) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Maryland applicable to contracts entered into and wholly to be performed within the State of Maryland by Maryland residents, without regard to any otherwise governing principles of conflicts of law that would choose the law of any state other than the State of Maryland.

(j) Notices. Any notice to be given by the Participant under the terms of this Agreement shall be addressed to the General Counsel of the Company at the Company's address set forth in Exhibit A attached hereto. Any notice to be given to the Participant shall be addressed to him or her at the Participant's then current address on the books and records of the Company. By a notice given pursuant to this Section 18(i), either party may hereafter designate a different address for notices to be given to him or her. Any notice which is required to be given to the Participant shall, if the Participant is then deceased, be given to the Participant's personal representative if such representative has previously informed the Company of his or her status and address by written notice under this Section 18(i) (and the Company shall be entitled to rely on any such notice provided to it that it in good faith believes to be true and correct, with no duty of inquiry). Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery or upon deposit in the United States mail by certified mail, with postage and fees prepaid, addressed as set forth above or upon confirmation of delivery by a nationally recognized overnight delivery service.

(k) Consent to Electronic Delivery; Electronic Signature. In lieu of receiving documents in paper format, the Participant agrees, to the fullest extent permitted by law, to accept electronic delivery of any documents that the Company may be required to deliver (including, without limitation, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports, and all other forms of communications) in connection with this and any other award made or offered by the Company. Electronic delivery may be via an electronic mail system or by reference to a location on the Company's intranet to which the Participant has access. The Participant consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may be required to deliver, and agrees that his or her electronic signature is the same as, and shall have the same force and effect as, his or her manual signature.

Exhibit 10.2

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

ORION PROPERTIES INC.,
a Maryland corporation

By: ______________________________
Name:
Title:

The Participant hereby accepts and agrees to be bound by all of the terms and conditions of this Agreement.

____
[__________]

Exhibit 10.2

Exhibit A

Definitions and Notice Address

Definitions

Capitalized terms not defined herein shall have the meanings set forth in the Performance-Based Restricted Stock Unit Agreement (20__) to which this Exhibit is attached.

"***Absolute TSR RSUs***" means [____________] RSUs.

"***Absolute TSR Performance Vesting Percentage***" means a function of the Company TSR Percentage during the Performance Period, and shall be determined as set forth below:

	Company TSR Percentage	Absolute TSR Performance Vesting Percentage*
	< [__]%	0%
"Threshold Level"	[__]%	25%
"Target Level"	[__]%	50%
"Maximum Level"	≥ [__]%	100%

In the event that the Company TSR Percentage falls between the Threshold Level and the Target Level, the Absolute TSR Performance Vesting Percentage shall be determined using straight line linear interpolation between the Threshold Level and Target Level Absolute TSR Performance Vesting Percentages specified above; and in the event that the Company TSR Percentage falls between the Target Level and the Maximum Level, the Absolute TSR Performance Vesting Percentage shall be determined using straight line linear interpolation between the Target Level and Maximum Level Absolute TSR Performance Vesting Percentages specified above.

*Notwithstanding the foregoing, the Absolute TSR Performance Vesting Percentage shall be (i) reduced by 1.0% for each percentile that the Company's Peer Group Relative Performance is below the 20th percentile, and (ii) increased by 1.0% for each percentile that the Company's Peer Group Relative Performance is above the 80th percentile (but in no event shall the Absolute TSR Performance Vesting Percentage exceed 100%), in each case, during the Performance Period.

"***Acquisition Performance Vesting Percentage***" means a function of Company Acquisition Value during the Performance Period, and shall be determined as set forth below:

	Company Acquisition Value	Acquisition Performance Vesting Percentage
	< $[__]	0%
"Threshold Level"	$[__]	25%
"Target Level"	$[__]-[__]	50%
"Maximum Level"	≥ $[__]	100%

In the event that Company Acquisition Value falls between the Threshold Level and the Target Level, the

Acquisition Performance Vesting Percentage shall be determined using straight line linear interpolation between the Threshold Level and Target Level Acquisition Performance Vesting Percentages specified above; and in the event that the Company Acquisition Value falls between the Target Level and the Maximum Level, the Acquisition Performance Vesting Percentage shall be determined using straight line linear interpolation between the Target Level and Maximum Level Acquisition Performance Vesting Percentages specified above.

"***Acquisition Vesting RSUs***" means [____________] RSUs.

"***Average Lease Term Performance Vesting Percentage***" means a function of the Weighted Average Lease Term during the Performance Period, and shall be determined as set forth below:

	Weighted Average Lease Term	**Average Lease Term Performance Vesting Percentage**
	< [__]years	0%
"Threshold Level"	[__]years	25%
"Target Level"	[__]years – [__]years	50%
"Maximum Level"	≥ [__]years	100%

In the event that the Weighted Average Lease Term falls between the Threshold Level and the Target Level, the Average Lease Term Performance Vesting Percentage shall be determined using straight line linear interpolation between the Threshold Level and Target Level Average Lease Term Performance Vesting Percentages specified above; and in the event that the Weighted Average Lease Term falls between the Target Level and the Maximum Level, the Average Lease Term Performance Vesting Percentage shall be determined using straight line linear interpolation between the Target Level and Maximum Level Average Lease Term Performance Vesting Percentages specified above.

"***Average Lease Term Vesting RSUs***" means [____________] RSUs.

"***Disposition Performance Vesting Percentage***" means a function of Company Disposition Square Footage during the Performance Period, and shall be determined as set forth below:

	Company Disposition Square Footage	**Disposition Performance Vesting Percentage**
	< [__]	0%
"Threshold Level"	[__]	25%
"Target Level"	[__]-[__]	50%
"Maximum Level"	≥ [__]	100%

In the event that Company Disposition Square Footage falls between the Threshold Level and the Target Level, the Disposition Performance Vesting Percentage shall be determined using straight line linear interpolation between the Threshold Level and Target Level Disposition Performance Vesting Percentages specified above; and in the event that the Company Disposition Square Footage falls between the Target Level and the Maximum Level, the Disposition Performance Vesting Percentage shall be determined using straight line linear interpolation between the Target Level and Maximum Level Disposition Performance Vesting Percentages specified above.

"***Disposition Vesting RSUs***" means [____________] RSUs.

"***Occupancy Rate Performance Vesting Percentage***" means a function of the Occupancy Rate during the Performance Period, and shall be determined as set forth below:

	Occupancy Rate	Occupancy Rate Performance Vesting Percentage
	< [__]%	0%
"Threshold Level"	[__]%	25%
"Target Level"	[__] -[__]%	50%
"Maximum Level"	≥ [__]%	100%

In the event that the Occupancy Rate falls between the Threshold Level and the Target Level, the Occupancy Rate Performance Vesting Percentage shall be determined using straight line linear interpolation between the Threshold Level and Target Level Occupancy Rate Performance Vesting Percentages specified above; and in the event that the Occupancy Rate falls between the Target Level and the Maximum Level, the Occupancy Rate Performance Vesting Percentage shall be determined using straight line linear interpolation between the Target Level and Maximum Level Occupancy Rate Performance Vesting Percentages specified above.

"***Occupancy Rate Vesting RSUs***" means [____________] RSUs.

"***Peer Group Companies***" means the following entities, provided that if the common stock of any of the following entities ceases to be listed on a nationally recognized stock exchange at any time during the Performance Period, then that entity shall be excluded from the Peer Group Companies:

Brandywine Realty Trust
City Office REIT, Inc.
Easterly Government Properties, Inc.
Gladstone Commercial Corporation
Global Net Lease, Inc.
Highwoods Properties, Inc.
Net Lease Office Properties
Office Properties Income Trust.
Piedmont Office Realty Trust, Inc.

"***Peer Group Relative Performance***" means the Company TSR Percentage compared to the Peer Group TSR Percentages, expressed as a percentile ranking against the Peer Group Companies.

"***Peer Group TSR Percentage***" means the total shareholder return, expressed as a percentage, of each of the Peer Group Companies during the Performance Period, calculated in a manner consistent with Section 2(n) above from publicly available information.

"***Performance Period***" means the period commencing on January 1, 20__ and ending on December 31, 20__.

<u>Company Address</u>

2398 E. Camelback Road
Suite 1060
Phoenix, Arizona 85016

ORION OFFICE REIT, INC.
2021 EQUITY INCENTIVE PLAN

RESTRICTED STOCK UNIT GRANT NOTICE

Capitalized terms not specifically defined in this Restricted Stock Unit Grant Notice (the "***Grant Notice***") have the meanings given to them in the Orion Office REIT, Inc. 2021 Equity Incentive Plan (as amended from time to time, the "***Plan***").

Orion Properties Inc., a Maryland corporation (formerly known as Orion Office REIT Inc., the "***Company***") has granted to the participant listed below ("***Participant***") the Restricted Stock Units described in this Grant Notice (the "***RSUs***"), subject to the terms and conditions of the Plan and the Restricted Stock Unit Agreement attached hereto as **Exhibit A** (the "***Agreement***"), both of which are incorporated into this Grant Notice by reference.

Participant:	
Grant Date:	
Number of RSUs:	
Vesting Commencement Date:	
Vesting Schedule:	The RSUs will vest with respect to one-third (1/3rd) of the RSUs granted hereunder on each of the first three (3) anniversaries of the Vesting Commencement Date, subject to Participant's continued Service Relationship through the applicable vesting date.

By Participant's signature below, Participant agrees to be bound by the terms of this Grant Notice, the Plan and the Agreement. Participant has reviewed the Plan, this Grant Notice and the Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, this Grant Notice and the Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Agreement. The Company may in its discretion provide for electronic acceptance of this Grant Notice and/or the Agreement by Participant, and in such event, Participant's acceptance thereof shall for all purposes constitute Participant's execution and agreement to be bound by the terms and conditions thereof.

ORION PROPERTIES INC.	**PARTICIPANT**
By: ______________________	______________________
Name: ______________________	[Participant Name]
Title: ______________________	

Exhibit 10.3

RESTRICTED STOCK UNIT AGREEMENT

Capitalized terms not specifically defined in this Agreement have the meanings specified in the Grant Notice or, if not defined in the Grant Notice, in the Plan.

ARTICLE I.
GENERAL

1.1 Award of RSUs, Conditions for RSU Awards, and Dividend Equivalent Rights.

(a) The Company has granted the RSUs to Participant effective as of the grant date set forth in the Grant Notice (the "***Grant Date***"). Each RSU represents the right to receive one share of Stock as set forth in this Agreement. Participant will have no right to the distribution of any shares of Stock until the time (if ever) the RSUs have vested.

(b) As a result of a limit on the maximum aggregate number of Shares that may be issued under the Plan, the foregoing award shall be subject to satisfaction of the following conditions:

(i) the stockholders of the Company must have approved an amendment to the Plan at the 2025 stockholders' annual meeting that authorizes a sufficient number of Shares to permit the award under the Plan;

(ii) the registration of such additional Shares with the Securities and Exchange Commission on Form S-8 (or successor form) must have effectuated as soon as reasonably practical after the above 2025 stockholders' annual meeting;

(iii) the listing of such additional Shares on the New York Stock Exchange; and

(iv) the Participant shall be employed by the Company on the date the above conditions are satisfied.

If any of the above conditions are not satisfied, none of the RSUs contemplated hereunder shall be issued and the award shall immediately and automatically be rescinded and become null and void.

(c) The Company hereby grants to Participant, with respect to each RSU, a Dividend Equivalent Right for ordinary cash dividends paid to substantially all holders of outstanding shares of Stock with a record date after the Grant Date and prior to the date the applicable RSU is settled, forfeited or otherwise expires. Each Dividend Equivalent Right entitles Participant to receive the equivalent value of any such ordinary cash dividends paid on a single Share. Dividend Equivalent Rights shall not entitle Participant to any payments relating to dividends with a record date that occurs after the earlier of the payment or forfeiture of the RSU underlying such Dividend Equivalent Right. The Dividend Equivalent Rights and any amounts that may become payable in respect thereof shall be treated separately from the RSUs and the rights arising in connection therewith for purposes of Section 409A of the Code. Any amounts payable in respect of any Dividend Equivalent Right shall be subject to the same vesting schedule as the RSU to which such Dividend Equivalent Right corresponds and shall be paid within forty-five (45) days following the applicable date on which such Dividend Equivalent Right and corresponding RSU vests, and, in the event that such RSU is forfeited prior to vesting, such Dividend Equivalent Right shall thereupon also be forfeited.

1.2 Incorporation of Terms of Plan. The RSUs are subject to the terms and conditions set forth in this Agreement and the Plan, which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan will control.

ARTICLE II.
VESTING; FORFEITURE AND SETTLEMENT

2.1 Vesting; Forfeiture.

(a) Subject to Section 2.1(d) below, the RSUs will vest according to the vesting schedule in the Grant Notice.

(b) In addition, the RSUs will become immediately vested: (i) upon termination of a Participant's Service Relationship (a "***Termination of Service***") by the Company without Cause or due to Participant's resignation for Good Reason.

(c) In the event of a Participant's Termination of Service as a result of Participant's death or Disability, a pro rata portion of Participant's unvested RSUs shall automatically vest, determined by multiplying the total number of RSUs awarded hereunder by a fraction, the numerator of which is the number of whole months elapsed from the Grant Date until the date of such Termination of Service, and the denominator of which is 36 (reduced by the number of RSUs that had vested prior to such termination date).

(d) Subject to Section 2.1 (b) and 2.1(c), in the event of Participant's Termination of Service for any reason, all unvested RSUs will immediately and automatically be cancelled and forfeited, except as otherwise determined by the Administrator or provided in a binding written agreement between Participant and the Company.

(e) For purposes of this Agreement the following terms will have the meanings set forth in Participant's employment agreement or offer letter with the Company if such agreement or offer letter exists and contains the applicable definition, and otherwise, shall have the following meanings:

(i) "***Cause***" means that Participant has: (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) Participant's reasonably assigned material duties, (iv) engaged in willful misconduct in the performance of Participant's duties, (v) engaged in conduct that violated the Company's then existing written internal policies or procedures that have been provided to Participant 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, non-disclosure or other agreement in effect between Participant and the Company; provided, however, that with respect to clauses (iii) and (iv), no event shall constitute Cause unless (A) the Company has given Participant 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) Participant fails to cure such conduct within thirty (30) days following the date on which such notice is provided.

(ii) "***Disability***" means that Participant is unable to perform Participant's 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 Participant and the Company, provided that if Participant and the Company do not agree on a physician, Participant and the Company shall each select a physician and these two together shall select a third physician, whose determination as to Disability shall be binding on all parties. The appointment of one or more individuals to carry out Participant's 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.

(iii) "***Good Reason***" means (i) a material reduction in Participant's base salary or target bonus percentage, (ii) a material reduction in Participant's title or a material diminution in Participant's duties, responsibilities or authorities, or (iii) the relocation of Participant's primary place of employment to a location that is more than 50 miles from the location of the Company's offices at which Participant is providing service as of the Grant Date; provided that no event will constitute Good Reason unless (A) Participant has given the Company written notice setting forth the conduct of the Company that is alleged to constitute Good Reason, within thirty (30) days of the first date on which Participant has knowledge of such conduct, (B) the Company fails to cure such conduct within thirty (30) days following the date on which such written notice is provided, and (C) the effective date of Participant's actual termination for Good Reason occurs no later than 60 days after the expiration of such Company cure period.

2.2 Settlement.

(a) RSUs will be paid in shares of Stock within forty-five (45) days following the applicable date on which such RSUs vest (either by delivering one or more certificates for such shares of Stock or by entering such shares in book entry form, as determined by the Administrator in its sole discretion), provided that the exact payment date shall be determined by the Company in its sole discretion (and Participant shall not have a right to designate the time of payment). Notwithstanding the foregoing, the Company may delay any payment under this Agreement that the Company reasonably determines would violate applicable law until the earliest date the Company reasonably determines the making of the payment will not cause such a violation (in accordance with Treasury Regulation Section 1.409A-2(b)(7)(ii)), provided the Company reasonably believes the delay will not result in the imposition of excise taxes under Section 409A.

ARTICLE III.
TAXATION AND TAX WITHHOLDING

3.1 Representation. Participant represents to the Company that Participant has reviewed with Participant's own tax advisors the tax consequences of this Award and the transactions contemplated by the Grant Notice and this Agreement. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents.

3.2 Tax Withholding.

(a) The Company has the right and option, but not the obligation, to treat Participant's failure to provide timely payment in accordance with the Plan of any withholding tax arising in connection with the RSUs or Dividend Equivalent Rights as Participant's election to satisfy all or any portion of the withholding tax by requesting the Company retain shares of Stock otherwise issuable under the Award. To the extent that any Federal Insurance Contributions Act tax withholding obligations arise in connection with the RSUs prior to the applicable vesting date, the Administrator shall accelerate the payment of a portion of the award of RSUs sufficient to satisfy (but not in excess of) such tax withholding obligations and any tax withholding obligations associated with any such accelerated payment, and the Administrator shall withhold such amounts in satisfaction of such withholding obligations.

(b) Participant acknowledges that Participant is ultimately liable and responsible for all taxes owed in connection with the RSUs and the Dividend Equivalent Rights, regardless of any action the Company or any Subsidiary takes with respect to any tax withholding obligations that arise in connection with the RSUs or Dividend Equivalent Rights. Neither the Company nor any Subsidiary makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or payment of the RSUs or the Dividend Equivalent Rights or the subsequent sale of shares of Stock. The Company and the Subsidiaries do not commit and are under no obligation to structure the RSUs or Dividend Equivalent Rights to reduce or eliminate Participant's tax liability.

ARTICLE IV.
OTHER PROVISIONS

4.1 Adjustments. Participant acknowledges that the RSUs, the shares of Stock subject to the RSUs and the Dividend Equivalent Rights are subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan.

4.2 Notices. Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company's Secretary at the Company's principal office or the Secretary's then-current email address or facsimile number. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

4.3 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

4.4 Conformity to Securities Laws. Participant acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all applicable law s and, to the extent applicable laws permit, will be deemed amended as necessary to conform to applicable laws.

4.5 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company, including without limitation any acquirer of the Company in a Change in Control or Sale Event. Subject to the restrictions on transfer set forth in this Agreement or the Plan, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

4.6 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the Grant Notice, this Agreement, the RSUs and the Dividend Equivalent Rights will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent applicable laws permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

4.7 Entire Agreement. The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

4.8 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

4.9 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and may not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the RSUs and Dividend Equivalent Rights, and rights no greater than the right to receive shares of Stock or cash as a general unsecured creditor with respect to the RSUs and Dividend Equivalent Rights, as and when settled pursuant to the terms of this Agreement. The RSUs and Dividend Equivalent Rights will at all times prior to settlement represent an unsecured Company obligation payable only from the Company's general assets

4.10 Not a Contract of Employment or Service. Nothing in the Plan, the Grant Notice or this Agreement confers upon Participant any right to continue in the employ or service of the Company or any Subsidiary or interferes with or restricts in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant.

4.11 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to applicable law, each of which will be deemed an original and all of which together will constitute one instrument.

* * * * *

Exhibit 31.1

ORION PROPERTIES INC.
CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Paul H. McDowell, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Orion Properties Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date:	May 7, 2025	/s/ Paul H. McDowell
		Paul H. McDowell Chief Executive Officer and President
		(Principal Executive Officer)

Exhibit 31.2

ORION PROPERTIES INC.
CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Gavin B. Brandon, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Orion Properties Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2025

/s/ Gavin B. Brandon
Gavin B. Brandon
Chief Financial Officer, Executive Vice President and Treasurer
(Principal Financial Officer)

Exhibit 32.1

ORION PROPERTIES INC.
CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Orion Properties Inc. (the “Company”) for the period ended March 31, 2025 (the “Report”), I, Paul H. McDowell, Chief Executive Officer of the Company, certify to my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date:	May 7, 2025	/s/ Paul H. McDowell
		Paul H. McDowell Chief Executive Officer and President
		(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

ORION PROPERTIES INC.
CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Orion Properties Inc. (the "Company") for the period ended March 31, 2025 (the "Report"), I, Gavin B. Brandon, Executive Vice President and Chief Financial Officer of the Company, certify to my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 7, 2025

/s/ Gavin B. Brandon
Gavin B. Brandon
Chief Financial Officer, Executive Vice President and Treasurer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.