

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

FORM 10-Q

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

For the quarterly period ended June 30, 2021

OR

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

Commission File Number 1-34364

OFFICE PROPERTIES INCOME TRUST

(Exact Name of Registrant as Specified in Its Charter)

Maryland
(State or Other Jurisdiction of Incorporation or Organization)

26-4273474
(IRS Employer Identification No.)

Two Newton Place, 255 Washington Street, Suite 300, Newton, Massachusetts 02458-1634
(Address of Principal Executive Offices) (Zip Code)

617-219-1440
(Registrant's Telephone Number, Including Area Code)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name Of Each Exchange On Which Registered
Common Shares of Beneficial Interest	OPI	The Nasdaq Stock Market LLC
6.375% Senior Notes due 2050	OPINL	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. 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 provided 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 ☒

Number of registrant's common shares of beneficial interest, \$.01 par value per share, outstanding as of July 28, 2021: 48,334,357

OFFICE PROPERTIES INCOME TRUST

FORM 10-Q

June 30, 2021

INDEX

	Page
PART I.	Financial Information
Item 1.	Financial Statements (unaudited)
	Condensed Consolidated Balance Sheets — June 30, 2021 and December 31, 2020 3
	Condensed Consolidated Statements of Comprehensive Income (Loss) — Three and Six Months Ended June 30, 2021 and 2020 4
	Condensed Consolidated Statements of Shareholders' Equity — Three and Six Months Ended June 30, 2021 and 2020 5
	Condensed Consolidated Statements of Cash Flows — Six Months Ended June 30, 2021 and 2020 6
	Notes to Condensed Consolidated Financial Statements 8
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations 16
Item 3.	Quantitative and Qualitative Disclosures About Market Risk 33
Item 4.	Controls and Procedures 35
	Warning Concerning Forward-Looking Statements 35
	Statement Concerning Limited Liability 39
PART II.	Other Information
Item 1A.	Risk Factors 39
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds 40
Item 6.	Exhibits 40
	Signatures 42

References in this Quarterly Report on Form 10-Q to "the Company", "OPI", "we", "us" or "our" include Office Properties Income Trust and its consolidated subsidiaries unless otherwise expressly stated or the context indicates otherwise.

PART I. Financial Information
Item 1. Financial Statements

OFFICE PROPERTIES INCOME TRUST
CONDENSED CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except per share data)
(unaudited)

	June 30, 2021	December 31, 2020
ASSETS		
Real estate properties:		
Land	\$ 865,218	\$ 830,884
Buildings and improvements	2,982,746	2,691,259
Total real estate properties, gross	3,847,964	3,522,143
Accumulated depreciation	(455,135)	(451,914)
Total real estate properties, net	3,392,829	3,070,229
Assets of properties held for sale	47,698	75,177
Investments in unconsolidated joint ventures	36,669	37,951
Acquired real estate leases, net	570,449	548,943
Cash and cash equivalents	18,667	42,045
Restricted cash	1,414	14,810
Rents receivable	90,985	101,766
Deferred leasing costs, net	46,185	42,626
Other assets, net	6,317	12,889
Total assets	\$ 4,211,213	\$ 3,946,436
LIABILITIES AND SHAREHOLDERS' EQUITY		
Unsecured revolving credit facility	\$ 385,000	\$ —
Senior unsecured notes, net	2,032,764	2,033,242
Mortgage notes payable, net	98,739	169,729
Liabilities of properties held for sale	2,427	891
Accounts payable and other liabilities	127,359	116,480
Due to related persons	17,882	6,114
Assumed real estate lease obligations, net	18,492	10,588
Total liabilities	2,682,663	2,337,044
Commitments and contingencies		
Shareholders' equity:		
Common shares of beneficial interest, \$0.01 par value: 200,000,000 shares authorized, 48,334,357 and 48,318,366 shares issued and outstanding, respectively	483	483
Additional paid in capital	2,616,450	2,615,305
Cumulative net income	155,058	183,895
Cumulative common distributions	(1,243,441)	(1,190,291)
Total shareholders' equity	1,528,550	1,609,392
Total liabilities and shareholders' equity	\$ 4,211,213	\$ 3,946,436

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

OFFICE PROPERTIES INCOME TRUST
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(amounts in thousands, except per share data)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Rental income	\$ 137,099	\$ 145,603	\$ 281,623	\$ 295,488
Expenses:				
Real estate taxes	15,912	15,781	32,066	32,588
Utility expenses	5,310	5,201	11,742	12,213
Other operating expenses	24,898	25,787	50,337	51,667
Depreciation and amortization	55,371	64,170	119,458	127,113
Loss on impairment of real estate	48,197	—	55,857	—
General and administrative	12,970	7,204	24,242	14,313
Total expenses	162,658	118,143	293,702	237,894
Gain on sale of real estate	114	66	54,118	10,822
Interest and other income	2	30	7	736
Interest expense (including net amortization of debt premiums, discounts and issuance costs of \$2,492, \$2,402, \$4,924 and \$4,685, respectively)	(29,001)	(25,205)	(57,799)	(52,364)
Loss on early extinguishment of debt	(11,794)	(557)	(11,794)	(3,839)
Income (loss) before income tax (expense) benefit and equity in net losses of investees	(66,238)	1,794	(27,547)	12,949
Income tax (expense) benefit	121	(235)	(314)	(274)
Equity in net losses of investees	(580)	(260)	(976)	(536)
Net income (loss)	(66,697)	1,299	(28,837)	12,139
Other comprehensive income (loss):				
Unrealized gain on financial instrument	—	176	—	115
Other comprehensive income	—	176	—	115
Comprehensive income (loss)	\$ (66,697)	\$ 1,475	\$ (28,837)	\$ 12,254
Weighted average common shares outstanding (basic and diluted)	48,165	48,106	48,163	48,101
Per common share amounts (basic and diluted):				
Net income (loss)	\$ (1.38)	\$ 0.03	\$ (0.60)	\$ 0.25

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

OFFICE PROPERTIES INCOME TRUST
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(dollars in thousands)
(unaudited)

	Number of Shares	Common Shares	Additional Paid In Capital	Cumulative Net Income	Cumulative Other Comprehensive Loss	Cumulative Common Distributions	Total Shareholders' Equity
Balance at December 31, 2020	48,318,366	\$ 483	\$ 2,615,305	\$ 183,895	\$ —	\$ (1,190,291)	\$ 1,609,392
Share grants	—	—	321	—	—	—	321
Net income	—	—	—	37,860	—	—	37,860
Distributions to common shareholders	—	—	—	—	—	(26,575)	(26,575)
Balance at March 31, 2021	48,318,366	483	2,615,626	221,755	—	(1,216,866)	1,620,998
Share grants	28,000	—	1,176	—	—	—	1,176
Share repurchases	(12,009)	—	(352)	—	—	—	(352)
Net loss	—	—	—	(66,697)	—	—	(66,697)
Distributions to common shareholders	—	—	—	—	—	(26,575)	(26,575)
Balance at June 30, 2021	48,334,357	\$ 483	\$ 2,616,450	\$ 155,058	\$ —	\$ (1,243,441)	\$ 1,528,550
Balance at December 31, 2019	48,201,941	\$ 482	\$ 2,612,425	\$ 177,217	\$ (200)	\$ (1,084,170)	\$ 1,705,754
Share grants	—	—	379	—	—	—	379
Share repurchases	(1,012)	—	(27)	—	—	—	(27)
Net current period other comprehensive loss	—	—	—	—	(61)	—	(61)
Net income	—	—	—	10,840	—	—	10,840
Distributions to common shareholders	—	—	—	—	—	(26,511)	(26,511)
Balance at March 31, 2020	48,200,929	482	2,612,777	188,057	(261)	(1,110,681)	1,690,374
Share grants	28,000	—	1,121	—	—	—	1,121
Share repurchases	(1,129)	—	(30)	—	—	—	(30)
Net current period other comprehensive income	—	—	—	—	176	—	176
Net income	—	—	—	1,299	—	—	1,299
Distributions to common shareholders	—	—	—	—	—	(26,510)	(26,510)
Balance at June 30, 2020	48,227,800	\$ 482	\$ 2,613,868	\$ 189,356	\$ (85)	\$ (1,137,191)	\$ 1,666,430

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

OFFICE PROPERTIES INCOME TRUST
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)
(unaudited)

	Six Months Ended June 30,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (28,837)	\$ 12,139
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	43,313	41,318
Net amortization of debt premiums, discounts and issuance costs	4,924	4,685
Amortization of acquired real estate leases	74,301	85,726
Amortization of deferred leasing costs	3,766	3,380
Gain on sale of real estate	(54,118)	(10,822)
Loss on impairment of real estate	55,857	—
Loss on early extinguishment of debt	9,294	2,701
Straight line rental income	(9,204)	(9,051)
Other non-cash expenses, net	952	957
Equity in net losses of investees	976	536
Change in assets and liabilities:		
Rents receivable	15,206	(2,162)
Deferred leasing costs	(8,764)	(8,803)
Other assets	3,986	5,300
Accounts payable and other liabilities	(6,044)	(14,429)
Due to related persons	11,768	(285)
Net cash provided by operating activities	<u>117,376</u>	<u>111,190</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Real estate acquisitions	(535,902)	(11,864)
Real estate improvements	(31,303)	(32,050)
Distributions in excess of earnings from unconsolidated joint ventures	306	153
Distributions in excess of earnings from Affiliates Insurance Company	—	287
Proceeds from sale of properties, net	166,432	81,528
Proceeds from repayment of mortgage note receivable	—	2,880
Net cash (used in) provided by investing activities	<u>(400,467)</u>	<u>40,934</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of mortgage notes payable	(71,939)	(114,413)
Repayment of senior unsecured notes	(310,000)	(400,000)
Proceeds from issuance of senior unsecured notes, net	297,699	145,275
Borrowings on unsecured revolving credit facility	420,000	481,467
Repayments on unsecured revolving credit facility	(35,000)	(281,467)
Payment of debt issuance costs	(941)	(503)
Repurchase of common shares	(352)	(57)
Distributions to common shareholders	(53,150)	(53,021)
Net cash provided by (used in) financing activities	<u>246,317</u>	<u>(222,719)</u>
Decrease in cash, cash equivalents and restricted cash	(36,774)	(70,595)
Cash, cash equivalents and restricted cash at beginning of period	56,855	100,696
Cash, cash equivalents and restricted cash at end of period	<u>\$ 20,081</u>	<u>\$ 30,101</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

OFFICE PROPERTIES INCOME TRUST
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(dollars in thousands)
(unaudited)

	Six Months Ended June 30,	
	2021	2020
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	\$ 53,722	\$ 53,811
Income taxes paid	\$ 287	\$ —
NON-CASH INVESTING ACTIVITIES:		
Real estate improvements accrued, not paid	\$ 18,472	\$ 15,112
Real estate acquisitions	\$ (13,031)	\$ —
Capitalized interest	\$ 150	\$ 69

SUPPLEMENTAL DISCLOSURE OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH:

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the condensed consolidated balance sheets to the amounts shown in the condensed consolidated statements of cash flows:

	As of June 30,	
	2021	2020
Cash and cash equivalents	\$ 18,667	\$ 24,485
Restricted cash ⁽¹⁾	1,414	5,616
Total cash, cash equivalents and restricted cash shown in the condensed consolidated statements of cash flows	\$ 20,081	\$ 30,101

(1) Restricted cash consists of amounts escrowed for future real estate taxes, insurance, leasing costs, capital expenditures and debt service, as required by certain of our mortgage debts.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

OFFICE PROPERTIES INCOME TRUST
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(dollars in thousands, except per share data)
(unaudited)

Note 1. Basis of Presentation

The accompanying condensed consolidated financial statements of Office Properties Income Trust and its subsidiaries, or OPI, we, us or our, are unaudited. Certain information and disclosures required by U.S. generally accepted accounting principles, or GAAP, for complete financial statements have been condensed or omitted. We believe the disclosures made are adequate to make the information presented not misleading. However, the accompanying condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes contained in our Annual Report on Form 10-K for the year ended December 31, 2020, or our 2020 Annual Report. In the opinion of management, all adjustments, consisting of normal recurring accruals considered necessary for a fair statement of results for the interim period have been included. All intercompany transactions and balances with or among our consolidated subsidiaries have been eliminated. Our operating results for interim periods are not necessarily indicative of the results that may be expected for the full year.

The preparation of these financial statements in conformity with GAAP requires us to make estimates and assumptions that affect reported amounts. Actual results could differ from those estimates. Significant estimates in the condensed consolidated financial statements include purchase price allocations, useful lives of fixed assets and assessment of impairment of real estate and the related intangibles.

Note 2. Per Common Share Amounts

We calculate basic earnings per common share by dividing net income (loss) by the weighted average number of our common shares outstanding during the period. We calculate diluted earnings per share using the more dilutive of the two class method or the treasury stock method. Unvested share awards and other potentially dilutive common shares, together with the related impact on earnings, are considered when calculating diluted earnings per share. For the three and six months ended June 30, 2021 and 2020, there were no dilutive common shares and certain unvested common shares were not included in the calculation of diluted earnings per share because to do so would have been antidilutive.

Note 3. Real Estate Properties

As of June 30, 2021, our wholly owned properties were comprised of 181 properties containing a combined approximately 24,091,000 rentable square feet. The aggregate undepreciated carrying value of our wholly owned properties as of June 30, 2021 was \$3,889,200, including \$41,236 classified as held for sale, and we had noncontrolling ownership interests of 51% and 50% in two unconsolidated joint ventures that own three properties containing a combined approximately 444,000 rentable square feet. We generally lease space at our properties on a gross lease, modified gross lease or net lease basis pursuant to fixed term contracts expiring between 2021 and 2053. Some of our leases generally require us to pay all or some property operating expenses and to provide all or most property management services. During the three months ended June 30, 2021, we entered into 25 leases for approximately 548,000 rentable square feet for a weighted (by rentable square feet) average lease term of 16.6 years and we made commitments for approximately \$76,702 of leasing related costs. During the six months ended June 30, 2021, we entered into 45 leases for approximately 1,123,000 rentable square feet for a weighted (by rentable square feet) average lease term of 10.9 years and we made commitments for approximately \$83,847 of leasing related costs. As of June 30, 2021, we had estimated unspent leasing related obligations of \$113,099.

We regularly evaluate whether events or changes in circumstances have occurred that could indicate an impairment in the value of our long lived assets. If there is an indication that the carrying value of an asset is not recoverable, we estimate the projected undiscounted cash flows to determine if an impairment loss should be recognized. The future net undiscounted cash flows are subjective and are based in part on assumptions regarding hold periods, market rents and terminal capitalization rates. We determine the amount of any impairment loss by comparing the historical carrying value to estimated fair value. We estimate fair value through an evaluation of recent financial performance and projected discounted cash flows using standard industry valuation techniques. In addition to the consideration of impairment upon the events or changes in circumstances described above, we regularly evaluate the remaining lives of our long lived assets. If we change our estimate of the remaining lives, we allocate the carrying value of the affected assets over their revised remaining lives.

Acquisition Activities

During the six months ended June 30, 2021, we acquired two properties containing a combined approximately 877,000 rentable square feet for an aggregate purchase price of \$548,933, including net purchase price adjustments of \$1,761 and

OFFICE PROPERTIES INCOME TRUST
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(dollars in thousands, except per share data)
(unaudited)

acquisition related costs of \$694. These acquisitions were accounted for as asset acquisitions. We allocated the purchase prices of these acquisitions based on the relative estimated fair values of the acquired assets and assumed liabilities as follows:

Acquisition Date	Location	Number of Properties	Rentable Square Feet	Purchase Price	Land	Buildings and Improvements	Acquired Real Estate Leases	Assumed Real Estate Lease Obligations
June 2021	Chicago, IL ⁽¹⁾	1	531,000	\$ 368,331	\$ 42,935	\$ 258,348	\$ 76,136	\$ (9,088)
June 2021	Atlanta, GA	1	346,000	180,602	13,040	135,459	32,103	—
		2	877,000	\$ 548,933	\$ 55,975	\$ 393,807	\$ 108,239	\$ (9,088)

(1) Purchase price includes an adjustment of \$13,031 to record an estimated real estate tax liability as of the acquisition date.

As of July 28, 2021, we have entered into an agreement to acquire a property adjacent to a property we own in Boston, MA containing approximately 49,000 rentable square feet for \$26,975, excluding acquisition related costs. This acquisition is expected to occur before the end of the third quarter. However, this acquisition is subject to conditions; accordingly, we cannot be sure that we will complete this acquisition or that this acquisition will not be delayed or the terms will not change.

Disposition Activities

During the six months ended June 30, 2021, we sold two properties and a warehouse facility adjacent to a property we own containing a combined approximately 1,692,000 rentable square feet for an aggregate sales price of \$169,845, excluding closing costs. The sales of these properties, as presented in the table below, do not represent significant dispositions, individually or in the aggregate, nor do they represent a strategic shift in our business. As a result, the results of operations of these properties are included in continuing operations through the date of sale in our condensed consolidated statements of comprehensive income (loss).

Date of Sale	Number of Properties	Location	Rentable Square Feet	Gross Sales Price ⁽¹⁾	Gain (Loss) on Sale of Real Estate	Loss on Impairment of Real Estate
January 2021	—	Kansas City, MO ⁽²⁾	10,000	\$ 845	\$ (63)	\$ —
January 2021	1	Richmond, VA	311,000	130,000	54,181	—
April 2021	1	Huntsville, AL	1,371,000	39,000	—	5,317
	2		1,692,000	\$ 169,845	\$ 54,118	\$ 5,317

(1) Gross sales price is the gross contract price, includes purchase price adjustments, if any, and excludes closing costs.

(2) Consists of a warehouse facility adjacent to a property we own in Kansas City, MO.

As of June 30, 2021, we had three properties under agreement to sell for an aggregate sales price of \$21,920, excluding closing costs. These properties were classified as held for sale in our condensed consolidated balance sheet as of June 30, 2021 and are summarized below:

Date of Sale Agreement	Number of Properties	Location	Rentable Square Feet	Gross Sales Price ⁽¹⁾	Loss on Impairment of Real Estate
April 2021	1	Liverpool, NY ⁽²⁾	38,000	\$ 650	\$ —
May 2021	1	Fresno, CA ⁽²⁾	532,000	6,000	33,917
May 2021	1	Memphis, TN	205,000	15,270	—
	3		775,000	\$ 21,920	\$ 33,917

(1) Gross sales price is the gross contract price, includes purchase price adjustments, if any, and excludes closing costs.

(2) The sales of these properties were completed in July 2021.

OFFICE PROPERTIES INCOME TRUST
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(dollars in thousands, except per share data)
(unaudited)

As of June 30, 2021, we also had an additional four properties with approximately 546,000 rentable square feet classified as held for sale in our condensed consolidated balance sheet. We recorded a \$16,569 loss on impairment of real estate during the six months ended June 30, 2021, including \$14,280 recorded during the three months ended June 30, 2021, to adjust the carrying value of these properties to their estimated fair values less cost to sell.

Unconsolidated Joint Ventures

We own interests in two joint ventures that own three properties. We account for these investments under the equity method of accounting. As of June 30, 2021 and December 31, 2020, our investments in unconsolidated joint ventures consisted of the following:

Joint Venture	OPI Ownership	OPI Carrying Value of Investments at		Number of Properties	Location	Rentable Square Feet
		June 30, 2021	December 31, 2020			
Prosperity Metro Plaza	51%	\$ 21,431	\$ 21,888	2	Fairfax, VA	329,000
1750 H Street, NW	50%	15,238	16,063	1	Washington, D.C.	115,000
Total		\$ 36,669	\$ 37,951	3		444,000

The following table provides a summary of the mortgage debt of our two unconsolidated joint ventures:

Joint Venture	Interest Rate ⁽¹⁾	Maturity Date	Principal Balance at June 30, 2021 and December 31, 2020 ⁽²⁾	
Prosperity Metro Plaza	4.09%	12/1/2029	\$	50,000
1750 H Street, NW	3.69%	8/1/2024		32,000
Weighted Average / Total	3.93%		\$	82,000

(1) Includes the effect of mark to market purchase accounting.

(2) Reflects the entire balance of the debt secured by the properties and is not adjusted to reflect the interests in the joint ventures we do not own. None of the debt is recourse to us.

At June 30, 2021, the aggregate unamortized basis difference of our two unconsolidated joint ventures of \$7,220 is primarily attributable to the difference between the amount we paid to purchase our interest in these joint ventures, including transaction costs, and the historical carrying value of the net assets of these joint ventures. This difference is being amortized over the remaining useful life of the related properties and the resulting amortization expense is included in equity in net losses of investees in our condensed consolidated statements of comprehensive income (loss).

Note 4. Leases

Our leases provide for base rent payments and in addition may include variable payments. Rental income from operating leases, including any payments derived by index or market-based indices, is recognized on a straight line basis over the lease term when we have determined that the collectability of substantially all of the lease payments is probable. Some of our leases have options to extend or terminate the lease exercisable at the option of our tenants, which are considered when determining the lease term. In certain circumstances, some leases provide the tenant with the right to terminate if the legislature or other funding authority does not appropriate the funding necessary for the tenant to meet its lease obligations; we have determined the fixed non-cancelable lease term of these leases to be the full term of the lease because we believe the occurrence of early terminations to be a remote contingency based on both our historical experience and our assessments of the likelihood of lease cancellation on a separate lease basis.

We increased rental income to record revenue on a straight line basis by \$3,847 and \$3,468 for the three months ended June 30, 2021 and 2020, respectively, and \$9,204 and \$9,051 for the six months ended June 30, 2021 and 2020, respectively. Rents receivable, excluding properties classified as held for sale, include \$74,674 and \$68,824 of straight line rent receivables at June 30, 2021 and December 31, 2020, respectively.

We do not include in our measurement of our lease receivables certain variable payments, including payments determined by changes in the index or market-based indices after the inception of the lease, certain tenant reimbursements and other income until the specific events that trigger the variable payments have occurred. Such payments totaled \$17,488 and \$36,348 for the

OFFICE PROPERTIES INCOME TRUST
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(dollars in thousands, except per share data)
(unaudited)

three and six months ended June 30, 2021, respectively, of which tenant reimbursements totaled \$16,639 and \$34,442, respectively. For the three and six months ended June 30, 2020, such payments totaled \$18,302 and \$38,048, respectively, of which tenant reimbursements totaled \$17,229 and \$35,851, respectively.

Note 5. Concentration

Tenant and Credit Concentration

We define annualized rental income as the annualized contractual base rents from our tenants pursuant to our lease agreements as of the measurement date, plus straight line rent adjustments and estimated recurring expense reimbursements to be paid to us, and excluding lease value amortization. As of June 30, 2021, the U.S. government, 11 state governments and four other government tenants combined were responsible for approximately 31.9% of our annualized rental income. As of June 30, 2020, the U.S. government, 11 state governments and two other government tenants combined were responsible for approximately 35.1% of our annualized rental income. The U.S. government is our largest tenant by annualized rental income and represented approximately 22.0% and 25.2% of our annualized rental income as of June 30, 2021 and 2020, respectively.

Geographic Concentration

At June 30, 2021, our 181 wholly owned properties were located in 34 states and the District of Columbia. Properties located in California, Virginia, the District of Columbia, Illinois and Georgia were responsible for 12.1%, 12.1%, 9.4%, 9.0% and 7.9% of our annualized rental income as of June 30, 2021, respectively.

Note 6. Indebtedness

Our principal debt obligations at June 30, 2021 were: (1) \$385,000 of outstanding borrowings under our \$750,000 unsecured revolving credit facility; (2) \$2,062,000 aggregate outstanding principal amount of senior unsecured notes; and (3) \$98,903 aggregate outstanding principal amount of mortgage notes.

Our \$750,000 revolving credit facility is governed by a credit agreement, or our credit agreement, with a syndicate of institutional lenders that includes a feature under which the maximum aggregate borrowing availability may be increased to up to \$1,950,000 in certain circumstances. Our revolving credit facility is available for general business purposes, including acquisitions. The maturity date of our revolving credit facility is January 31, 2023 and, subject to our payment of an extension fee and meeting certain other conditions, we have the option to extend the stated maturity date of our revolving credit facility by two additional six month periods. We can borrow, repay and reborrow funds available under our revolving credit facility until maturity and no principal repayment is due until maturity. We are required to pay interest at a rate of LIBOR plus a premium, which was 110 basis points per annum at June 30, 2021, on the amount outstanding under our revolving credit facility, if any. We also pay a facility fee on the total amount of lending commitments under our revolving credit facility, which was 25 basis points per annum at June 30, 2021. Both the interest rate premium and facility fee are subject to adjustment based upon changes to our credit ratings. As of June 30, 2021 and December 31, 2020, the annual interest rate payable on borrowings under our revolving credit facility was 1.2%. The weighted average annual interest rate for borrowings under our revolving credit facility was 1.2% and 1.3% for the three months ended June 30, 2021 and 2020, respectively, and 1.2% and 2.1% for the six months ended June 30, 2021 and 2020, respectively. As of June 30, 2021 and July 28, 2021, we had \$385,000 and \$380,000, respectively, outstanding under our revolving credit facility, and \$365,000 and \$370,000, respectively, available for borrowing.

Our credit agreement and senior unsecured notes indentures and their supplements provide for acceleration of payment of all amounts due thereunder upon the occurrence and continuation of certain events of default, such as, in the case of our credit agreement, a change of control of us, which includes The RMR Group LLC, or RMR LLC, ceasing to act as our business and property manager. Our credit agreement and senior unsecured notes indentures and their supplements also contain covenants, including covenants that restrict our ability to incur debts, require us to comply with certain financial covenants and, in the case of our credit agreement, restrict our ability to make distributions under certain circumstances. We believe we were in compliance with the terms and conditions of the respective covenants under our credit agreement and senior unsecured notes indentures and their supplements at June 30, 2021.

In May 2021, we issued \$300,000 of 2.650% senior unsecured notes due 2026 in an underwritten public offering, raising net proceeds of \$296,758, after deducting underwriters' discounts and offering expenses. These notes require semi-annual payments of interest only through maturity on June 15, 2026 and may be repaid at par plus accrued and unpaid interest on or after May 15, 2026.

OFFICE PROPERTIES INCOME TRUST
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(dollars in thousands, except per share data)
(unaudited)

In June 2021, we redeemed, at par plus accrued interest, all \$310,000 of our 5.875% senior unsecured notes due 2046. As a result of this redemption, we recognized a loss on early extinguishment of debt of \$8,581 during the six months ended June 30, 2021, from the write off of unamortized debt issuance costs.

Also in June 2021, we prepaid, at a premium plus accrued interest, a mortgage note secured by three properties with an outstanding principal balance of \$71,000, an annual interest rate of 3.55% and a maturity date in May 2023. As a result of the prepayment of this mortgage note, we recognized a loss on early extinguishment of debt of \$3,213 during the six months ended June 30, 2021, from a prepayment penalty and the write off of unamortized discounts.

At June 30, 2021, three of our properties with an aggregate net book value of \$190,969 were encumbered by mortgage notes with an aggregate principal amount of \$98,903. Our mortgage notes are non-recourse, subject to certain limited exceptions and do not contain any material financial covenants.

Note 7. Fair Value of Assets and Liabilities

The following table presents certain of our assets measured at fair value at June 30, 2021, categorized by the level of inputs, as defined in the fair value hierarchy under GAAP, used in the valuation of each asset:

Description	Total	Fair Value at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Non-recurring Fair Value Measurements Assets				
Assets of properties held for sale ⁽¹⁾⁽²⁾	\$ 33,300	\$ —	\$ 6,000	\$ 27,300

- (1) We recorded an impairment charge of \$33,917 to reduce the carrying value of one property that is classified as held for sale in our condensed consolidated balance sheet to its estimated fair value, less estimated costs to sell of \$200, based upon a negotiated sales price with a third party buyer (Level 2 inputs as defined in the fair value hierarchy under GAAP). See Note 3 for more information.
- (2) We recorded impairment charges of \$16,569 to reduce the carrying value of four properties that are classified as held for sale in our condensed consolidated balance sheet to their estimated fair value, less estimated costs to sell of \$714, based on third party offers (Level 3 inputs as defined in the fair value hierarchy under GAAP). See Note 3 for more information.

In addition to the assets described in the table above, our financial instruments include our cash and cash equivalents, restricted cash, rents receivable, accounts payable, a revolving credit facility, senior unsecured notes, mortgage notes payable, amounts due to related persons, other accrued expenses and security deposits. At June 30, 2021 and December 31, 2020, the fair values of our financial instruments approximated their carrying values in our condensed consolidated financial statements, due to their short term nature or floating interest rates, except as follows:

Financial Instrument	As of June 30, 2021		As of December 31, 2020	
	Carrying Value ⁽¹⁾	Fair Value	Carrying Value ⁽¹⁾	Fair Value
Senior unsecured notes, 4.15% interest rate, due in 2022	\$ 299,383	\$ 305,106	\$ 298,853	\$ 306,192
Senior unsecured notes, 4.00% interest rate, due in 2022	299,039	309,770	298,579	306,756
Senior unsecured notes, 4.25% interest rate, due in 2024	343,440	371,942	342,299	365,435
Senior unsecured notes, 4.50% interest rate, due in 2025	637,645	706,485	635,921	688,399
Senior unsecured notes, 2.650% interest rate, due in 2026 ⁽²⁾	296,834	303,923	—	—
Senior unsecured notes, 5.875% interest rate, due in 2046 ⁽³⁾	—	—	301,264	322,028
Senior unsecured notes, 6.375% interest rate, due in 2050	156,423	174,442	156,326	171,590
Mortgage notes payable ⁽⁴⁾	98,739	101,892	169,729	174,952
Total	\$ 2,131,503	\$ 2,273,560	\$ 2,202,971	\$ 2,335,352

- (1) Includes unamortized debt premiums, discounts and issuance costs totaling \$29,400 and \$39,871 as of June 30, 2021 and December 31, 2020, respectively.
- (2) These senior notes were issued in May 2021.
- (3) These senior notes were redeemed in June 2021.
- (4) Balance as of December 31, 2020 includes one mortgage note secured by three properties with an outstanding principal balance of \$71,000 that was prepaid in June 2021.

OFFICE PROPERTIES INCOME TRUST
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(dollars in thousands, except per share data)
(unaudited)

We estimated the fair value of our senior unsecured notes (except for our senior unsecured notes due 2046 and 2050) using an average of the bid and ask price of the notes (Level 2 inputs as defined in the fair value hierarchy under GAAP) as of the measurement date. We estimated the fair value of our senior unsecured notes due 2046 and 2050 based on the closing price on The Nasdaq Stock Market LLC, or Nasdaq, (Level 1 inputs as defined in the fair value hierarchy under GAAP) as of the measurement date. We estimated the fair values of our mortgage notes payable using discounted cash flow analyses and currently prevailing market rates (Level 3 inputs as defined in the fair value hierarchy under GAAP) as of the measurement date. Because Level 3 inputs are unobservable, our estimated fair values may differ materially from the actual fair values.

Note 8. Shareholders' Equity

Share Awards

On June 17, 2021, in accordance with our Trustee compensation arrangements, we awarded to each of our eight Trustees 3,500 of our common shares, valued at \$29.88 per share, the closing price of our common shares on Nasdaq on that day.

Share Purchases

During the six months ended June 30, 2021, we purchased an aggregate of 12,009 of our common shares valued at a weighted average share price of \$29.33 per share, from one of our Trustees and certain former officers and employees of RMR LLC in satisfaction of tax withholding and payment obligations in connection with the vesting of awards of our common shares.

Distributions

During the six months ended June 30, 2021, we declared and paid regular quarterly distributions to common shareholders as follows:

Declaration Date	Record Date	Paid Date	Distributions Per Common Share	Total Distributions
January 14, 2021	January 25, 2021	February 18, 2021	\$ 0.55	\$ 26,575
April 15, 2021	April 26, 2021	May 20, 2021	0.55	26,575
			<u>\$ 1.10</u>	<u>\$ 53,150</u>

On July 15, 2021, we declared a regular quarterly distribution to common shareholders of record on July 26, 2021 of \$0.55 per share, or approximately \$26,600. We expect to pay this distribution on or about August 19, 2021.

Note 9. Business and Property Management Agreements with RMR LLC

We have no employees. The personnel and various services we require to operate our business are provided to us by RMR LLC. We have two agreements with RMR LLC to provide management services to us: (1) a business management agreement, which relates to our business generally; and (2) a property management agreement, which relates to our property level operations.

Pursuant to our business management agreement with RMR LLC, we recognized net business management fees of \$10,551 and \$20,025 for the three and six months ended June 30, 2021, respectively, and \$4,302 and \$9,001 for the three and six months ended June 30, 2020, respectively. The net business management fees we recognized for the three and six months ended June 30, 2021 include \$5,911 and \$11,111, respectively, of estimated business management incentive fees based on our common share total return, as defined in our business management agreement, as of June 30, 2021. We did not recognize any estimated business management fees for the three or six months ended June 30, 2020. The actual amount of annual incentive fees for 2021, if any, will be based on our common share total return, as defined in our business management agreement, for the three year period ending December 31, 2021, and will be payable in January 2022. We did not incur an incentive fee payable to RMR LLC for the year ended December 31, 2020. We include business management fees in general and administrative expenses in our condensed consolidated statements of comprehensive income (loss).

Pursuant to our property management agreement with RMR LLC, we recognized aggregate property management and construction supervision fees of \$4,914 and \$9,526 for the three and six months ended June 30, 2021, respectively, and \$5,128 and \$10,192 for the three and six months ended June 30, 2020, respectively. Of these amounts, for the three and six months ended June 30, 2021, \$3,935 and \$8,015, respectively, were expensed to other operating expenses in our condensed

OFFICE PROPERTIES INCOME TRUST
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(dollars in thousands, except per share data)
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consolidated financial statements and \$979 and \$1,511, respectively, were capitalized as building improvements in our condensed consolidated balance sheets and are being depreciated over the estimated useful lives of the related capital assets. For the three and six months ended June 30, 2020, \$4,242 and \$8,650, respectively, were expensed to other operating expenses in our condensed consolidated financial statements and \$886 and \$1,542, respectively, were capitalized as building improvements in our condensed consolidated balance sheets and are being depreciated over the estimated useful lives of the related capital assets.

We are generally responsible for all of our operating expenses, including certain expenses incurred or arranged by RMR LLC on our behalf. We are generally not responsible for payment of RMR LLC's employment, office or administrative expenses incurred to provide management services to us, except for the employment and related expenses of RMR LLC's employees assigned to work exclusively or partly at our properties, our share of the wages, benefits and other related costs of RMR LLC's centralized accounting personnel, our share of RMR LLC's costs for providing our internal audit function and as otherwise agreed. Our property level operating expenses are generally incorporated into the rents charged to our tenants, including certain payroll and related costs incurred by RMR LLC. We reimbursed RMR LLC \$5,925 and \$11,977 for these expenses and costs for the three and six months ended June 30, 2021, respectively, and \$6,259 and \$12,250 for the three and six months ended June 30, 2020, respectively. We included these amounts in other operating expenses and general and administrative expenses, as applicable, in our condensed consolidated statements of comprehensive income (loss).

See Note 10 for more information regarding our relationships, agreements and transactions with RMR LLC.

Note 10. Related Person Transactions

We have relationships and historical and continuing transactions with RMR LLC, The RMR Group Inc., or RMR Inc., and others related to them, including other companies to which RMR LLC or its subsidiaries provide management services and some of which have trustees, directors or officers who are also our Trustees or officers. RMR LLC is a majority owned subsidiary of RMR Inc. The Chair of our Board of Trustees and one of our Managing Trustees, Adam Portnoy, is the sole trustee, an officer and the controlling shareholder of ABP Trust, which is the controlling shareholder of RMR Inc., a managing director and the president and chief executive officer of RMR Inc. and an officer and employee of RMR LLC. David Blackman resigned as our President and Chief Executive Officer, effective December 31, 2020, and as a Managing Trustee, effective June 17, 2021. In replacement of Mr. Blackman, Christopher J. Bilotto was appointed as our President and Chief Operating Officer, effective January 1, 2021, and Jennifer Clark was elected as a Managing Trustee on June 17, 2021. Mr. Bilotto is an officer and employee of RMR LLC, Ms. Clark is a managing director and an executive officer of RMR Inc. and an officer and employee of RMR LLC, and each of our other officers is also an officer and employee of RMR LLC. Some of our Independent Trustees also serve as independent trustees or independent directors of other public companies to which RMR LLC or its subsidiaries provide management services. Adam Portnoy serves as chair of the boards of trustees or boards of directors of several of these public companies and as a managing director or managing trustee of these public companies. Other officers of RMR LLC, including Ms. Clark, serve as managing trustees, managing directors or officers of certain of these companies.

Our Manager, RMR LLC. We have two agreements with RMR LLC to provide management services to us. See Note 9 for more information regarding our management agreements with RMR LLC.

Leases with RMR LLC. We lease office space to RMR LLC in certain of our properties for RMR LLC's property management offices. Pursuant to our lease agreements with RMR LLC, we recognized rental income from RMR LLC for leased office space of \$287 and \$575 for the three and six months ended June 30, 2021, respectively, and \$274 and \$554 for the three and six months ended June 30, 2020, respectively.

Sonesta. In June 2021, we entered into a 30-year lease agreement with a subsidiary of Sonesta International Hotels Corporation, or Sonesta, in connection with the redevelopment of an office property we own in Washington, D.C. as a mixed use property. Sonesta's lease is for the planned full-service hotel component of the property that will include approximately 230,000 rentable square feet, which represents approximately 54% of the total square feet upon completion of the redevelopment. The term of the lease commences upon our delivery of the completed hotel, which we estimate to occur in the first quarter of 2023. Sonesta has two options to extend the term for 10 years each. Pursuant to the lease agreement, Sonesta will pay us annual base rent of approximately \$6,436 beginning 18 months after the lease commences. The annual base rent will increase by 10% every five years throughout the term. Sonesta is also obligated to pay its pro rata share of the operating costs for the building. We estimate that the total cost to build the hotel space will be approximately \$66,000. Mr. Adam Portnoy is a director and controlling shareholder of Sonesta and Ms. Jennifer Clark is also a director of Sonesta.

OFFICE PROPERTIES INCOME TRUST
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(dollars in thousands, except per share data)
(unaudited)

For more information about these and other such relationships and certain other related person transactions, refer to our 2020 Annual Report.

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

The following information should be read in conjunction with our condensed consolidated financial statements and accompanying notes included in Part I, Item 1 of this Quarterly Report on Form 10-Q and with our 2020 Annual Report.

OVERVIEW (dollars in thousands, except per share and per square foot data)

We are a real estate investment trust, or REIT, organized under Maryland law. As of June 30, 2021, our wholly owned properties were comprised of 181 properties and we had noncontrolling ownership interests of 51% and 50% in two unconsolidated joint ventures that own three properties containing a combined approximately 444,000 rentable square feet. As of June 30, 2021, our properties are located in 34 states and the District of Columbia and contain approximately 24,091,000 rentable square feet. As of June 30, 2021, our properties were leased to 345 different tenants with a weighted average remaining lease term (based on annualized rental income) of approximately 5.9 years. The U.S. government is our largest tenant, representing approximately 22.0% of our annualized rental income as of June 30, 2021. The term annualized rental income as used herein is defined as the annualized contractual base rents from our tenants pursuant to our lease agreements as of June 30, 2021, plus straight line rent adjustments and estimated recurring expense reimbursements to be paid to us, and excluding lease value amortization.

COVID-19 Pandemic

The COVID-19 pandemic and the various governmental and market responses intended to contain and mitigate the spread of the virus and its detrimental public health impact have had a significant impact on the global economy, including the U.S. economy. Many of the restrictions that had been imposed in the United States during the pandemic have since been lifted and commercial activity in the United States has increasingly returned to pre-pandemic practices and operations. We are continuing to closely monitor the impact of the COVID-19 pandemic on all aspects of our business. To date, the COVID-19 pandemic has not had a significant impact on our business and we believe that our current financial resources, the characteristics of our portfolio, including the diversity of our tenant base, both geographically and by industry, and the financial strength and resources of our tenants, will enable us to withstand the COVID-19 pandemic. However, we have received requests from some of our tenants for rent assistance. As of July 27, 2021, we have granted temporary rent assistance totaling \$2,483 to 18 tenants who represent approximately 3.1% of our annualized rental income as of June 30, 2021. This assistance generally entails a deferral of, in most cases, one month of rent pursuant to deferred payment plans which require the deferred rent amounts be payable over a 12-month period, all of which have commenced. As of July 27, 2021, we have collected \$2,259, or 91.0%, of our granted rent deferrals.

There remains uncertainty as to the ultimate duration and severity of the COVID-19 pandemic, including risks that may arise from mutations or related strains of the virus, the ability to successfully administer vaccinations to a sufficient number of persons or attain immunity to the virus by natural or other means to achieve herd immunity, and the impact on the U.S. economy that may result from the inability of other countries to administer vaccinations to their citizens or their citizens' ability to otherwise achieve immunity to the virus. As a result, we are unable to determine what the ultimate impact will be on our, our tenants' and other stakeholders' businesses, operations, financial results and financial position. For more information and risks relating to the COVID-19 pandemic on us and our business, see Part I, Item 1, "Business—COVID-19 Pandemic" and Part I, Item 1A, "Risk Factors", of our 2020 Annual Report.

Property Operations

Unless otherwise noted, the data presented in this section includes properties classified as held for sale as of June 30, 2021 and excludes three properties owned by two unconsolidated joint ventures in which we own 51% and 50% interests. For more

information regarding our properties classified as held for sale and our two unconsolidated joint ventures, see Note 3 to the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Occupancy data for our properties as of June 30, 2021 and 2020 was as follows (square feet in thousands):

	All Properties ⁽¹⁾		Comparable Properties ⁽²⁾	
	June 30,		June 30,	
	2021	2020	2021	2020
Total properties ⁽³⁾	181	184	168	168
Total rentable square feet ⁽⁴⁾	24,091	24,909	21,101	21,098
Percent leased ⁽⁵⁾	89.5 %	91.7 %	91.8 %	94.1 %

(1) Based on properties we owned on June 30, 2021 and 2020, respectively.

(2) Based on properties we owned continuously since January 1, 2020; excludes properties classified as held for sale and properties undergoing significant redevelopment, if any, and three properties owned by two unconsolidated joint ventures in which we own 51% and 50% interests.

(3) Includes one leasable land parcel.

(4) Subject to changes when space is remeasured or reconfigured for tenants.

(5) Percent leased includes (i) space being fitted out for tenant occupancy pursuant to our lease agreements, if any, and (ii) space which is leased, but is not occupied or is being offered for sublease by tenants, if any, as of the measurement date.

The average effective rental rate per square foot for our properties for the three and six months ended June 30, 2021 and 2020 are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Average effective rental rate per square foot ⁽¹⁾ :				
All properties ⁽²⁾	\$ 26.46	\$ 25.71	\$ 26.20	\$ 25.87
Comparable properties ⁽³⁾	\$ 27.07	\$ 26.87	\$ 27.18	\$ 27.01

(1) Average effective rental rate per square foot represents annualized total rental income during the period specified divided by the average rentable square feet leased during the period specified.

(2) Based on properties we owned on June 30, 2021 and 2020, respectively.

(3) Based on properties we owned continuously since April 1, 2020 and January 1, 2020, respectively, excludes properties classified as held for sale and properties undergoing significant redevelopment, if any, and three properties owned by two unconsolidated joint ventures in which we own 51% and 50% interests.

During the three and six months ended June 30, 2021, changes in rentable square feet leased and available for lease at our properties were as follows (square feet in thousands):

	Three Months Ended June 30, 2021			Six Months Ended June 30, 2021		
	Leased	Available for Lease	Total	Leased	Available for Lease	Total
Beginning of period	22,302	2,266	24,568	22,705	2,184	24,889
Changes resulting from:						
Acquisition of properties	870	7	877	870	7	877
Disposition of properties	(1,371)	—	(1,371)	(1,692)	—	(1,692)
Lease expirations	(810)	810	—	(1,468)	1,468	—
Lease renewals ⁽¹⁾	279	(279)	—	821	(821)	—
New leases ⁽¹⁾	269	(269)	—	302	(302)	—
Remeasurements ⁽²⁾	14	3	17	15	2	17
End of period	21,553	2,538	24,091	21,553	2,538	24,091

(1) Based on leases entered during the three and six months ended June 30, 2021.

(2) Rentable square feet are subject to changes when space is remeasured or reconfigured for tenants.

Leases at our properties totaling approximately 810,000 and 1,468,000 rentable square feet expired during the three and six months ended June 30, 2021, respectively. During the three and six months ended June 30, 2021, we entered into new and renewal leases as summarized in the following tables (square feet in thousands):

	Three Months Ended June 30, 2021		
	New Leases	Renewals	Total
Rentable square feet leased	269	279	548
Weighted average rental rate change (by rentable square foot)	23.1 %	10.0 %	17.1 %
Tenant leasing costs and concession commitments ⁽¹⁾⁽²⁾	\$ 69,988	\$ 6,714	\$ 76,702
Tenant leasing costs and concession commitments per rentable square foot ⁽¹⁾⁽²⁾	\$ 260.02	\$ 24.09	\$ 139.98
Weighted (by square foot) average lease term (years)	26.4	7.2	16.6
Total leasing costs and concession commitments per rentable square foot per year ⁽¹⁾⁽²⁾	\$ 9.85	\$ 3.35	\$ 8.42

	Six Months Ended June 30, 2021		
	New Leases	Renewals	Total
Rentable square feet leased	302	821	1,123
Weighted average rental rate change (by rentable square foot)	23.3 %	5.3 %	11.2 %
Tenant leasing costs and concession commitments ⁽¹⁾⁽²⁾	\$ 71,195	\$ 12,652	\$ 83,847
Tenant leasing costs and concession commitments per rentable square foot ⁽¹⁾⁽²⁾	\$ 235.19	\$ 15.42	\$ 74.66
Weighted (by square foot) average lease term (years)	24.3	6.0	10.9
Total leasing costs and concession commitments per rentable square foot per year ⁽¹⁾⁽²⁾	\$ 9.69	\$ 2.58	\$ 6.85

(1) Includes commitments made for leasing expenditures and concessions, such as tenant improvements, leasing commissions, tenant reimbursements and free rent.

(2) Includes commitments totaling approximately \$66,000 in connection with the lease we entered with Sonesta in June 2021 related to the redevelopment of a property in Washington, D.C. These costs represent the estimated costs related to the planned hotel component of the property.

During the three and six months ended June 30, 2021, changes in effective rental rates per square foot achieved for new leases and lease renewals at our properties that commenced during the three and six months ended June 30, 2021, when compared to prior effective rental rates per square foot in effect for the same space (and excluding space acquired vacant), were as follows (square feet in thousands):

	Three Months Ended June 30, 2021			Six Months Ended June 30, 2021		
	Old Effective Rent Per Square Foot ⁽¹⁾	New Effective Rent Per Square Foot ⁽¹⁾	Rentable Square Feet	Old Effective Rent Per Square Foot ⁽¹⁾	New Effective Rent Per Square Foot ⁽¹⁾	Rentable Square Feet
New leases	\$ 31.54	\$ 40.01	22	\$ 20.57	\$ 25.43	101
Lease renewals	\$ 31.49	\$ 31.44	236	\$ 26.52	\$ 27.45	765
Total leasing activity	\$ 31.49	\$ 32.18	258	\$ 25.82	\$ 27.21	866

(1) Effective rental rate includes contractual base rents from our tenants pursuant to our lease agreements, plus straight line rent adjustments and estimated expense reimbursements to be paid to us, and excludes lease value amortization.

During the three and six months ended June 30, 2021 and 2020, amounts capitalized at our properties for lease related costs, building improvements and development, redevelopment and other activities were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Lease related costs ⁽¹⁾	\$ 11,215	\$ 11,921	\$ 18,185	\$ 19,034
Building improvements ⁽²⁾	7,765	10,005	12,291	19,235
Recurring capital expenditures	18,980	21,926	30,476	38,269
Development, redevelopment and other activities ⁽³⁾	12,738	2,578	17,644	5,739
Total capital expenditures	<u>\$ 31,718</u>	<u>\$ 24,504</u>	<u>\$ 48,120</u>	<u>\$ 44,008</u>

- (1) Lease related costs generally include capital expenditures used to improve tenants' space or amounts paid directly to tenants to improve their space and leasing related costs, such as brokerage commissions and other tenant inducements.
- (2) Building improvements generally include expenditures to replace obsolete building components and expenditures that extend the useful life of existing assets.
- (3) Development, redevelopment and other activities generally include capital expenditure projects that reposition a property or result in new sources of revenue.

As of June 30, 2021, we have estimated unspent leasing related obligations of \$113,099, of which we expect to spend \$67,272 over the next 12 months.

As of June 30, 2021, we had leases at our properties totaling approximately 1,897,000 rentable square feet that were scheduled to expire through June 30, 2022. As of July 28, 2021, we expect tenants with leases totaling approximately 923,000 rentable square feet that are scheduled to expire through June 30, 2022, to not renew their leases upon expiration and we cannot be sure as to whether other tenants will renew their leases upon expiration. Of the approximately 923,000 rentable square feet that are expiring and expected to not renew, properties containing approximately 532,000 rentable square feet have been sold, resulting in a net approximately 391,000 rentable square feet, or approximately 1.6% of our total rentable square feet as of June 30, 2021, that are expiring through June 30, 2022 which we expect to not renew. As a result of the COVID-19 pandemic and its economic impact, overall leasing activity has been volatile during 2021 and may remain so until office property market conditions meaningfully improve and stabilize for a sustained period. However, we remain focused on proactive dialogues with our existing tenants and overall tenant retention. Prevailing market conditions and government and other tenants' needs at the time we negotiate and enter leases or lease renewals will generally determine rental rates and demand for leased space at our properties, and market conditions and our tenants' needs are beyond our control. Whenever we renew or enter into new leases for our properties, we intend to seek rents which are equal to or higher than our historical rents for the same properties; however, our ability to maintain or increase the rents for our current properties will depend in large part upon market conditions, which are beyond our control. We cannot be sure of the rental rates which will result from our ongoing negotiations regarding lease renewals or any new or renewed leases we may enter; also, we may experience material declines in our rental income due to vacancies upon lease expirations or early terminations. Additionally, we may incur significant costs to renew our leases with current tenants or lease our properties to new tenants.

As of June 30, 2021, our lease expirations by year are as follows (square feet in thousands):

Year ⁽¹⁾	Number of Leases Expiring	Leased Square Feet Expiring ⁽²⁾	Percent of Total	Cumulative Percent of Total	Annualized Rental Income Expiring	Percent of Total	Cumulative Percent of Total
2021	39	1,231	5.7 %	5.7 %	\$ 27,972	4.7 %	4.7 %
2022	83	1,942	9.0 %	14.7 %	55,421	9.3 %	14.0 %
2023	65	2,415	11.2 %	25.9 %	77,849	13.1 %	27.1 %
2024	61	3,724	17.3 %	43.2 %	95,663	16.1 %	43.2 %
2025	53	2,157	10.0 %	53.2 %	46,546	7.8 %	51.0 %
2026	37	1,749	8.1 %	61.3 %	46,924	7.9 %	58.9 %
2027	36	1,967	9.1 %	70.4 %	51,418	8.7 %	67.6 %
2028	16	1,261	5.9 %	76.3 %	46,856	7.9 %	75.5 %
2029	18	966	4.5 %	80.8 %	26,456	4.5 %	80.0 %
2030 and thereafter	50	4,141	19.2 %	100.0 %	118,047	20.0 %	100.0 %
Total	458	21,553	100.0 %		\$ 593,152	100.0 %	
Weighted average remaining lease term (in years)		5.6			5.9		

- (1) The year of lease expiration is pursuant to current contract terms. Some of our leases allow the tenants to vacate the leased premises before the stated expirations of their leases with little or no liability. As of June 30, 2021, tenants occupying approximately 7.2% of our rentable square feet and responsible for approximately 7.9% of our annualized rental income as of June 30, 2021 currently have exercisable rights to terminate their leases before the stated terms of their leases expire. Also, in 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, and 2035, early termination rights become exercisable by other tenants who currently occupy an additional approximately 0.4%, 2.9%, 2.5%, 1.2%, 2.1%, 1.2%, 0.7%, 2.7%, 0.1%, and 0.3% of our rentable square feet, respectively, and contribute an additional approximately 0.4%, 3.0%, 3.5%, 1.7%, 3.3%, 1.4%, 1.1%, 4.9%, 0.2%, and 0.4% of our annualized rental income, respectively, as of June 30, 2021. In addition, as of June 30, 2021, pursuant to leases with 13 of our tenants, these tenants have rights to terminate their leases if their respective legislature or other funding authority does not appropriate rent amounts in their respective annual budgets. These 13 tenants occupy approximately 5.2% of our rentable square feet and contribute approximately 5.7% of our annualized rental income as of June 30, 2021.
- (2) Leased square feet is pursuant to leases existing as of June 30, 2021, and includes (i) space being fitted out for tenant occupancy pursuant to our lease agreements, if any, and (ii) space which is leased, but is not occupied or is being offered for sublease by tenants, if any. Square feet measurements are subject to changes when space is remeasured or reconfigured for new tenants.

We generally will seek to renew or extend the terms of leases in our single tenant properties when they expire. Because of the capital many of the tenants in these properties have invested in the properties and because many of these properties appear to be of strategic importance to the tenants' businesses, we believe that it is likely that these tenants will renew or extend their leases prior to when they expire. If we are unable to extend or renew our leases, it may be time consuming and expensive to relet some of these properties.

We believe that recent government budgetary and spending priorities and enhancements in technology have resulted in a decrease in government office use for employees. Furthermore, over the past several years, government tenants have reduced their space utilization per employee and consolidated government tenants into existing government owned properties. This activity has reduced the demand for government leased space. Our historical experience with respect to properties of the type we own that are majority leased to government tenants has been that government tenants frequently renew leases to avoid the costs and disruptions that may result from relocating their operations. However, efforts to manage space utilization rates may result in our 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. Increasing uncertainty with respect to government agency budgets and funding to implement relocations, consolidations and reconfigurations has resulted in delayed decisions by some of our government tenants and their reliance on short term lease renewals; however, activity prior to the outbreak of the COVID-19 pandemic suggested that the U.S. government had begun to shift its leasing strategy to include longer term leases and was actively exploring 10 to 20 year lease terms at renewal, in some instances. It is also possible that as a result of the COVID-19 pandemic, government tenants may seek to manage space utilization rates in order to provide greater physical distancing for employees, mostly through lease renewals, which may require us to spend significant amounts for tenant improvements. However, the COVID-19 pandemic and its aftermath have had negative impacts on government budgets and resources, although there are indications that to date, certain of those impacts may not have been as negative as originally expected, and it is unclear what the effect of these impacts will be on government demand for leasing office space. In addition, the new presidential administration may result in a change in the federal government's policy priorities, which may impact

leasing at our government leased properties. Given the significant uncertainties, including as to the COVID-19 pandemic, its economic impact and its aftermath and the new presidential administration, we are unable to reasonably project what the financial impact of market conditions or changing government circumstances will be on our financial results for future periods.

As of June 30, 2021, we derive 21.8% of our annualized rental income from our properties located in the metropolitan Washington, D.C. market area, which includes Washington, D.C., Northern Virginia and suburban Maryland. A downturn in economic conditions in this area, including as a result of the COVID-19 pandemic, could result in reduced demand from tenants for our properties or reduce the rents that our tenants in this area are willing to pay when our leases expire or terminate and when renewal or new terms are negotiated. Additionally, in recent years there has been a decrease in demand for new leased office space by the U.S. government in the metropolitan Washington, D.C. market area, and that could increase competition for government tenants and adversely affect our ability to retain government tenants when our leases expire.

Our manager, RMR LLC, employs a tenant review process for us. RMR LLC assesses tenants on an individual basis based on various applicable credit criteria. In general, depending on facts and circumstances, RMR LLC evaluates the creditworthiness of a tenant based on information concerning the tenant that is provided by the tenant and, in some cases, information that is publicly available or obtained from third party sources. RMR LLC also often uses a third party service to monitor the credit ratings, both actual and implied, of our existing tenants. We consider investment grade tenants to include: (a) investment grade rated tenants; (b) tenants with investment grade rated parent entities that guarantee the tenant's lease obligations; and/or (c) tenants with investment grade rated parent entities that do not guarantee the tenant's lease obligations. As of June 30, 2021, tenants contributing 54.1% of annualized rental income were investment grade rated (or their payment obligations were guaranteed by an investment grade rated parent) and tenants contributing an additional 9.2% of annualized rental income were subsidiaries of an investment grade rated parent (although these parent entities were not liable for the payment of rents).

As of June 30, 2021, tenants representing 1% or more of our total annualized rental income were as follows:

Tenant	Credit Rating	Sq. Ft.	% of Leased Sq. Ft.	Annualized Rental Income	% of Total Annualized Rental Income
1 U.S. Government	Investment Grade	5,068	23.5 %	\$ 130,564	22.0 %
2 Alphabet Inc (Google)	Investment Grade	386	1.8 %	21,132	3.6 %
3 State of California	Investment Grade	651	3.0 %	19,372	3.3 %
4 Shook, Hardy & Bacon L.L.P.	Not Rated	596	2.8 %	19,187	3.2 %
5 Bank of America Corporation	Investment Grade	577	2.7 %	15,803	2.7 %
6 IG Investments Holdings LLC	Non Investment Grade	333	1.5 %	14,748	2.5 %
7 F5 Networks, Inc.	Not Rated	299	1.4 %	13,027	2.2 %
8 Commonwealth of Massachusetts	Investment Grade	311	1.4 %	12,260	2.1 %
9 CareFirst Inc.	Not Rated	207	1.0 %	11,870	2.0 %
10 Northrop Grumman Corporation	Investment Grade	337	1.6 %	11,447	1.9 %
11 Tyson Foods, Inc.	Investment Grade	248	1.1 %	11,198	1.9 %
12 Sonesta International Hotels Corporation ⁽¹⁾	Not Rated	230	1.1 %	10,745	1.8 %
13 Micro Focus International plc	Non Investment Grade	406	1.9 %	8,710	1.5 %
14 CommScope Holding Company Inc	Non Investment Grade	228	1.1 %	8,166	1.4 %
15 State of Georgia	Investment Grade	308	1.4 %	7,248	1.2 %
16 PNC Bank	Investment Grade	441	2.0 %	6,924	1.2 %
17 ServiceNow, Inc.	Investment Grade	149	0.7 %	6,623	1.1 %
18 Compass Group plc	Investment Grade	267	1.2 %	6,496	1.1 %
19 Allstate Insurance Co.	Investment Grade	468	2.2 %	6,475	1.1 %
20 Automatic Data Processing, Inc.	Investment Grade	289	1.3 %	6,037	1.0 %
21 Church & Dwight Co., Inc.	Investment Grade	250	1.2 %	6,031	1.0 %
Total		12,049	55.9 %	\$ 354,063	59.8 %

- (1) In June 2021, we entered into a 30-year lease with Sonesta. The lease relates to the redevelopment of a property we own in Washington, D.C to a mixed use and Sonesta's lease relates to the planned hotel component of the property. The term of the lease commences upon our delivery of the completed hotel, which is estimated to occur in the first quarter of 2023. For more information about our lease with Sonesta, see Note 10 to the Notes to Condensed Consolidated Financial Statements included in Part I, Item I of this Quarterly Report on Form 10-Q.

Acquisition Activities

During the six months ended June 30, 2021, we acquired two properties containing a combined approximately 877,000 rentable square feet for an aggregate purchase price of \$550,000, excluding purchase price adjustments and acquisition related costs.

As of July 28, 2021, we have entered into an agreement to acquire a property adjacent to a property we own in Boston, MA containing approximately 49,000 rentable square feet for \$26,975, excluding acquisition related costs. This acquisition is expected to occur before the end of the third quarter. However, this acquisition is subject to conditions; accordingly, we cannot be sure that we will complete this acquisition or that this acquisition will not be delayed or the terms will not change.

For more information about our acquisition activities, see Note 3 to the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Disposition Activities

During the six months ended June 30, 2021, we sold two properties and a warehouse facility adjacent to a property we own containing a combined approximately 1,692,000 rentable square feet for an aggregate sales price of \$169,845, excluding closing costs.

In July 2021, we sold a property located in Fresno, CA containing approximately 532,000 rentable square feet for a sales price of \$6,000, excluding closing costs.

Also in July 2021, we sold a property located in Liverpool, NY containing approximately 38,000 rentable square feet for a sales price of \$650, excluding closing costs.

We also entered into an agreement in May 2021 to sell a property located in Memphis, TN containing approximately 205,000 rentable square feet for a sales price of \$15,270, excluding closing costs. This sale is expected to occur before the end of the third quarter. However, this sale is subject to conditions; accordingly, we cannot be sure that we will complete this sale or that this sale will not be delayed or the terms will not change.

For more information about our disposition activities, see Note 3 to the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Financing Activities

In May 2021, we issued \$300,000 of 2.650% senior unsecured notes due 2026 in an underwritten public offering, raising net proceeds of \$296,758, after deducting underwriters' discounts and offering expenses.

In June 2021, we redeemed, at par plus accrued interest, all \$310,000 of our 5.875% senior unsecured notes due 2046 using cash on hand and the net proceeds from the issuance of our 2.650% senior unsecured notes due 2026.

Also in June 2021, we prepaid, at a premium plus accrued interest, a mortgage note secured by three properties with an outstanding principal balance of \$71,000, an annual interest rate of 3.55% and a maturity date in May 2023 using cash on hand and borrowings under our revolving credit facility.

Segment Information

We operate in one business segment: ownership of real estate properties.

RESULTS OF OPERATIONS (amounts in thousands, except per share amounts)
Three Months Ended June 30, 2021, Compared to Three Months Ended June 30, 2020

	Comparable Properties ⁽¹⁾ Results Three Months Ended June 30,				Non-Comparable Properties Results Three Months Ended June 30,		Consolidated Results Three Months Ended June 30,			
	2021	2020	\$ Change	% Change	2021	2020	2021	2020	\$ Change	% Change
Rental income	\$ 130,827	\$ 131,948	\$ (1,121)	(0.8 %)	\$ 6,272	\$ 13,655	\$ 137,099	\$ 145,603	\$ (8,504)	(5.8 %)
Operating expenses:										
Real estate taxes	14,654	14,218	436	3.1 %	1,258	1,563	15,912	15,781	131	0.8 %
Utility expenses	5,025	4,717	308	6.5 %	285	484	5,310	5,201	109	2.1 %
Other operating expenses	23,488	23,567	(79)	(0.3 %)	1,410	2,220	24,898	25,787	(889)	(3.4 %)
Total operating expenses	43,167	42,502	665	1.6 %	2,953	4,267	46,120	46,769	(649)	(1.4 %)
Net operating income ⁽²⁾	\$ 87,660	\$ 89,446	\$ (1,786)	(2.0 %)	\$ 3,319	\$ 9,388	90,979	98,834	(7,855)	(7.9 %)
Other expenses:										
Depreciation and amortization							55,371	64,170	(8,799)	(13.7 %)
Loss on impairment of real estate							48,197	—	48,197	n/m
General and administrative							12,970	7,204	5,766	80.0 %
Total other expenses							116,538	71,374	45,164	63.3 %
Gain on sale of real estate							114	66	48	72.7 %
Interest and other income							2	30	(28)	(93.3 %)
Interest expense							(29,001)	(25,205)	(3,796)	15.1 %
Loss on early extinguishment of debt							(11,794)	(557)	(11,237)	n/m
Income (loss) before income tax (expense) benefit and equity in net losses of investees							(66,238)	1,794	(68,032)	n/m
Income tax (expense) benefit							121	(235)	356	(151.5 %)
Equity in net losses of investees							(580)	(260)	(320)	123.1 %
Net income (loss)							\$ (66,697)	\$ 1,299	\$ (67,996)	n/m
Weighted average common shares outstanding (basic and diluted)							48,165	48,106	59	0.1 %
Per common share amounts (basic and diluted):										
Net income (loss)							\$ (1.38)	\$ 0.03	\$ (1.41)	n/m

n/m - not meaningful

- (1) Comparable properties consists of 169 properties we owned on June 30, 2021 and which we owned continuously since April 1, 2020 and excludes properties classified as held for sale and properties undergoing significant redevelopment, if any, and three properties owned by two unconsolidated joint ventures in which we own 51% and 50% interests.
- (2) Our definition of net operating income, or NOI, and our reconciliation of net income (loss) to NOI are included below under the heading "Non-GAAP Financial Measures."

References to changes in the income and expense categories below relate to the comparison of consolidated results for the three months ended June 30, 2021, compared to the three months ended June 30, 2020.

Rental income. The decrease in rental income reflects decreases in rental income of \$4,681 as a result of property disposition activities, \$4,180 for properties undergoing significant redevelopment and \$1,121 related to comparable properties, offset by an increase in rental income of \$1,478 related to acquired properties. The decrease in rental income for properties undergoing significant redevelopment is primarily due to the reduction in occupied space at a property located in Washington, D.C. that began a redevelopment project during the 2021 period. The decrease in rental income for comparable properties is primarily due to reductions in occupied space at certain of our properties in the 2021 period. Rental income includes non-cash straight line rent adjustments totaling \$3,847 in the 2021 period and \$3,468 in the 2020 period, and amortization of acquired real estate leases and assumed real estate lease obligations totaling (\$667) in the 2021 period and (\$1,405) in the 2020 period.

Real estate taxes. The increase in real estate taxes primarily reflects increases in real estate taxes of \$436 for comparable properties, \$139 related to acquired properties and \$29 related to property disposition activities, offset by a decrease of \$473 for properties undergoing significant redevelopment. Real estate taxes for comparable properties increased primarily due to refunds received in the 2020 period at certain of our properties as a result of successful real estate tax appeals, as well as the effect of a higher valuation assessment at certain of our properties in the 2021 period.

Utility expenses. The increase in utility expenses reflects increases in utility expenses of \$308 for comparable properties and \$11 for acquired properties, offset by a decrease in utility expenses of \$163 for properties undergoing significant redevelopment and \$47 related to property disposition activities. The increase in utility expenses for comparable properties is primarily related to utility expenses previously being paid by one of our tenants that are now being paid by us pursuant to a lease amendment with that tenant effective in January 2021.

Other operating expenses. Other operating expenses consist of salaries and benefit costs of property level personnel, repairs and maintenance expense, cleaning expense, other direct costs of operating our properties and property management fees. The decrease in other operating expenses primarily reflects a decrease of \$541 related to property disposition activities, \$377 for properties undergoing significant redevelopment and \$79 for comparable properties, offset by an increase in other operating expenses of \$108 for acquired properties.

Depreciation and amortization. The decrease in depreciation and amortization primarily reflects decreases of \$7,006 for comparable properties and \$2,597 related to property disposition activities, offset by an increase of \$804 for acquired properties. Depreciation and amortization for comparable properties declined due to certain leasing related assets becoming fully depreciated after April 1, 2020.

Loss on impairment of real estate. We recorded a \$48,197 loss on impairment of real estate in the 2021 period to reduce the carrying value of five properties to their estimated fair values less costs to sell, which includes \$33,917 related to a property in Fresno, CA containing approximately 532,000 square feet that was sold in July 2021 and \$14,280 related to four properties containing approximately 546,000 rentable square feet that were classified as held for sale as of June 30, 2021.

General and administrative. General and administrative expenses consist of fees pursuant to our business management agreement, equity compensation expense, legal and accounting fees, Trustees' fees and expenses, securities listing and transfer agency fees and other costs relating to our status as a publicly traded company. The increase in general and administrative expenses is primarily the result of \$5,911 of estimated business management incentive fees recorded in the 2021 period and an increase in base business management fees resulting from an increase in average total market capitalization in the 2021 period compared to the 2020 period, partially offset by the expiration of an office lease in January 2021 for which we were the lessee.

Gain on sale of real estate. Gain on sale of real estate reflects activity related to property sales during the 2021 and 2020 periods.

Interest and other income. The decrease in interest and other income is primarily due to the June 2020 payoff of a mortgage note receivable in connection with a property we sold in 2016 and lower returns on cash invested in the 2021 period compared to the 2020 period.

Interest expense. The increase in interest expense is primarily due to the issuance of \$162,000 of 6.375% senior unsecured notes in June and July 2020, the issuance of \$250,000 of our 4.50% senior unsecured notes in September 2020 and the issuance of \$300,000 of 2.650% senior unsecured notes in May 2021, partially offset by the redemption of all \$310,000 of our 5.875% senior unsecured notes in June 2021, lower interest expense incurred as a result of having a lower average balance outstanding under our revolving credit facility during the 2021 period compared to the 2020 period and the repayment of one mortgage note with a principal balance of \$39,635 in August 2020.

Loss on early extinguishment of debt. We recorded a loss on early extinguishment of debt of \$11,794 in the 2021 period from prepayment fees incurred and the write off of unamortized discounts and debt issuance costs associated with the prepayment of one mortgage note and the redemption of our senior unsecured notes due 2046. In the 2020 period, we recorded a loss on early extinguishment of debt of \$557 resulting from a loss on the settlement of a mortgage note receivable related to a property sold in 2016, partially offset by the write off of unamortized premiums associated with the prepayment of a mortgage note.

Income tax (expense) benefit. Income tax (expense) benefit is primarily the result of operating income or losses in jurisdictions where we are subject to state income taxes.

Equity in net losses of investees. Equity in net losses of investees represents our proportionate share of losses from our investments in two unconsolidated joint ventures.

Net income (loss). Net income (loss) and net income (loss) per basic and diluted common share decreased in the 2021 period compared to the 2020 period primarily as a result of the changes noted above.

RESULTS OF OPERATIONS (amounts in thousands, except per share amounts)

Six Months Ended June 30, 2021, Compared to Six Months Ended June 30, 2020

	Comparable Properties ⁽¹⁾ Results Six Months Ended June 30,				Non-Comparable Properties Results Six Months Ended June 30,		Consolidated Results Six Months Ended June 30,			
	2021	2020	\$ Change	% Change	2021	2020	2021	2020	\$ Change	% Change
Rental income	\$ 264,015	\$ 265,083	\$ (1,068)	(0.4 %)	\$ 17,608	\$ 30,405	\$ 281,623	\$ 295,488	\$ (13,865)	(4.7 %)
Operating expenses:										
Real estate taxes	29,272	28,642	630	2.2 %	2,794	3,946	32,066	32,588	(522)	(1.6 %)
Utility expenses	10,933	11,021	(88)	(0.8 %)	809	1,192	11,742	12,213	(471)	(3.9 %)
Other operating expenses	47,113	46,660	453	1.0 %	3,224	5,007	50,337	51,667	(1,330)	(2.6 %)
Total operating expenses	87,318	86,323	995	1.2 %	6,827	10,145	94,145	96,468	(2,323)	(2.4 %)
NOI ⁽²⁾	\$ 176,697	\$ 178,760	\$ (2,063)	(1.2 %)	\$ 10,781	\$ 20,260	187,478	199,020	(11,542)	(5.8 %)
Other expenses:										
Depreciation and amortization							119,458	127,113	(7,655)	(6.0 %)
Loss on impairment of real estate							55,857	—	55,857	n/m
General and administrative							24,242	14,313	9,929	69.4 %
Total other expenses							199,557	141,426	58,131	41.1 %
Gain on sale of real estate							54,118	10,822	43,296	n/m
Interest and other income							7	736	(729)	(99.0 %)
Interest expense							(57,799)	(52,364)	(5,435)	10.4 %
Loss on early extinguishment of debt							(11,794)	(3,839)	(7,955)	n/m
Income (loss) before income tax expense and equity in net losses of investees							(27,547)	12,949	(40,496)	n/m
Income tax expense							(314)	(274)	(40)	14.6 %
Equity in net losses of investees							(976)	(536)	(440)	82.1 %
Net income (loss)							\$ (28,837)	\$ 12,139	\$ (40,976)	n/m
Weighted average common shares outstanding (basic and diluted)							48,163	48,101	62	0.1 %
Per common share amounts (basic and diluted):										
Net income (loss)							\$ (0.60)	\$ 0.25	\$ (0.85)	n/m

n/m - not meaningful

- (1) Comparable properties consists of 168 properties we owned on June 30, 2021 and which we owned continuously since January 1, 2020 and excludes properties classified as held for sale and properties undergoing significant redevelopment, if any, and three properties owned by two unconsolidated joint ventures in which we own 51% and 50% interests.
- (2) Our definition of NOI and our reconciliation of net income (loss) to NOI are included below under the heading “Non-GAAP Financial Measures.”

References to changes in the income and expense categories below relate to the comparison of consolidated results for the six months ended June 30, 2021, compared to the six months ended June 30, 2020.

Rental income. The decrease in rental income reflects decreases in rental income of \$10,920 related to property disposition activities, \$4,242 for properties undergoing significant redevelopment and \$1,068 for comparable properties, offset by an increase in rental income of \$2,365 for acquired properties. The decrease in rental income for properties undergoing significant redevelopment is primarily due to the reduction in occupied space at a property located in Washington, D.C. that began a redevelopment project during the 2021 period. The decrease in rental income for comparable properties is primarily due to

decreased parking revenue at certain of our properties in the 2021 period due to lower parking activity resulting from the COVID-19 pandemic and reductions in occupied space at certain of our properties in the 2021 period. Rental income includes non-cash straight line rent adjustments totaling \$9,204 in the 2021 period and \$9,051 in the 2020 period, and amortization of acquired leases and assumed lease obligations totaling \$(1,389) in the 2021 period and \$(2,837) in the 2020 period.

Real estate taxes. The decrease in real estate taxes primarily reflects decreases in real estate taxes of \$664 related to property disposition activities and \$635 for properties undergoing significant redevelopment, offset by increases in real estate taxes of \$630 for comparable properties and \$147 for acquired properties. Real estate taxes for comparable properties increased primarily due to refunds received in the 2020 period at certain of our properties as a result of successful real estate tax appeals, as well as the effect of higher real estate tax rates and valuation assessments at certain of our properties in the 2021 period.

Utility expenses. The decrease in utility expenses reflects decreases in utility expenses of \$264 related to property disposition activities, \$134 for properties undergoing significant redevelopment and \$88 for comparable properties, offset by an increase in utility expenses of \$15 for acquired properties. Utility expenses for comparable properties declined primarily due to a decrease in electricity and water usage resulting from cost savings initiatives implemented by our manager, RMR LLC, in response to decreased space utilization at our properties as a result of the COVID-19 pandemic, partially offset by an increase related to utility expenses in the 2021 period previously paid directly by one of our tenants that are now being paid by us pursuant to a lease amendment with that tenant effective in January 2021.

Other operating expenses. The decrease in other operating expenses primarily reflects decreases in other operating expenses of \$1,517 related to property disposition activities and \$449 for properties undergoing significant redevelopment, offset by increases in other operating expenses of \$453 for comparable properties and \$183 for acquired properties. Other operating expenses for comparable properties increased primarily due to higher snow removal and insurance costs in the 2021 period, partially offset by lower parking garage costs due to lower parking activity at certain of our properties resulting from the COVID-19 pandemic and lower cleaning costs resulting from cost savings initiatives implemented by our manager, RMR LLC, in response to decreased space utilization at our properties as a result of the COVID-19 pandemic.

Depreciation and amortization. The decrease in depreciation and amortization primarily reflects decreases of \$6,528 for comparable properties and \$2,331 related to property disposition activities, offset by increases of \$1,158 for acquired properties and \$46 for properties undergoing significant redevelopment. Depreciation and amortization for comparable properties decreased due to certain leasing related assets becoming fully depreciated after January 1, 2020.

Loss on impairment of real estate. We recorded a \$55,857 loss on impairment of real estate in the 2021 period to reduce the carrying value of six properties to their estimated fair values less costs to sell, which includes \$5,371 related to a property in Huntsville, AL containing approximately 1,371,000 rentable square feet that was sold in April 2021, \$33,917 related to a property in Fresno, CA containing approximately 532,000 rentable square feet that was sold in July 2021 and \$16,569 related to four properties containing approximately 546,000 rentable square feet that were classified as held for sale as of June 30, 2021.

General and administrative. The increase in general and administrative expenses is primarily the result of \$11,111 of estimated business management incentive fees recorded in the 2021 period, partially offset by the expiration of an office lease in January 2021 for which we were the lessee, lower accounting and legal costs and a decrease in base business management fees resulting from decreases in our share price in the 2021 period compared to the 2020 period.

Gain on sale of real estate. We recorded a \$54,118 net gain on sale of real estate resulting from the sale of two properties during the 2021 period. We recorded a \$10,822 net gain on sale of real estate resulting from the sale of six properties during the 2020 period.

Interest and other income. The decrease in interest and other income is primarily due to a settlement payment we received in the 2020 period resulting from a dispute with a vendor, the June 2020 payoff of a mortgage note receivable in connection with a property we sold in 2016 and the effect of lower returns on cash invested in the 2021 period compared to the 2020 period.

Interest expense. The increase in interest expense is primarily due to the issuance of \$162,000 of 6.375% senior unsecured notes in June and July 2020, the issuance of \$250,000 of our 4.50% senior unsecured notes in September 2020 and the issuance of \$300,000 of 2.650% senior unsecured notes in May 2021, partially offset by the redemption of all \$310,000 of our 5.875% senior unsecured notes in June 2021, lower interest expense incurred as a result of having a lower average balance outstanding under our revolving credit facility during the 2021 period compared to the 2020 period, lower average interest rates on amounts outstanding and the repayment of four mortgage notes with an aggregate principal balance of \$152,187 in 2020.

Loss on early extinguishment of debt. We recorded a loss on early extinguishment of debt of \$11,794 in the 2021 period from prepayment fees incurred and the write off of unamortized discounts and debt issuance costs associated with the prepayment of one mortgage note and the redemption of our senior unsecured notes due 2046. In the 2020 period, we recorded a loss on early extinguishment of debt of \$3,839 from prepayment fees incurred, the write off of unamortized discounts, premiums and debt issuance costs associated with the prepayment of three mortgage notes and a loss on the settlement of a mortgage note receivable related to a property sold in 2016.

Income tax expense. Income tax expense primarily reflects operating income earned in jurisdictions where we are subject to state income taxes.

Equity in net losses of investees. Equity in net losses of investees represents our proportionate share of losses from our investments in two unconsolidated joint ventures.

Net income (loss). Our net income (loss) and net income (loss) per basic and diluted common share decreased in the 2021 period compared to the 2020 period primarily as a result of the changes noted above.

Non-GAAP Financial Measures

We present certain “non-GAAP financial measures” within the meaning of the applicable rules of the Securities and Exchange Commission, or SEC, including the calculations below of NOI, funds from operations, or FFO, and normalized funds from operations, or Normalized FFO. These measures do not represent cash generated by operating activities in accordance with GAAP and should not be considered alternatives to net income (loss) as indicators of our operating performance or as measures of our liquidity. These measures should be considered in conjunction with net income (loss) as presented in our condensed consolidated statements of comprehensive income (loss). We consider these non-GAAP measures to be appropriate supplemental measures of operating performance for a REIT, along with net income (loss). We believe these measures provide useful information to investors because by excluding the effects of certain historical amounts, such as depreciation and amortization expense, they may facilitate a comparison of our operating performance between periods and with other REITs and, in the case of NOI, reflecting only those income and expense items that are generated and incurred at the property level may help both investors and management to understand the operations of our properties.

Net Operating Income

The calculation of NOI excludes certain components of net income (loss) in order to provide results that are more closely related to our property level results of operations. We calculate NOI as shown below. We define NOI as income from our rental of real estate less our property operating expenses. NOI excludes amortization of capitalized tenant improvement costs and leasing commissions that we record as depreciation and amortization expense. We use NOI to evaluate individual and company-wide property level performance. Other real estate companies and REITs may calculate NOI differently than we do.

The following table presents the reconciliation of net income (loss) to NOI for the three and six months ended June 30, 2021 and 2020.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net income (loss)	\$ (66,697)	\$ 1,299	\$ (28,837)	\$ 12,139
Equity in net losses of investees	580	260	976	536
Income tax expense (benefit)	(121)	235	314	274
Income before income tax expense (benefit) and equity in net losses of investees	(66,238)	1,794	(27,547)	12,949
Loss on early extinguishment of debt	11,794	557	11,794	3,839
Interest expense	29,001	25,205	57,799	52,364
Interest and other income	(2)	(30)	(7)	(736)
Gain on sale of real estate	(114)	(66)	(54,118)	(10,822)
General and administrative	12,970	7,204	24,242	14,313
Loss on impairment of real estate	48,197	—	55,857	—
Depreciation and amortization	55,371	64,170	119,458	127,113
NOI	\$ 90,979	\$ 98,834	\$ 187,478	\$ 199,020

Funds From Operations and Normalized Funds From Operations

We calculate FFO and Normalized FFO as shown below. FFO is calculated on the basis defined by The National Association of Real Estate Investment Trusts, which is net income (loss), calculated in accordance with GAAP, plus real estate depreciation and amortization of consolidated properties and our proportionate share of the real estate depreciation and amortization of unconsolidated joint venture properties, but excluding impairment charges on real estate assets and any gain or loss on sale of real estate, as well as certain other adjustments currently not applicable to us. In calculating Normalized FFO, we adjust for the other items shown below and include business management incentive fees, if any, only in the fourth quarter versus the quarter when they are recognized as an expense in accordance with GAAP due to their quarterly volatility not necessarily being indicative of our core operating performance and the uncertainty as to whether any such business management incentive fees will be payable when all contingencies for determining such fees are known at the end of the calendar year. FFO and Normalized FFO are among the factors considered by our Board of Trustees when determining the amount of distributions to our shareholders. Other factors include, but are not limited to, requirements to maintain our qualification for taxation as a REIT, limitations in our credit agreement and public debt covenants, the availability to us of debt and equity capital, our expectation of our future capital requirements and operating performance and our expected needs for and availability of cash to pay our obligations. Other real estate companies and REITs may calculate FFO and Normalized FFO differently than we do.

The following table presents the reconciliation of net income (loss) to FFO and Normalized FFO for the three and six months ended June 30, 2021 and 2020.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net income (loss)	\$ (66,697)	\$ 1,299	\$ (28,837)	\$ 12,139
Add (less): Depreciation and amortization:				
Consolidated properties	55,371	64,170	119,458	127,113
Unconsolidated joint venture properties	923	1,237	1,929	2,478
Loss on impairment of real estate	48,197	—	55,857	—
Gain on sale of real estate	(114)	(66)	(54,118)	(10,822)
FFO	37,680	66,640	94,289	130,908
Add (less): Loss on early extinguishment of debt	11,794	557	11,794	3,839
Estimated business management incentive fees	5,911	—	11,111	—
Normalized FFO	\$ 55,385	\$ 67,197	\$ 117,194	\$ 134,747
Weighted average common shares outstanding (basic and diluted)	48,165	48,106	48,163	48,101
FFO per common share (basic and diluted)	\$ 0.78	\$ 1.39	\$ 1.96	\$ 2.72
Normalized FFO per common share (basic and diluted)	\$ 1.15	\$ 1.40	\$ 2.43	\$ 2.80

LIQUIDITY AND CAPITAL RESOURCES

Our Operating Liquidity and Resources (dollar amounts in thousands, except per share amounts)

Our principal sources of funds to meet operating and capital expenses, pay debt service obligations and make distributions to our shareholders are the operating cash flows we generate from our properties, net proceeds from property sales and borrowings under our revolving credit facility. We believe that these sources of funds will be sufficient to meet our operating and capital expenses, pay debt service obligations and make distributions to our shareholders for the next 12 months and for the foreseeable future thereafter. Our future cash flows from operating activities will depend primarily upon:

- our ability to collect rent from our tenants;
- our ability to maintain or increase the occupancy of, and the rental rates at, our properties;
- our ability to control operating and capital expenses at our properties;
- our ability to successfully sell properties that we market for sale;
- our ability to develop or redevelop properties to produce cash flows in excess of our cost of capital; and

- our ability to purchase additional properties which produce cash flows from operations in excess of our cost of acquisition capital and property operating and capital expenses.

On July 15, 2021, we announced a regular quarterly cash distribution of \$0.55 per common share (\$2.20 per common share per year). We determine our distribution payout ratio with consideration for our expected capital expenditures as well as cash flows from operations and debt obligations.

We expect to accretively grow our property portfolio through our capital recycling program, pursuant to which we plan to sell certain properties from time to time to fund future acquisitions and to maintain leverage consistent with our current investment grade ratings with a goal of (1) improving the asset quality of our portfolio by reducing the average age of our properties, lengthening the weighted average term of our leases and increasing the likelihood of retaining our tenants and (2) increasing our cash available for distribution. During the six months ended June 30, 2021, we acquired two properties for an aggregate purchase price of \$550,000, excluding purchase price adjustments and acquisition related costs, and we sold two properties and a warehouse facility adjacent to a property we own for an aggregate sales price of \$169,845, excluding closing costs. Since July 1, 2021, we have sold two properties for an aggregate sales price of \$6,650, excluding closing costs. In addition, we have entered into an agreement to sell one property for a sales price of \$15,270, excluding closing costs, and entered into an agreement to acquire a property adjacent to a property we own in Boston, MA for \$26,975, excluding acquisition related costs. Given the current economic conditions, we continue to carefully consider our capital allocation strategy and believe we are well positioned to opportunistically recycle and deploy capital.

Our future purchases of properties cannot be accurately projected because such purchases depend upon purchase opportunities which come to our attention and our ability to successfully complete the acquisitions. We generally do not intend to purchase “turn around” properties, or properties which do not generate positive cash flows.

The following is a summary of our sources and uses of cash flows for the periods presented, as reflected in our condensed consolidated statements of cash flows:

	Six Months Ended June 30,	
	2021	2020
Cash, cash equivalents and restricted cash at beginning of period	\$ 56,855	\$ 100,696
Net cash provided by (used in):		
Operating activities	117,376	111,190
Investing activities	(400,467)	40,934
Financing activities	246,317	(222,719)
Cash, cash equivalents and restricted cash at end of period	\$ 20,081	\$ 30,101

The increase in cash provided by operating activities for the 2021 period compared to the 2020 period was a result of favorable changes in working capital in the 2021 period compared to the 2020 period, partially offset by a decline in NOI as a result of property sales. The increase in cash used in investing activities in the 2021 period compared to the 2020 period is primarily due to higher acquisition activity in the 2021 period compared to the 2020 period, partially offset by higher cash proceeds from our sales of properties. The increase in cash provided by financing activities in the 2021 period compared to the 2020 period is primarily due to the issuance of \$300,000 of 2.650% senior unsecured notes due 2026 and net borrowing activity under our revolving credit facility to fund acquisition activity in the 2021 period, partially offset by the redemption of our 5.875% senior unsecured notes due 2046, compared to net debt repayment activity in the 2020 period that included the redemption of all \$400,000 of our 3.60% senior unsecured notes due 2020 and the repayment of mortgage notes totaling approximately \$113,000, which was partially offset by the issuance of \$162,000 of 6.375% senior unsecured notes due 2050 and borrowings under our revolving credit facility to facilitate certain of these repayments.

Our Investment and Financing Liquidity and Resources (dollar amounts in thousands, except per share amounts)

In order to fund acquisitions and to meet cash needs that may result from our desire or need to make distributions or pay operating or capital expenses, we maintain a \$750,000 revolving credit facility. The maturity date of our revolving credit facility is January 31, 2023 and, subject to our payment of an extension fee and meeting certain other conditions, we have the option to extend the stated maturity date of our revolving credit facility by two additional six month periods. We can borrow, repay and reborrow funds available under our revolving credit facility until maturity, and no principal repayment is due until maturity. We are required to pay interest at a rate of LIBOR plus a premium, which was 110 basis points per annum at June 30, 2021, on the amount outstanding under our revolving credit facility, if any. We also pay a facility fee on the total amount of

lending commitments under our revolving credit facility, which was 25 basis points per annum at June 30, 2021. Both the interest rate premium and facility fee are subject to adjustment based upon changes to our credit ratings. As of June 30, 2021, the annual interest rate payable on borrowings under our revolving credit facility was 1.2%. As of June 30, 2021 and July 28, 2021, we had \$385,000 and \$380,000, respectively, outstanding under our revolving credit facility, and \$365,000 and \$370,000, respectively, available for borrowing.

Our credit agreement includes a feature under which the maximum borrowing availability may be increased to up to \$1,950,000 in certain circumstances.

Our credit agreement provides that, with certain exceptions, a subsidiary of ours is required to guaranty our obligations under our \$750,000 revolving credit facility only if that subsidiary has separately incurred debt (other than nonrecourse debt), within the meaning specified in our credit agreement, or provided a guarantee of debt incurred by us or any of our other subsidiaries.

In May 2021, we issued \$300,000 of 2.650% senior unsecured notes due 2026 in an underwritten public offering, raising net proceeds of \$296,758, after deducting underwriters' discounts and offering expenses. These notes require semi-annual payments of interest only through maturity on June 15, 2026 and may be repaid at par plus accrued and unpaid interest on or after May 15, 2026.

In June 2021, we redeemed, at par plus accrued interest, all \$310,000 of our 5.875% senior unsecured notes due 2046 using cash on hand and the net proceeds from the issuance of our 2.650% senior unsecured notes due 2026.

Also in June 2021, we prepaid, at a premium plus accrued interest, a mortgage note secured by three properties with an outstanding principal balance of \$71,000, an annual interest rate of 3.55% and a maturity date in May 2023 using cash on hand and borrowings under our revolving credit facility.

As of June 30, 2021, our debt maturities (other than our revolving credit facility), consisting of senior unsecured notes and mortgage notes, are as follows:

Year	Debt Maturities
2021	\$ 601
2022	625,518
2023	72,784
2024	350,000
2025	650,000
Thereafter	462,000
Total	<u>\$ 2,160,903</u>

None of our unsecured debt obligations require sinking fund payments prior to their maturity dates. Our \$98,903 in mortgage debts generally require monthly payments of principal and interest through maturity.

In addition to our debt obligations, as of June 30, 2021, we have estimated unspent leasing related obligations of \$113,099, of which we expect to spend \$67,272 over the next 12 months.

We are currently in the process of redeveloping a property located in Washington, D.C. We currently estimate the total project costs associated with this redevelopment will be approximately \$200,000 and completion of the redevelopment in the first quarter of 2023. As of June 30, 2021, we have incurred approximately \$14,700 related to this project. In June 2021, we entered into a 30-year lease for approximately 230,000 rentable square feet at this property that is approximately 25.1% higher than the prior rental rate for the same space, making the redevelopment project 54% pre-leased.

We currently expect to use cash balances, borrowings under our revolving credit facility, net proceeds from property sales, incurrences or assumptions of mortgage debt and net proceeds from offerings of debt or equity securities to fund our future operations, capital expenditures, distributions to our shareholders and property acquisitions. When significant amounts are outstanding under our revolving credit facility or the maturities of our indebtedness approach, we expect to explore refinancing alternatives. Such alternatives may include incurring term debt, issuing debt or equity securities, extending the maturity date of our revolving credit facility and entering into a new revolving credit facility. We may assume additional mortgage debt in connection with our acquisitions or elect to place new mortgages on properties we own as a source of financing. We may also seek to participate in additional joint venture or other arrangements that may provide us with additional sources of financing.

Although we cannot be sure that we will be successful in consummating any particular type of financing, we believe that we will have access to financing, such as debt and equity offerings, to fund future acquisitions and capital expenditures and to pay our obligations. We currently have an effective shelf registration statement that allows us to issue public securities on an expedited basis, but it does not assure that there will be buyers for such securities.

Our ability to obtain, and the costs of, our future debt financings will depend primarily on credit market conditions and our creditworthiness. We have no control over market conditions. Potential investors and lenders likely will evaluate our ability to pay distributions to shareholders, fund required debt service and repay debts when they become due by reviewing our business practices and plans to balance our use of debt and equity capital so that our financial profile and leverage ratios afford us flexibility to withstand any reasonably anticipated adverse changes. Similarly, our ability to raise equity capital in the future will depend primarily upon equity capital market conditions and our ability to conduct our business to maintain and grow our operating cash flows. We intend to conduct our business in a manner that will afford us reasonable access to capital for investment and financing activities, but we cannot be sure that we will be able to successfully carry out this intention. For instance, it is uncertain what the duration and severity of the COVID-19 pandemic and its ultimate economic impact will be. A protracted and extensive economic downturn may cause a decline in financing availability and increased costs for financings. Further, such conditions could also disrupt capital markets and limit our access to financing from public sources.

During the six months ended June 30, 2021, we paid quarterly distributions to our shareholders totaling \$53,150 using cash on hand. On July 15, 2021, we declared a regular quarterly distribution payable to shareholders of record on July 26, 2021 of \$0.55 per share, or approximately \$26,600. We expect to pay this distribution on or about August 19, 2021 using cash on hand and borrowings under our revolving credit facility. For more information regarding the distributions we paid and declared during 2021, see Note 8 to the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

We own 51% and 50% interests in two unconsolidated joint ventures which own three properties. The properties owned by these joint ventures are encumbered by an aggregate \$82,000 principal amount of mortgage indebtedness, none of which is recourse to us. We do not control the activities that are most significant to these joint ventures and, as a result, we account for our investments in these joint ventures under the equity method of accounting. For more information on the financial condition and results of operations of these joint ventures, see Note 3 to the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. Other than these joint ventures, as of June 30, 2021, we had no off balance sheet arrangements that have had or that we expect would be reasonably likely to have a material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Debt Covenants (dollars in thousands)

Our principal debt obligations at June 30, 2021 consisted of \$385,000 of outstanding borrowings under our \$750,000 unsecured revolving credit facility, an aggregate outstanding principal balance of \$2,062,000 of public issuances of senior unsecured notes and mortgage notes with an aggregate outstanding principal balance of \$98,903, that were assumed in connection with certain of our acquisitions. Also, the three properties owned by two joint ventures in which we own 51% and 50% interests secure two additional mortgage notes. Our publicly issued senior unsecured notes are governed by indentures and their supplements. Our credit agreement and our senior unsecured notes indentures and their supplements provide for acceleration of payment of all amounts outstanding upon the occurrence and continuation of certain events of default, such as, in the case of our credit agreement, a change of control of us, which includes RMR LLC ceasing to act as our business and property manager. Our credit agreement and our senior unsecured notes indentures and their supplements also contain a number of covenants, including those that restrict our ability to incur debts, including debts secured by mortgages on our properties, in excess of calculated amounts, require us to comply with certain financial covenants and, in the case of our credit agreement, restrict our ability to make distributions to our shareholders under certain circumstances. As of June 30, 2021, we believe we were in compliance with the terms and conditions of our respective covenants under our credit agreement and senior unsecured notes indentures and their supplements. Our mortgage notes are non-recourse, subject to certain limited exceptions, and do not contain any material financial covenants.

Neither our credit agreement nor our senior unsecured notes indentures and their supplements contain provisions for acceleration which could be triggered by our credit ratings. However, under our credit agreement our highest senior credit rating is used to determine the fees and interest rates we pay. Accordingly, if that credit rating is downgraded, our interest expense and related costs under our credit agreement would increase.

Our credit agreement has cross default provisions to other indebtedness that is recourse of \$25,000 or more and indebtedness that is non-recourse of \$50,000 or more. Similarly, our senior unsecured notes indentures and their supplements contain cross default provisions to any other debts of more than \$25,000 (or up to \$50,000 in certain circumstances).

Related Person Transactions

We have relationships and historical and continuing transactions with RMR LLC, RMR Inc. and others related to them. For more information about these and other such relationships and related person transactions, see Notes 9 and 10 to the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q, our 2020 Annual Report, our definitive Proxy Statement for our 2021 Annual Meeting of Shareholders and our other filings with the SEC. In addition, see the section captioned “Risk Factors” of our 2020 Annual Report for a description of risks that may arise as a result of these and other related person transactions and relationships. We may engage in additional transactions with related persons, including businesses to which RMR LLC or its subsidiaries provide management services.

Item 3. Quantitative and Qualitative Disclosures About Market Risk (dollar amounts in thousands, except per share data)

We are exposed to risks associated with market changes in interest rates. We manage our exposure to this market risk by monitoring available financing alternatives. Our strategy to manage exposure to changes in interest rates has not materially changed since December 31, 2020. Other than as described below, we do not currently foresee any significant changes in our exposure to fluctuations in interest rates or in how we manage this exposure in the near future.

Fixed Rate Debt

At June 30, 2021, our outstanding fixed rate debt consisted of the following:

Debt	Principal Balance ⁽¹⁾	Annual Interest Rate ⁽¹⁾	Annual Interest Expense ⁽¹⁾	Maturity	Interest Payments Due
Senior unsecured notes	\$ 300,000	4.150%	\$ 12,450	2022	Semi-annually
Senior unsecured notes	300,000	4.000%	12,000	2022	Semi-annually
Senior unsecured notes	350,000	4.250%	14,875	2024	Semi-annually
Senior unsecured notes	650,000	4.500%	29,250	2025	Semi-annually
Senior unsecured notes	300,000	2.650%	7,950	2026	Semi-annually
Senior unsecured notes	162,000	6.375%	10,328	2050	Quarterly
Mortgage note (one property in Washington, D.C.)	25,433	4.220%	1,073	2022	Monthly
Mortgage note (one property in Chicago, IL)	50,000	3.700%	1,850	2023	Monthly
Mortgage note (one property in Washington, D.C.)	23,470	4.800%	1,127	2023	Monthly
Total	<u>\$ 2,160,903</u>		<u>\$ 90,903</u>		

(1) The principal balances and annual interest rates are the amounts stated in the applicable contracts. In accordance with GAAP, our carrying values and recorded interest expense may differ from these amounts because of market conditions at the time we issued or assumed these debts. For more information, see Notes 6 and 7 to the Notes to Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Our senior unsecured notes require semi-annual or quarterly interest payments through maturity. Our mortgages generally require principal and interest payments through maturity pursuant to amortization schedules. Because these debts require interest to be paid at a fixed rate, changes in market interest rates during the term of these debts will not affect our interest obligations. If these debts were refinanced at interest rates which are one percentage point higher or lower than shown above, our annual interest cost would increase or decrease by approximately \$21,609.

Changes in market interest rates also would affect the fair value of our fixed rate debt obligations; increases in market interest rates decrease the fair value of our fixed rate debt, while decreases in market interest rates increase the fair value of our fixed rate debt. Based on the balances outstanding at June 30, 2021, and discounted cash flow analyses through the respective maturity dates, and assuming no other changes in factors that may affect the fair value of our fixed rate debt obligations, a hypothetical immediate one percentage point increase in interest rates would change the fair value of those obligations by approximately \$76,870.

Some of our fixed rate secured debt arrangements allow us to make repayments earlier than the stated maturity date. In some cases, we are not allowed to make early repayment prior to a cutoff date and we are generally allowed to make prepayments only at a premium equal to a make whole amount, as defined, which is generally designed to preserve a stated yield to the note holder. These prepayment rights may afford us opportunities to mitigate the risk of refinancing our debts at maturity at higher rates by refinancing prior to maturity.

At June 30, 2021, we owned 51% and 50% interests in two joint venture arrangements which own three properties that are secured by fixed rate debt consisting of the following mortgage notes:

Debt	Our JV Ownership Interest	Principal Balance ⁽¹⁾⁽²⁾	Annual Interest Rate ⁽¹⁾	Annual Interest Expense ⁽¹⁾	Maturity	Interest Payments Due
Mortgage note (two properties in Fairfax, VA)	51%	\$ 50,000	4.090%	\$ 2,045	2029	Monthly
Mortgage note (one property in Washington, D.C.)	50%	32,000	3.690%	1,181	2024	Monthly
Total		<u>\$ 82,000</u>		<u>\$ 3,226</u>		

- (1) The principal balances and annual interest rates are the amounts stated in the applicable contracts. In accordance with GAAP, the joint ventures' recorded interest expense may differ from these amounts because of market conditions at the time they incurred the debt.
- (2) Reflects the entire balance of the debt secured by the properties and is not adjusted to reflect the interests in the joint ventures we do not own. None of the debt is recourse to us.

Floating Rate Debt

At June 30, 2021, we had \$385,000 of outstanding floating rate debt under our revolving credit facility. Our revolving credit facility matures on January 31, 2023 and, subject to the payment of an extension fee and meeting certain other conditions, we have the option to extend the stated maturity by two six month periods. No principal repayments are required under our revolving credit facility prior to maturity, and we can borrow, repay and reborrow funds available under our revolving credit facility, subject to conditions, at any time without penalty.

Borrowings under our revolving credit facility are in U.S. dollars and require interest to be paid at a rate of LIBOR plus premiums that are subject to adjustment based upon changes to our credit ratings. Accordingly, we are vulnerable to changes in U.S. dollar based short term rates, specifically LIBOR, and to changes in our credit ratings. In addition, upon renewal or refinancing of our revolving credit facility, we are vulnerable to increases in interest rate premiums due to market conditions or our perceived credit characteristics. Generally, a change in interest rates would not affect the value of our floating rate debt but would affect our operating results.

The following table presents the impact a one percentage point increase in interest rates would have on our annual floating rate interest expense as of June 30, 2021:

Impact of an Increase in Interest Rates					
	Annual Interest Rate ⁽¹⁾	Outstanding Debt	Total Interest Expense Per Year	Annual Earnings Per Share Impact ⁽²⁾	
At June 30, 2021	1.2 %	\$ 385,000	\$ 4,620	\$ 0.10	
One percentage point increase	2.2 %	\$ 385,000	\$ 8,470	\$ 0.18	

- (1) Weighted based on the interest rates and outstanding borrowings under our revolving credit facility as of June 30, 2021.
- (2) Based on the weighted average shares outstanding (diluted) for the six months ended June 30, 2021.

The following table presents the impact a one percentage point increase in interest rates would have on our annual floating rate interest expense as of June 30, 2021 if we were fully drawn on our revolving credit facility:

Impact of an Increase in Interest Rates					
	Annual Interest Rate ⁽¹⁾	Outstanding Debt	Total Interest Expense Per Year	Annual Earnings Per Share Impact ⁽²⁾	
At June 30, 2021	1.2 %	\$ 750,000	\$ 9,000	\$ 0.19	
One percentage point increase	2.2 %	\$ 750,000	\$ 16,500	\$ 0.34	

- (1) Weighted based on the interest rates and outstanding borrowings under our revolving credit facility (assuming fully drawn) as of June 30, 2021.
- (2) Based on the weighted average shares outstanding (diluted) for the six months ended June 30, 2021.

The foregoing tables show the impact of an immediate increase in floating interest rates as of June 30, 2021. If interest rates were to increase gradually over time, the impact would be spread over time. Our exposure to fluctuations in floating interest rates will increase or decrease in the future with increases or decreases in the outstanding amount under our revolving credit facility or our other floating rate debt, if any. Although we have no present plans to do so, we may in the future enter into hedge arrangements from time to time to mitigate our exposure to changes in interest rates.

LIBOR Phase Out

LIBOR is currently expected to be phased out for new contracts by December 31, 2021 and for pre-existing contracts by June 30, 2023. We are required to pay interest on borrowings under our revolving credit facility at a floating rate based on LIBOR. Interest we may pay on any future debt that we may incur may also require that we pay interest based upon LIBOR. We currently expect that the determination of interest under our revolving credit facility would be revised as provided under our credit agreement or amended as necessary to provide for an interest rate that approximates the existing interest rate as calculated in accordance with LIBOR. Despite our current expectations, we cannot be sure that, if LIBOR is phased out or transitioned, the changes to the determination of interest under our agreements would approximate the current calculation in accordance with LIBOR. We do not know what standard, if any, will replace LIBOR if it is phased out or transitioned.

Item 4. Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, our management carried out an evaluation, under the supervision and with the participation of our Managing Trustees, our President and Chief Operating Officer and our Chief Financial Officer and Treasurer, of the effectiveness of our disclosure controls and procedures pursuant to Rules 13a-15 and 15d-15 under the Securities Exchange Act of 1934, as amended. Based upon that evaluation, our Managing Trustees, our President and Chief Operating Officer and our Chief Financial Officer and Treasurer concluded that our disclosure controls and procedures are effective.

There have been no changes in our internal control over financial reporting during the quarter ended June 30, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Warning Concerning Forward-Looking Statements

This Quarterly Report on Form 10-Q contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws. Also, whenever we use words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “estimate”, “will”, “may” and negatives or derivatives of these or similar expressions, we are making forward-looking statements. These forward-looking statements are based upon our present intent, beliefs or expectations, but forward-looking statements are not guaranteed to occur and may not occur. Forward-looking statements in this Quarterly Report on Form 10-Q relate to various aspects of our business, including:

- The duration and severity of the COVID-19 pandemic and its impact on us and our tenants and our tenants’ ability and willingness to pay us rent,
- Our expectations about the financial strength of our tenants,
- The likelihood that our rents will increase when we renew or extend our leases or enter new leases,
- Our belief that we are in a position to opportunistically recycle and deploy capital,
- Our expectations that the diversity and other characteristics of our property portfolio and our financial resources will result in our ability to successfully withstand the current economic conditions,
- The likelihood that our tenants will renew or extend their leases and not exercise early termination options pursuant to their leases or that we will obtain replacement tenants, on terms as favorable to us as our prior leases,
- The likelihood that our tenants will be negatively affected by cyclical economic conditions or government budget constraints and, if so, the impact that may have on their ability and willingness to lease our properties and pay us rent,
- Our ability to successfully execute our capital recycling program,
- The expectation that, as a result of the COVID-19 pandemic, leasing activity may remain volatile until office property market conditions meaningfully improve and stabilize,
- Our ability to pay distributions to our shareholders and to maintain or increase the amount of such distributions,
- Our expectations regarding occupancy at our properties,
- Our expectations regarding our future financial performance including FFO, Normalized FFO or NOI,
- Our expectations regarding demand for leased space,

- Our expectations regarding capital expenditures,
- Our expectation that there will be opportunities for us to acquire, and that we will acquire, additional properties primarily leased to single tenants and tenants with high credit quality characteristics such as government entities,
- Our expectations regarding the costs and timing of our redevelopment projects,
- Our ability to compete for acquisitions and tenancies effectively,
- Our sales and acquisitions of properties,
- Our policies and plans regarding investments, financings and dispositions,
- Our ability to appropriately balance our use of debt and equity capital,
- The future availability of borrowings under our revolving credit facility,
- Our ability to raise debt or equity capital,
- Our ability to pay interest on and principal of our debt,
- Our ability to maintain sufficient liquidity during the duration of the COVID-19 pandemic and any resulting economic downturn,
- Our credit ratings,
- Our expectation that we benefit from our relationships with RMR LLC,
- The credit qualities of our tenants,
- Our qualification for taxation as a REIT,
- Changes in federal or state tax laws, and
- Other matters.

Our actual results may differ materially from those contained in or implied by our forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control. Risks, uncertainties and other factors that could have a material adverse effect on our forward-looking statements and upon our business, results of operations, financial condition, FFO, Normalized FFO, NOI, cash flows, liquidity and prospects include, but are not limited to:

- The impact of conditions in the economy, including the COVID-19 pandemic and its aftermath, and the capital markets on us and our tenants,
- Competition within the real estate industry, particularly in those markets in which our properties are located,
- The impact of changes in the real estate needs and financial conditions of our tenants,
- Compliance with, and changes to, federal, state and local laws and regulations, accounting rules, tax laws and similar matters,
- The impact of any U.S. government shutdown on our ability to collect rents or pay our operating expenses, debt obligations and distributions to shareholders on a timely basis,
- Actual and potential conflicts of interest with our related parties, including our Managing Trustees, RMR LLC, Sonesta and others affiliated with them,
- Limitations imposed on our business and our ability to satisfy complex rules in order for us to maintain our qualification for taxation as a REIT for U.S. federal income tax purposes, and
- Acts of terrorism, outbreaks of pandemics, including the COVID-19 pandemic, or other manmade or natural disasters beyond our control.

For example:

- Our ability to make future distributions to our shareholders and to make payments of principal and interest on our indebtedness depends upon a number of factors, including our receipt of rent from our tenants, our future earnings, the capital costs we incur to lease our properties and our working capital requirements. We may be unable to pay our debt obligations or to maintain our current rate of distributions on our common shares and future distributions may be reduced or eliminated,
- Our ability to grow our business and increase our distributions depends in large part upon our ability to buy properties and lease them for rents, less their property operating costs, that exceed our capital costs. We may be unable to identify properties that we want to acquire, and we may fail to reach agreement with the sellers and complete the purchases of any properties we want to acquire. In addition, any properties we may acquire may not provide us with rents less property operating costs that exceed our capital costs or achieve our expected returns,
- We may fail to maintain, or we may elect to change our distribution rate. Our Board of Trustees considers many factors when setting distribution rates, including our historical and projected income, Normalized FFO, CAD, the then current and expected needs and availability of cash to pay our obligations and fund our investments, distributions which may be required to be paid to maintain our qualification for taxation as a REIT and other factors deemed relevant by our Board of Trustees. Accordingly, future distribution rates may be increased or decreased and there is no assurance as to the rate at which future distributions will be paid,
- We expect to selectively sell properties from time to time when we determine our continued ownership or ongoing required capital expenditures will not achieve desired returns or when we believe we can successfully pursue more desirable opportunities than retaining those properties. We cannot be sure we will sell any of these properties or what the terms of any sales may be or that we will acquire replacement properties that improve our asset quality or our ability to increase our distributions to shareholders,
- We may not succeed in maintaining our leverage consistent with our current investment grade ratings or levels that the market or credit rating agencies believe are appropriate,
- Some of our tenants may not renew expiring leases or they may exercise their rights, if any, to vacate their space before the stated expirations of their leases, and we may be unable to obtain new tenants to maintain or increase the historical occupancy rates of, or rents from, our properties,
- Rents that we can charge at our properties may decline upon renewals or expirations because of changing market conditions or otherwise,
- Leasing for some of our properties depends on a private sector single tenant and we may be adversely affected by the bankruptcy, insolvency, a downturn of business or a lease termination of such single tenant,
- Our belief that there is a likelihood that tenants may renew or extend our leases prior to their expirations whenever they have made significant investments in the leased properties, or because those properties may be of strategic importance to them, may not be realized,
- Overall new leasing volume may decrease more than we currently expect. In addition, if the COVID-19 pandemic and any resulting economic downturn continue for an extended period or worsen, our tenants may become unable to pay rent or they may elect to not renew their leases with us. Further, some of our government leases provide the tenant with certain rights to terminate their lease early. Budgetary and other fiscal pressures may result in some governmental tenants terminating their leases early or not renewing their leases. In addition, the COVID-19 pandemic has caused changes in workplace practices, including increased remote work arrangements. To the extent those practices become permanent or increased, leasing demand for office space may decline. As a result of these factors, our tenant retention levels could decline and we may experience reduced rent or incur increased costs under future new or renewal leases,
- Our belief that we are well positioned to opportunistically recycle and deploy capital may not be realized. We may fail to identify and execute on opportunities to deploy capital and any deployment of capital we may make may not result in the returns that we expect,
- Our perception that, as a result of the COVID-19 pandemic, government tenants may seek to manage space utilization rates in order to provide greater physical distancing for employees, may prove incorrect,

- Our perception that activity prior to the outbreak of the COVID-19 pandemic suggested that the government had begun to shift its leasing strategy to include longer term leases and that the government was actively exploring 10 to 20 year lease terms at renewal, in some instances, may mistakenly imply that these activities are indicative of a trend or broader change in government leasing strategy or practices that will recommence after the COVID-19 pandemic ends. Further, even if such a trend or change were to recommence, that trend or change may not be sustained by the government,
- Contingencies in our acquisition and sale agreements may not be satisfied and any expected acquisitions and sales and any related lease arrangements we expect to enter may not occur, may be delayed or the terms of such transactions or arrangements may change,
- We expect to pursue accretively growing our property portfolio. However, we may not succeed in making acquisitions that are accretive and future acquisitions could be dilutive,
- The competitive advantages we believe we have may not in fact exist or provide us with the advantages we expect. We may fail to maintain any of these advantages or our competition may obtain or increase their competitive advantages relative to us,
- We intend to conduct our business activities in a manner that will afford us reasonable access to capital for investment and financing activities. However, we may not succeed in this regard and we may not have reasonable access to capital,
- Continued availability of borrowings under our revolving credit facility is subject to our satisfying certain financial covenants and other credit facility conditions that we may be unable to satisfy,
- Actual costs under our revolving credit facility will be higher than LIBOR plus a premium because of fees and expenses associated with such debt,
- The interest rates payable under our floating rate debt obligations depend upon our credit ratings. If our credit ratings are downgraded, our borrowing costs will increase,
- Our ability to access debt capital and the cost of our debt capital will depend in part on our credit ratings. If our credit ratings are downgraded, we may not be able to access debt capital or the debt capital we can access may be expensive,
- We may be unable to repay our debt obligations when they become due,
- The maximum borrowing availability under our revolving credit facility may be increased to up to \$1.95 billion in certain circumstances; however, increasing the maximum borrowing availability under our revolving credit facility is subject to our obtaining additional commitments from lenders, which may not occur,
- We have the option to extend the maturity date of our revolving credit facility upon payment of a fee and meeting other conditions; however, the applicable conditions may not be met,
- We may incur significant costs to prepare a property for tenancy, particularly for single tenant properties,
- We may spend more for capital expenditures than we currently expect,
- We may fail to obtain development rights or entitlements that we may seek for development and other projects we may wish to conduct at our properties,
- Our existing joint venture arrangements and any other joint venture arrangements that we may enter may not be successful,
- Any redevelopment projects we undertake may be unsuccessful, may require greater capital expenditures or other costs than we project or may take significant time to complete,
- We believe that we are well positioned to weather the present disruptions of the COVID-19 pandemic facing the real estate industry. However, the full extent of the future impact of the COVID-19 pandemic is unknown and we may not realize similar or better operating results in the future,
- We believe that the near term impact of the COVID-19 pandemic to us will not be material due to the strength of our tenant base. However, if the COVID-19 pandemic and any resulting economic downturn continue for an extended

period of time or worsen, our tenants may be significantly adversely impacted, which may result in those tenants seeking relief from their rent obligations, their inability to pay rent, the termination of their leases or our tenants not renewing their leases or renewing their leases for less space. Therefore, the impact we experience in the near term may be worse than we currently expect and our results of operations and financial position may be negatively affected,

- We have granted requests to some of our tenants to defer payments over, in most cases, a 12-month period, all of which have commenced. However, current market and economic conditions may deteriorate further and the rent assistance granted by us may not be sufficient to ensure that tenants will be able to meet their rent payment obligations under their leases with us, which may result in an increase in tenant defaults and terminations,
- The business and property management agreements between us and RMR LLC have continuing 20 year terms. However, those agreements permit early termination in certain circumstances. Accordingly, we cannot be sure that these agreements will remain in effect for continuing 20 year terms,
- We believe that our relationships with our related parties, including RMR LLC, Sonesta and others affiliated with them, may benefit us and provide us with competitive advantages in operating and growing our business. However, the advantages we believe we may realize from these relationships may not materialize, and
- It is difficult to accurately estimate leasing related obligations and costs of property repositioning, development, redevelopment and tenant improvement costs. Our unspent leasing related obligations and development or redevelopment costs may cost more and may take longer to complete than we currently expect, and we may incur increased amounts for these and similar purposes in the future.

Currently unexpected results could occur due to many different circumstances, some of which are beyond our control, such as the COVID-19 pandemic and its aftermath, changes in our tenants' needs for leased space, the ability of the U.S. and state governments to approve spending bills to fund their obligations, acts of terrorism, natural disasters or changes in capital markets or the economy generally.

The information contained elsewhere in this Quarterly Report on Form 10-Q and our 2020 Annual Report, or in our other filings with the SEC, including under the caption "Risk Factors", or incorporated herein or therein, identifies other important factors that could cause differences from our forward-looking statements. Our filings with the SEC are available on the SEC's website at www.sec.gov.

You should not place undue reliance upon our forward-looking statements.

Except as required by law, we do not intend to update or change any forward-looking statements as a result of new information, future events or otherwise.

Statement Concerning Limited Liability

The amended and restated declaration of trust establishing Office Properties Income Trust, dated June 8, 2009, as amended, as filed with the State Department of Assessments and Taxation of Maryland, provides that no trustee, officer, shareholder, employee or agent of Office Properties Income Trust shall be held to any personal liability, jointly or severally, for any obligation of, or claim against, Office Properties Income Trust. All persons dealing with Office Properties Income Trust in any way shall look only to the assets of Office Properties Income Trust for the payment of any sum or the performance of any obligation.

Part II. Other Information

Item 1A. Risk Factors

There have been no material changes to the risk factors from those previously disclosed in our 2020 Annual Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer purchases of equity securities. The following table provides information about our purchases of our equity securities during the quarter ended June 30, 2021:

Calendar Month	Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
June 2021	12,009	\$ 29.33	—	—

- (1) These common share withholdings and purchases were made to satisfy tax withholding and payment obligations of one of our Trustees and certain former officers and employees of RMR LLC in connection with awards of our common shares and the vesting of those and prior awards of common shares to them. We withheld and purchased these shares at their fair market values based upon the trading prices of our common shares at the close of trading on Nasdaq on the purchase dates.

Item 6. Exhibits

Exhibit Number	Description
3.1	Composite Copy of Amended and Restated Declaration of Trust, dated June 8, 2009, as amended to date. (Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020.)
3.2	Amended and Restated Bylaws of the Company, adopted March 27, 2019. (Incorporated by reference to the Company's Current Report on Form 8-K filed on March 28, 2019.)
4.1	Form of Common Share Certificate. (Incorporated by reference to the Company's Annual Report on Form 10-K for the year ended December 31, 2018.)
4.2	Indenture, dated as of July 20, 2017, between the Company and U.S. Bank National Association. (Incorporated by reference to the Company's Current Report on Form 8-K filed on July 21, 2017.)
4.3	First Supplemental Indenture, dated as of July 20, 2017, between the Company and U.S. Bank National Association, relating to the Company's 4.000% Senior Notes due 2022, including form thereof. (Incorporated by reference to the Company's Current Report on Form 8-K filed on July 21, 2017.)
4.4	Second Supplemental Indenture, dated as of June 23, 2020, between the Company and U.S. Bank National Association, relating to the Company's 6.375% Senior Notes due 2050, including form thereof. (Incorporated by reference to the Company's Registration Statement on Form 8-A filed on June 23, 2020.)
4.5	Third Supplemental Indenture, dated as of May 18, 2021, between the Company and U.S. Bank National Association, relating to the Company's 2.650% Senior Notes due 2026, including form thereof. (Filed herewith.)
4.6	Indenture, dated as of February 3, 2015, between the Company (as successor to Select Income REIT) and U.S. Bank National Association. (Incorporated by reference to Select Income REIT's Current Report on Form 8-K filed on February 3, 2015.)
4.7	First Supplemental Indenture, dated as of February 3, 2015, between the Company (as successor to Select Income REIT) and U.S. Bank National Association, including the forms of 4.15% Senior Notes due 2022 and 4.50% Senior Notes due 2025. (Incorporated by reference to Select Income REIT's Current Report on Form 8-K filed on February 3, 2015.)
4.8	Second Supplemental Indenture, dated as of May 15, 2017, between the Company (as successor to Select Income REIT) and U.S. Bank National Association, including the form of 4.250% Senior Notes due 2024. (Incorporated by reference to Select Income REIT's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed by Select Income REIT on July 25, 2017.)
4.9	Third Supplemental Indenture, dated as of December 31, 2018, among Select Income REIT, the Company and U.S. Bank National Association. (Incorporated by reference to the Company's Current Report on Form 8-K filed on December 31, 2018.)
4.10	Authentication Order, dated as of September 24, 2020, from the Company to U.S. Bank National Association, relating to the Company's 4.50% Senior Notes due 2025. (Incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020.)

4.11	Registration Rights and Lock-Up Agreement, dated as of June 5, 2015, among the Company, ABP Trust (f/k/a Reit Management & Research Trust) and Adam D. Portnoy. (Incorporated by reference to the Company's Current Report on Form 8-K filed on June 8, 2015.)
10.1	Summary of Trustee Compensation. (Incorporated by reference to the Company's Current Report on Form 8-K filed on June 21, 2021.)
10.2	Form of Indemnification Agreement. (Filed herewith.)
31.1	Rule 13a-14(a) Certification. (Filed herewith.)
31.2	Rule 13a-14(a) Certification. (Filed herewith.)
31.3	Rule 13a-14(a) Certification. (Filed herewith.)
31.4	Rule 13a-14(a) Certification. (Filed herewith.)
32.1	Section 1350 Certification. (Furnished herewith.)
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document. (Filed herewith.)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document. (Filed herewith.)
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document. (Filed herewith.)
101.LAB	XBRL Taxonomy Extension Label Linkbase Document. (Filed herewith.)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document. (Filed herewith.)
104	Cover Page Interactive Data File. (Formatted as Inline XBRL and contained in Exhibit 101.)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OFFICE PROPERTIES INCOME TRUST

By: /s/ Christopher J. Bilotto
Christopher J. Bilotto
President and Chief Operating Officer
Dated: July 29, 2021

By: /s/ Matthew C. Brown
Matthew C. Brown
Chief Financial Officer and Treasurer
(principal financial officer and principal accounting officer)
Dated: July 29, 2021

THIRD SUPPLEMENTAL INDENTURE

between

OFFICE PROPERTIES INCOME TRUST

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated as of May 18, 2021

SUPPLEMENTAL TO THE INDENTURE DATED AS OF JULY 20, 2017

OFFICE PROPERTIES INCOME TRUST

2.650% Senior Notes due 2026

This THIRD SUPPLEMENTAL INDENTURE (this “*Supplemental Indenture*”) dated as of May 18, 2021 between Office Properties Income Trust (formerly known as Government Properties Income Trust), a real estate investment trust organized and existing under the laws of the State of Maryland (the “*Company*”), having its principal office at Two Newton Place, 255 Washington Street, Suite 300, Newton, Massachusetts 02458-1634, and U.S. Bank National Association, a national banking organization organized and existing under the laws of the United States, as Trustee (the “*Trustee*”).

RECITALS OF THE COMPANY

The Company (then known as Government Properties Income Trust) and the Trustee are parties to an Indenture, dated as of July 20, 2017 (as from time to time hereafter amended, supplemented or otherwise modified in so far as it applies to the Notes (as defined herein), the “*Base Indenture*” and, together with this Supplemental Indenture, as amended, supplemented or otherwise modified from time to time, the “*Indenture*”) to provide for the future issuance of the Company’s senior unsecured debentures, notes or other evidences of indebtedness (the “*Securities*”), to be issued from time to time in one or more series; and

Pursuant to the terms of the Base Indenture, the Company desires to provide for the establishment of a series of its Securities, to be known as its 2.650% Senior Notes due 2026, the form and substance of such Securities and the terms, provisions and conditions thereof to be set forth as provided in the Indenture;

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH:

ARTICLE 1

DEFINED TERMS

Section 1.1. Terms Defined in Indenture. Capitalized terms used herein and not defined herein have the meanings ascribed to such terms in the Base Indenture.

Section 1.2. Supplemental Definitions. The following definitions supplement, and, to the extent inconsistent with, replace the definitions in Section 101 of the Base Indenture:

“*Acquired Debt*” means Debt of a Person: (i) existing at the time such Person becomes a Subsidiary; or (ii) assumed in connection with the acquisition of assets from such Person, in each case, other than Debt incurred in connection with, or in contemplation of, such Person becoming a Subsidiary or such acquisition. Acquired Debt is deemed to be incurred on the date of the related acquisition of assets from any Person or the date the acquired Person becomes a Subsidiary.

“*Adjusted Total Assets*” has the meaning provided in clause (i) of Section 3.1(a) of this Supplemental Indenture.

“*Annual Debt Service*” as of any date means the maximum amount which is expensed in any 12-month period for interest on Debt of the Company and its Subsidiaries, excluding amortization of debt discounts and deferred financing costs.

“*Business Day*” means any day other than a Saturday or Sunday or a day on which banking institutions in The City of New York or in the city in which the Corporate Trust Office is located are required or authorized to close.

“*Capital Stock*” means, with respect to any Person, any capital stock (including preferred stock), shares, interests, participation or other ownership interests (however designated) of such Person and any rights (other than debt securities convertible into or exchangeable for capital stock), warrants or options to purchase any thereof.

“*Cash Equivalents*” means demand deposits, certificates of deposit or repurchase agreements with banks or other financial institutions, marketable obligations issued or directly and fully guaranteed as to timely payment by the United States of America or any of its agencies or instrumentalities, or any commercial paper or other obligation rated, at time of purchase, “P-2” (or its equivalent) or better by Moody’s Investors Service, Inc. (or any successor thereof) or “A-2” (or its equivalent) or better by Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (or any successor thereof).

“*Consolidated Income Available for Debt Service*” for any period means Earnings from Operations of the Company and its Subsidiaries plus amounts which have been deducted, and minus amounts which have been added, for the following (without duplication): (i) interest on Debt of the Company and its Subsidiaries; (ii) provision for taxes of the Company and its Subsidiaries based on income; (iii) amortization of debt premium/discount and deferred debt issuance costs; (iv) provisions for gains and losses on properties and property depreciation and amortization; (v) the effect of any noncash charge resulting from a change in accounting principles in determining Earnings from Operations for such period; and (vi) amortization of deferred charges.

“*Debt*” of the Company or any Subsidiary means, without duplication, any indebtedness of the Company or any Subsidiary, whether or not contingent, in respect of:

- (i) borrowed money or evidenced by bonds, notes, debentures or similar instruments;
- (ii) borrowed money secured by any Encumbrance existing on property owned by the Company or any Subsidiary, to the extent of the lesser of (x) the amount of indebtedness so secured and (y) the fair market value of the property subject to such Encumbrance;
- (iii) the reimbursement obligations, contingent or otherwise, in connection with any letters of credit actually issued (other than letters of credit issued to provide credit enhancement or support with respect to other indebtedness of the Company or any Subsidiary otherwise reflected as Debt hereunder) or amounts representing the balance deferred and unpaid of the purchase price of any property or services, except any such balance that constitutes an accrued expense or trade payable, or all conditional sale obligations or obligations under any title retention agreement;
- (iv) the principal amount of all obligations of the Company or any Subsidiary with respect to redemption, repayment or other repurchase of any Disqualified Stock; or
- (v) any lease of property by the Company or any Subsidiary as lessee which is reflected on the Company’s consolidated balance sheet as a capitalized lease in accordance with GAAP;

to the extent, in the case of items of indebtedness under (i) through (v) above, that any such items (other than letters of credit) would be properly classified as a liability on the Company’s consolidated balance sheet in accordance with GAAP. Debt also (1) excludes any indebtedness (A) with respect to which a defeasance or covenant defeasance or discharge has been effected (or an irrevocable deposit is made with a trustee in an amount at least equal to the outstanding principal amount of such indebtedness, the remaining scheduled payments of interest thereon to, but not including, the applicable maturity date or redemption date, and any premium or otherwise as provided in the terms of such indebtedness) in accordance with the terms thereof or which has been repurchased, retired, repaid, redeemed, irrevocably called for redemption (and an irrevocable deposit is made with a trustee in an amount at least equal to the outstanding principal amount of such indebtedness, the remaining scheduled payments of interest thereon to, but not including, such redemption date, and any premium) or otherwise satisfied or (B) that is secured by cash or Cash Equivalents irrevocably deposited with a trustee in an amount, in the case of this clause (B), at least equal to the outstanding principal amount of such indebtedness and the remaining scheduled payments of interest thereon and (2) includes, to the extent not otherwise included, any obligation by the Company or any Subsidiary to be liable for, or to pay, as obligor, guarantor or otherwise (other than for purposes of collection in the ordinary course of business), Debt of another Person (other than the Company or any Subsidiary) (it being understood that Debt shall be deemed to be incurred by the Company or any Subsidiary whenever the Company or such Subsidiary shall create, assume, guarantee or otherwise become liable in respect thereof).

“*Depositary*” has the meaning provided in Section 2.1(d) of this Supplemental Indenture.

“*Disqualified Stock*” means, with respect to any Person, any Capital Stock of such Person which by the terms of such Capital Stock (or by the terms of any security into which it is convertible or for which it is exchangeable or exercisable), upon the happening of any event or otherwise: (i) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise (other than Capital Stock which is redeemable solely in exchange for Capital Stock which is not Disqualified Stock or for Subordinated Debt); (ii) is convertible into or exchangeable or exercisable for Debt (other than Subordinated

Debt or Disqualified Stock); or (iii) is redeemable at the option of the holder thereof, in whole or in part (other than Capital Stock which is redeemable solely in exchange for Capital Stock which is not Disqualified Stock or for Subordinated Debt), in each case on or prior to the Stated Maturity of the principal of the Notes.

“Earnings from Operations” for any period means (i) net earnings, excluding (1) gains and losses on sales of investments, (2) extraordinary items, (3) gains and losses on early extinguishment of debt, (4) property valuation losses and (5) equity in the earnings and losses of Equity Method Investments, plus (ii) to the extent not included in net earnings, cash distributions received by the Company or its Subsidiaries from Equity Method Investments, in each case as reflected in the financial statements of the Company and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

“Encumbrance” means any mortgage, lien, charge, pledge or security interest or other encumbrance.

“Equity Method Investments” means equity securities that at the time of determination: (i) are part of a class of equity securities that is traded on a national or regional securities exchange or a recognized over-the-counter market; (ii) issued by an entity (a) to which the Company’s manager at such time or an Affiliate of the Company’s manager at such time provides management services, (b) that operates in a manner intended to qualify such entity for taxation as a “real estate investment trust” under Sections 856 to 860 of the Internal Revenue Code of 1986, as amended, and (c) that is not a consolidated Subsidiary of the Company; and (iii) are or in any prior period were accounted for in the consolidated financial statements of the Company using the equity method of accounting.

“Fair Value” means, for an Equity Method Investment, the lower of: (i) the original cost of such investment; or (ii) last reported sale price on the exchange or market on which the class of equity securities of which the investment is a part is primarily traded at the time of valuation.

“GAAP” means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board, or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which were in effect on the date of initial issuance of securities pursuant to the Base Indenture (i.e., July 20, 2017).

“Interest Payment Date” with respect to the Notes has the meaning provided in Section 101 of the Base Indenture and Section 2.1(e) of this Supplemental Indenture.

“Issue Date” means May 18, 2021.

“Joint Venture Interests” means assets of the Company and its Subsidiaries constituting an equity investment in real estate assets or other properties, or in an entity holding real estate assets or other properties, jointly owned by the Company and its Subsidiaries, on the one hand, and one or more other Persons not constituting Affiliates of the Company, on the other, excluding any entity or properties (i) which is a Subsidiary or are properties if the co-ownership thereof (if in a separate entity) would constitute or would have constituted a Subsidiary, or (ii) to which, at the time of determination, the Company’s manager at such time or an Affiliate of the Company’s manager at such time provides management services. In no event shall Joint Venture Interests include equity securities that are part of a class of equity securities that are traded on a national or regional securities exchange or a recognized over-the-counter market or any investments in debt securities, mortgages or other Debt or Equity Method Investments.

“Make-Whole Amount” means the excess, if any, of (i) the aggregate present value as of the date of redemption of each dollar of principal being redeemed and the amount of interest (exclusive of interest accrued to the date of redemption) that would have been payable in respect of such dollar if such redemption had been made on May 15, 2026, determined by discounting, on a semi-annual basis, such principal and interest at the Reinvestment Rate (determined on the third Business Day preceding the date such notice of redemption is given) from the date on which such principal and interest would have been payable if such redemption had been made on May 15, 2026 over (ii) the aggregate principal amount of the notes being redeemed. In the case of any redemption of the notes on or after May 15, 2026, the Make-Whole Amount will equal zero.

The Make-Whole Amount shall be calculated by the Company and set forth in an Officer's Certificate delivered to the Trustee, and the Trustee shall be entitled to rely on said Officer's Certificate.

"Notes" means the Company's 2.650% Senior Notes due 2026, issued under the Indenture, as amended or supplemented from time to time.

"Regular Record Date" with respect to the Notes has the meaning provided in Section 101 of the Base Indenture and Section 2.1(e) of this Supplemental Indenture.

"Reinvestment Rate" means a rate per annum equal to the sum of 0.300% (thirty one hundredths of one percent), plus the yield on treasury securities at constant maturity under the heading "Week Ending" published in the Statistical Release under the caption "Treasury Constant Maturities" for the maturity (rounded to the nearest month) corresponding to the remaining life to maturity of the notes (which shall be deemed to be May 15, 2026) as of the payment date of the principal being redeemed. If no maturity exactly corresponds to such maturity, yields for the two published maturities most closely corresponding to such maturity shall be calculated pursuant to the immediately preceding sentence and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding in each of such relevant periods to the nearest month. For purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Make-Whole Amount shall be used.

"Secured Debt" means Debt secured by an Encumbrance on the property of the Company or its Subsidiaries.

"Significant Subsidiary" means any Subsidiary which is a "significant subsidiary" (within the meaning of Regulation S-X promulgated by the Commission under the Securities Act) of the Company.

"Statistical Release" means the statistical release designated "H.15" or any successor publication which is published daily by the Federal Reserve System and which establishes yields on actively traded United States government securities adjusted to constant maturities or, if such statistical release (or any successor publication) is not published at the time of any determination under the Indenture, then any publicly available source of similar market data used for this purpose in accordance with customary market practice which shall be designated by the Company.

"Subordinated Debt" means Debt which by the terms of such Debt is subordinated in right of payment to the principal of and interest and premium, if any, on the Notes.

"Subsidiary" means any corporation or other Person of which a majority of (1) the voting power of the voting equity securities or (2) the outstanding equity interests of which are owned, directly or indirectly, by the Company or one or more other Subsidiaries of the Company, and which is required to be consolidated in accordance with GAAP. For the purposes of this definition, "voting equity securities" means equity securities having voting power for the election of directors or persons serving comparable functions as directors, whether at all times or only so long as no senior class of security has such voting power by reason of any contingency.

"Total Assets" as of any date means the sum of (i) the Undepreciated Real Estate Assets; (ii) the Fair Value of all Equity Method Investments of the Company and its Subsidiaries; and (iii) all other assets of the Company and its Subsidiaries on such date determined in accordance with GAAP (but excluding accounts receivable and intangibles); *provided* that the portion of Total Assets attributable to Equity Method Investments of the Company and its Subsidiaries may not exceed 35%.

"Total Unencumbered Assets" as of any date means the sum of (i) those Undepreciated Real Estate Assets not securing any portion of Secured Debt; (ii) the Fair Value of all Equity Method Investments of the Company and its Subsidiaries not securing any portion of Secured Debt; and (iii) all other assets of the Company and its Subsidiaries not securing any portion of Secured Debt on such date determined in accordance with GAAP (but excluding accounts receivable and intangibles); *provided* that, in determining Total Unencumbered Assets as a percentage of the aggregate outstanding principal amount of Unsecured Debt of the Company and its Subsidiaries on a consolidated basis for purposes of the covenant set forth in Section 3.1(b) of this Supplemental Indenture, Joint Venture Interests shall be excluded from Total Unencumbered Assets to the extent such Joint Venture Interests would otherwise be included therein; and *provided further*

that the portion of Total Unencumbered Assets attributable to Equity Method Investments of the Company and its Subsidiaries may not exceed 35%.

“*Undepreciated Real Estate Assets*” as of any date means the cost (original cost plus capital improvements) of real estate assets of the Company and its Subsidiaries on such date, before depreciation and amortization determined on a consolidated basis in accordance with GAAP.

“*Unsecured Debt*” means any Debt of the Company or its Subsidiaries which is not Secured Debt.

ARTICLE 2

TERMS OF THE NOTES

Section 2.1. Terms of the Notes. Pursuant to Section 301 of the Base Indenture, the Notes shall have the following terms and conditions:

(a) Title. The Notes shall be in registered form under the Indenture and shall be known as the Company’s “2.650% Senior Notes due 2026.”

(b) Aggregate Principal Amount. Except (i) as provided in this Section and (ii) for Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Notes pursuant to Section 304, 305, 306, 906 or 1107 of the Base Indenture and except for any Notes which, pursuant to Section 303 of the Base Indenture, are deemed never to have been authenticated and delivered hereunder, the Notes will be limited to an aggregate principal amount of \$300,000,000, subject to the right of the Company to reopen such series for issuances of additional Notes having the same terms and conditions as the Notes issued on the Issue Date except for issue date, issue price and, if applicable, the first Interest Payment Date thereon and related interest accrual date.

(c) Form of Notes. The Notes (together with the Trustee’s certificate of authentication) shall be substantially in the form of Exhibit A hereto, which is hereby incorporated in and made a part of this Supplemental Indenture.

(d) Registered Securities in Book Entry Form. The Notes shall be initially issued in the form of one or more registered Global Securities without coupons (each, a “*Global Note*”) and shall be deposited with, or on behalf of, The Depository Trust Company (“*DTC*” and, together with any successor depository with respect to the Global Notes appointed under the Indenture, the “*Depository*”) and registered in the name of DTC’s nominee, Cede & Co. Unless and until it is exchanged in whole or in part for the individual Notes represented thereby under the circumstances described below, a Global Note may not be transferred except as a whole by a Depository to its nominee, by a nominee of a Depository to such Depository or another nominee of such Depository, or by a Depository or its nominee to a successor Depository or a nominee of such successor.

So long as a Depository or its nominee is the Holder of a Global Note, such Depository or its nominee, as the case may be, will be considered the sole owner or Holder of the Notes represented by such Global Note for all purposes under the Indenture. Except as provided below, owners of a beneficial interest in Notes evidenced by a Global Note will not be entitled to have any of the individual Notes represented by such Global Note registered in their names, will not receive or be entitled to receive physical delivery of any such Notes in definitive form and will not be considered the owners or Holders thereof under the Indenture for any purpose, including with respect to giving of any direction, instructions or approvals to the Trustee hereunder.

A Global Note may be exchanged in whole or in part for individual Notes represented thereby only if (i) the Depository (A) has notified the Company that it is unwilling or unable to continue as a depository for such Global Note or (B) has ceased to be a clearing agency registered under the Exchange Act, and in either case a successor depository shall not have been appointed by the Company within ninety (90) days after such notice is received by the Company or the Company becomes aware of such cessation, respectively, or (ii) there shall have occurred and be continuing an Event of Default with respect to such Global Note and the Security Registrar has received a written request from an owner of beneficial interest in

such Global Note to receive registered Notes. In any such case, the Company will issue individual Notes in exchange for such Global Note representing such Notes in authorized denominations.

Notwithstanding any provisions of Section 2.1(e) or Section 2.1(f) of this Supplemental Indenture to the contrary, payments of principal, premium, if any, and interest on any Global Note shall be made in accordance with the procedures of the Depositary and its participants in effect from time to time.

(e) Interest and Interest Rate. The Notes will bear interest at a rate of 2.650% per annum, from May 18, 2021 (or, in the case of Notes issued after May 18, 2021, from the date designated by the Company in connection with such issuance), or from the immediately preceding Interest Payment Date to which interest has been paid or duly provided for, payable semi-annually in arrears on June 15 and December 15 of each year, commencing December 15, 2021 (each of which shall be an “*Interest Payment Date*”), or if such day is not a Business Day, on the next succeeding Business Day, to the Persons in whose names the Notes are registered in the Security Register at the close of business on the Regular Record Date for such interest, which shall be June 1 or December 1 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date (each, a “*Regular Record Date*”).

(f) Principal Repayment; Currency. The Stated Maturity of the principal of the Notes is June 15, 2026; provided, however, the Notes may be earlier redeemed at the option of the Company as provided in Section 2.1(g) of this Supplemental Indenture. The principal of each Note payable at its Maturity shall be paid against presentation and surrender thereof at the Corporate Trust Office, in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public or private debts.

(g) Redemption at the Option of the Company. The Notes will be subject to redemption in whole at any time or in part from time to time prior to their maturity at the option of the Company upon not less than fifteen (15) nor more than sixty (60) days’ notice to each Holder of Notes to be redeemed at its address appearing in the Security Register, or, in the case of any Global Note, in accordance with the procedures of the Depositary and its participants in effect from time to time, at a Redemption Price equal to the sum of (i) the principal amount of the Notes being redeemed, plus accrued and unpaid interest, if any, to, but not including, the applicable Redemption Date and (ii) the Make-Whole Amount, if any (it being understood that if the Notes are redeemed on or after May 15, 2026, the Make-Whole Amount equals zero).

On or before 11:00 a.m. Eastern Time on any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003 of the Base Indenture) an amount of money sufficient to pay the Redemption Price of, and accrued and unpaid interest on, all the Notes which are to be redeemed on such Redemption Date. If the Company instructs the Trustee in writing to send the notice of redemption in the name of and at the expense of the Company as provided in Section 1104 of the Base Indenture, the Company shall provide the Trustee with such written instruction at least five (5) Business Days (or such shorter time as the Trustee may agree) prior to the date such notice of redemption is to be sent.

(h) Notices. Notices to the Company shall be directed to it at Two Newton Place, 255 Washington Street, Suite 300, Newton, Massachusetts 02458-1634, fax number (617) 796-8349, email: cbilotto@rmrgroup.com, Attention: President; notices to the Trustee shall be directed to it at One Federal Street, 3rd Floor, Boston, Massachusetts 02110, fax number (617) 603-6683, email: david.doucette@usbank.com, Attention: Corporate Trust Department, Re: Office Properties Income Trust 2.650% Senior Notes due 2026, or as to either party, at such other address as shall be designated by such party in a written notice to the other party. All notices and communications (other than those sent to Holders of the Notes) shall be deemed to have been duly given at the time delivered by hand, if personally delivered; five (5) calendar days after mailing if sent by registered or certified mail, postage prepaid (except that a notice of change of address shall not be deemed to have been given until actually received by the addressee); when receipt is acknowledged, if sent by e-mail or facsimile; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

(i) Legal Holidays. If any Interest Payment Date, Redemption Date or the Stated Maturity for the principal of the Notes falls on a day that is not a Business Day, the payment otherwise payable on such day will be due and payable on the next succeeding Business Day, and no interest will accrue thereon for the period from and after such Interest

Payment Date, Redemption Date or Stated Maturity, as the case may be, through such next succeeding Business Day. The provisions of this Section 2.1(i) shall supersede and replace Section 113 of the Base Indenture with respect to the Notes.

ARTICLE 3

ADDITIONAL COVENANTS

Section 3.1. Additional Covenants of the Company. In addition to the covenants of the Company set forth in Article Eight and Article Ten of the Base Indenture, the Holders of the Notes shall have the benefit of the following covenants:

(a) Limitations on Incurrence of Debt.

(i) The Company will not, and will not permit any Subsidiary to, incur any additional Debt if, immediately after giving effect to the incurrence of such additional Debt and the application of the proceeds therefrom, the aggregate principal amount of all outstanding Debt of the Company and its Subsidiaries on a consolidated basis determined in accordance with GAAP is greater than 60% of the sum of (without duplication):

(A) the Total Assets as of the end of the fiscal quarter covered by the Company's Annual Report on Form 10-K or Quarterly Report on Form 10-Q, as the case may be, most recently filed with the Commission (or, if such filing is not permitted or required under the Exchange Act, with the Trustee) (such quarter, the "*Latest Completed Fiscal Quarter*") prior to the incurrence of such additional Debt; and

(B) the purchase price of any real estate assets or mortgages receivable acquired, and the amount of any securities offering proceeds received (to the extent that such proceeds were not used to acquire real estate assets or mortgages receivable or used to reduce Debt), by the Company or any Subsidiary since the end of such Latest Completed Fiscal Quarter, including those proceeds obtained in connection with the incurrence of such additional Debt.

For purposes of this Supplemental Indenture, the sum of (A) and (B) above is the Company's "*Adjusted Total Assets*."

(ii) The Company will not, and will not permit any Subsidiary to, incur any additional Secured Debt if, immediately after giving effect to the incurrence of such additional Secured Debt and the application of the proceeds therefrom, the aggregate principal amount of all outstanding Secured Debt of the Company and its Subsidiaries on a consolidated basis determined in accordance with GAAP is greater than 40% of Adjusted Total Assets.

(iii) The Company will not, and will not permit any Subsidiary to, incur any additional Debt if, immediately after giving effect to the incurrence of such additional Debt and on a pro forma basis, including the application of the proceeds therefrom, the ratio of Consolidated Income Available for Debt Service to Annual Debt Service for the four consecutive fiscal quarters most recently ended prior to the date on which such additional Debt is to be incurred is less than 1.5 to 1.0, and calculated on the assumptions that:

(A) such Debt and any other Debt incurred by the Company and its Subsidiaries on a consolidated basis since the first day of such four-quarter period and the application of the proceeds therefrom, including to refinance other Debt, had occurred at the beginning of such period;

(B) the repayment, retirement or other discharge of any other Debt by the Company and its Subsidiaries on a consolidated basis since the first day of such four-quarter period had occurred at the beginning of such period (except that, in making such computation, the amount of Debt under any revolving credit facility shall be computed based upon the average daily balance of such Debt during such period);

(C) in the case of Acquired Debt or Debt incurred in connection with or in contemplation of any acquisition, including any Person becoming a Subsidiary, since the first day of such four-quarter period, the related acquisition had occurred as of the first day of such period with appropriate adjustments with respect to such acquisition being included in such pro forma calculation; and

(D) in the case of any acquisition or disposition by the Company and its Subsidiaries on a consolidated basis of any asset or group of assets since the first day of such four-quarter period, whether by merger, stock purchase or sale, or asset purchase or sale, such acquisition or disposition or any related repayment of Debt had occurred as of the first day of such period with the appropriate adjustments with respect to such acquisition or disposition being included in such pro forma calculation.

If the Debt giving rise to the need to make the foregoing calculation or any other Debt incurred after the first day of the relevant four-quarter period bears interest at a floating interest rate, then, for purposes of calculating the Annual Debt Service, the interest rate on such Debt will be computed on a pro forma basis as if the average interest rate which would have been in effect during the entirety of such four-quarter period had been the applicable rate for the entirety of such period.

(b) Maintenance of Total Unencumbered Assets. The Company and its Subsidiaries will at all times maintain Total Unencumbered Assets of not less than 150% of the aggregate outstanding principal amount of the Unsecured Debt of the Company and its Subsidiaries on a consolidated basis in accordance with GAAP.

ARTICLE 4

OTHER PROVISIONS

Section 4.1. Restatement and Amendment of Certain Provisions of Section 101 of the Base Indenture. (a) The provisions of Section 101(a) of the Base Indenture, as applied to the Notes, are restated in their entirety and shall be deemed to read as follows in lieu of the provisions set forth therein:

“(a) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular, and the term “Notes” has the meaning assigned to it in the Supplemental Indenture and includes the plural as well as the singular;”

(b) Section 101 of the Base Indenture, as applied to the Notes, is further amended by adding the following defined term in its appropriate alphabetical position:

“**Supplemental Indenture**” means the Third Supplemental Indenture to this Indenture, dated as of May 18, 2021, by and between the Company and the Trustee, as the same may be amended or supplemented from time to time.”

Section 4.2. Sinking Funds not Applicable. Section 501(c) of the Base Indenture shall not be applicable to the Notes.

Section 4.3. Restatement of Section 501(d) of the Base Indenture. The provisions of Section 501(d) of the Base Indenture, as applied to the Notes, are restated in their entirety and shall be deemed to read as follows in lieu of the provisions set forth therein:

“(d) a default in the performance of, or breach of, any covenant of the Company in this Indenture (not including a covenant a default in whose performance or whose breach is elsewhere in the Indenture specifically dealt with or which has been expressly included in this Indenture solely for the benefit of a series of Securities other than that series), and continuance of such default or breach for a period of sixty (60) days after there has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of more than 25% in principal amount of the Outstanding Securities of that series, a written notice

specifying such default or breach and requiring it to be remedied and stating that such notice is a “Notice of Default” hereunder; or”

Section 4.4. Restatement of Section 501(e) of Base Indenture. The provisions of Section 501(e) of the Base Indenture, as applied to the Notes, are restated in their entirety and shall be deemed to read as follows in lieu of the provisions set forth therein:

“(e) the Company or one of its Significant Subsidiaries, if any, pursuant to or within the meaning of any Bankruptcy Law (i) commences a voluntary case, (ii) consents to the entry of an order for relief against it in an involuntary case, or (iii) consents to the appointment of a Custodian of it or for all or substantially all of the Company’s or such Significant Subsidiary’s property; or”

Section 4.5. Restatement of Section 501(f) of Base Indenture. The provisions of Section 501(f) of the Base Indenture, as applied to the Notes, are restated in their entirety and shall be deemed to read as follows in lieu of the provisions set forth therein:

“(f) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that: (i) is for relief against the Company or one of its Significant Subsidiaries, if any, in an involuntary case, (ii) appoints a Custodian of the Company, or such Significant Subsidiary, or for all or substantially all of the Company’s or such Significant Subsidiary’s property, or (iii) orders the liquidation of the Company, or such Significant Subsidiary, and the order or decree remains unstayed and in effect for ninety (90) days; or”

Section 4.6. Additional Events of Default. In accordance with Section 501(g) of the Base Indenture, the following shall also constitute an “Event of Default” with respect to the Notes:

“(1) a default under any bond, debenture, note or other evidence of indebtedness of the Company, or under any mortgage, indenture or other instrument of the Company (including a default with respect to Securities issued under the Indenture other than the Notes) under which there may be issued or by which there may be secured any indebtedness of the Company (or by any Subsidiary, the repayment of which the Company has guaranteed or for which the Company is directly responsible or liable as obligor or guarantor), whether such indebtedness now exists or shall hereafter be created, which default shall constitute a failure to pay an aggregate principal amount exceeding \$25,000,000 of such indebtedness when due and payable after the expiration of any applicable grace period with respect thereto and shall have resulted in such indebtedness in an aggregate principal amount exceeding \$25,000,000 becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable; provided, however, that if there is no other senior unsecured indebtedness of the Company, the maturity of which would be accelerated by a default under any of the Company’s indebtedness in an aggregate principal amount of \$25,000,000 or less, the references to \$25,000,000 in this clause (c) shall be replaced by the lesser of the indebtedness cross-default amount contained in the Company’s then existing senior unsecured credit facility or such other senior unsecured indebtedness, as long as such amount is greater than \$25,000,000, not to exceed \$50,000,000. Such default shall not be an Event of Default if the indebtedness shall have been discharged, or such acceleration shall have been rescinded or annulled, within a period of ten (10) days after there shall have been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of more than 25% in aggregate principal amount of the Outstanding Notes a written notice specifying such default and requiring the Company to cause such indebtedness to be discharged or cause such acceleration to be rescinded or annulled and stating that such notice is a “Notice of Default” under the Indenture;”

Section 4.7. Amounts due on Acceleration. Notwithstanding any provisions to the contrary in the Base Indenture, upon any acceleration of the Notes under Section 502 of the Base Indenture, the amount immediately due and payable in respect of the Notes shall equal the outstanding principal amount thereof, plus accrued and unpaid interest thereon.

Section 4.8. Applicability of Satisfaction and Discharge. Article Four of the Base Indenture applies to the Notes, except for the proviso at the end of Section 401(a).

Section 4.9. Applicability of Defeasance and Covenant Defeasance. Article Thirteen of the Base Indenture applies to the Notes, except for the proviso in the first sentence of Section 1304(a).

ARTICLE 5

EFFECTIVENESS

This Supplemental Indenture shall be effective for all purposes as of the date and time this Supplemental Indenture has been executed and delivered by the Company and the Trustee in accordance with Article Nine of the Base Indenture. As supplemented hereby, the Base Indenture is hereby confirmed as being in full force and effect.

ARTICLE 6

MISCELLANEOUS

Section 6.1. Separability. In the event any provision of this Supplemental Indenture shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof or any provision of the Indenture.

Section 6.2. Construction of Terms. To the extent that any terms of this Supplemental Indenture or the Notes are inconsistent with the terms of the Base Indenture, the terms of this Supplemental Indenture or the Notes shall govern and supersede such inconsistent terms.

Section 6.3. Effect of Headings. The section headings herein are for convenience only and shall not affect the construction hereof.

Section 6.4. Governing Law. This Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of New York.

Section 6.5. Counterparts and Electronic Signatures. This Supplemental Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The words “execution,” “signed,” “signature,” and words of like import in this Supplemental Indenture or in any other certificate, agreement or document related to this Supplemental Indenture or the Notes shall include images of manually executed signatures transmitted by facsimile or other electronic format (including, without limitation, “pdf,” “tif” or “jpg”) and other electronic signatures (including, without limitation, DocuSign and AdobeSign). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based recordkeeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code. The Company agrees to assume all risks arising out of the use of using digital signatures and electronic methods to submit communications to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company and the Trustee have caused this Supplemental Indenture to be executed as an instrument under seal in their respective corporate names as of the date first above written.

OFFICE PROPERTIES INCOME TRUST

By: /s/ Matthew C. Brown
Name: Matthew C. Brown
Title: Chief Financial Officer and Treasurer

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: /s/ David W. Doucette
Name: David W. Doucette
Title: Vice President

[Signature Page: Third Supplemental Indenture]

FORM OF NOTE

[Form of Face of Security]

[Insert Applicable Legends]

OFFICE PROPERTIES INCOME TRUST

2.650% Senior Notes due 2026

No. _____ \$ _____

Office Properties Income Trust (formerly known as Government Properties Income Trust), a real estate investment trust duly organized and existing under the laws of Maryland (the “*Company*”, which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of _____ Dollars (\$ _____) [(as the same may be revised from time to time on the Schedule of Exchanges of Interests in the Global Security attached hereto)] on June 15, 2026, and to pay interest thereon from _____, 20__ or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually on June 15 and December 15 in each year, commencing December 15, 2021 at the rate of 2.650% per annum, until the principal hereof is paid or made available for payment. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be June 1 or December 1 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than ten (10) days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

Payment of the principal of (and premium, if any) and any such interest on this Security will be made at the office or agency of the Company maintained for that purpose in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts or, in the case of any Note that is a Global Security, in accordance with the procedures of The Depository Trust Company (“*DTC*”), or any successor depository with respect to the Global Notes appointed under the Indenture, the “*Depository*”), and its participants in effect from time to time; *provided, however*, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

THE AMENDED AND RESTATED DECLARATION OF TRUST ESTABLISHING OFFICE PROPERTIES INCOME TRUST, DATED JUNE 8, 2009, AS AMENDED, AS FILED WITH THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION OF MARYLAND, PROVIDES THAT NO TRUSTEE, OFFICER, SHAREHOLDER, EMPLOYEE OR AGENT OF OFFICE PROPERTIES INCOME TRUST SHALL BE HELD TO ANY PERSONAL LIABILITY, JOINTLY OR SEVERALLY, FOR ANY OBLIGATION OF, OR CLAIM AGAINST, OFFICE PROPERTIES INCOME TRUST. ALL PERSONS DEALING WITH OFFICE PROPERTIES INCOME TRUST IN ANY WAY SHALL LOOK ONLY TO THE ASSETS OF OFFICE PROPERTIES INCOME TRUST FOR THE PAYMENT OF ANY SUM OR THE PERFORMANCE OF ANY OBLIGATION.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Dated: OFFICE PROPERTIES INCOME TRUST

By: _____

Name:

Title:

CERTIFICATE OF AUTHENTICATION

Dated:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION, *as Trustee*

By: _____

Name:

Title:

[Form of Reverse of Security]

1. General. This Security is one of a duly authorized issue of securities of the Company (the “*Securities*”), issued and to be issued in one or more series under an Indenture, dated as of July 20, 2017 (the “*Base Indenture*”), between the Company and U.S. Bank National Association (the “*Trustee*”, which term includes any successor trustee under the Base Indenture), as supplemented by a Third Supplemental Indenture, dated as of May 18, 2021 (as amended, supplemented or otherwise modified from time to time, the “*Supplemental Indenture*” and the Base Indenture, as supplemented by such Supplemental Indenture, the “*Indenture*”), between the Company and the Trustee, and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee, and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof (such series, the “*Notes*”).

2. Optional Redemption. The Notes will be subject to redemption in whole at any time or in part from time to time prior to their maturity at the option of the Company upon not less than fifteen (15) nor more than sixty (60) days’ notice to each Holder of Notes to be redeemed at its address appearing in the Security Register, or, in the case of any Note that is a Global Security, in accordance with the procedures of the Depositary and its participants in effect from time to time, at a Redemption Price equal to the sum of (i) the principal amount of the Notes being redeemed, plus accrued and unpaid interest, if any, to, but not including, the applicable Redemption Date and (ii) the Make-Whole Amount, if any (it being understood that if the Notes are redeemed on or after May 15, 2026, the Make-Whole Amount equals zero).

As used herein, the term “*Make-Whole Amount*” means the excess, if any, of (i) the aggregate present value as of the date of redemption of each dollar of principal being redeemed and the amount of interest (exclusive of interest accrued to the date of redemption) that would have been payable in respect of such dollar if such redemption had been made on May 15, 2026, determined by discounting, on a semi-annual basis, such principal and interest at the Reinvestment Rate (determined on the third Business Day preceding the date such notice of redemption is given) from the date on which such principal and interest would have been payable if such redemption had been made on May 15, 2026 over (ii) the aggregate principal amount of the notes being redeemed. In the case of any redemption of the notes on or after May 15, 2026, the Make-Whole Amount will equal zero. The Make-Whole Amount shall be calculated by the Company and set forth in an Officer’s Certificate delivered to the Trustee, and the Trustee shall be entitled to rely on said Officer’s Certificate.

As used herein, the term “*Reinvestment Rate*” means a rate per annum equal to the sum of 0.300% (thirty one hundredths of one percent), plus the yield on treasury securities at constant maturity under the heading “Week Ending” published in the Statistical Release under the caption “Treasury Constant Maturities” for the maturity (rounded to the nearest month) corresponding to the remaining life to maturity of the notes (which shall be deemed to be May 15, 2026) as of the payment date of the principal being redeemed. If no maturity exactly corresponds to such maturity, yields for the two published maturities most closely corresponding to such maturity shall be calculated pursuant to the immediately preceding sentence and the Reinvestment Rate shall be interpolated or extrapolated from such yields on a straight-line basis, rounding in each of such relevant periods to the nearest month. For purposes of calculating the Reinvestment Rate, the most recent Statistical Release published prior to the date of determination of the Make-Whole Amount shall be used.

As used herein, the term “*Statistical Release*” means the statistical release designated “H.15” or any successor publication which is published daily by the Federal Reserve System and which establishes yields on actively traded United States government securities adjusted to constant maturities or, if such statistical release (or any successor publication) is not published at the time of any determination under the Indenture, then any publicly available source of similar market data used for this purpose in accordance with customary market practice which shall be designated by the Company.

The Company shall not be required to make sinking fund or redemption payments with respect to the Notes.

In the event of redemption of this Security in part only, a new Note or Notes and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

3. Discharge and Defeasance. The Indenture contains provisions for discharge or defeasance at any time of the entire indebtedness of this Security or certain restrictive covenants and Events of Default with respect to this Security, in each case upon compliance with certain conditions set forth in the Indenture.

4. Defaults and Remedies. If an Event of Default with respect to the Notes shall occur and be continuing, the principal of the Notes, plus accrued and unpaid interest thereon, may be declared due and payable in the manner and with the effect provided in the Indenture.

5. Actions of Holders. The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of not less than a majority in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange therefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or this Security or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Notes, the Holders of not less than a majority in principal amount of the Notes at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the Holders of a majority in principal amount of Notes at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for sixty (60) days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

6. Payments Not Impaired. No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

7. Denominations, Transfer, Exchange. As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of and any premium and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Notes and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Notes are issuable only in registered form without coupons in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, Notes are exchangeable for a like aggregate principal amount of Notes and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

8. Persons Deemed Owners. Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

9. Defined Terms. All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

[ASSIGNMENT FORM]

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM --	as tenants in common	UNIF GIFT MIN ACT --	_____	Custodian	_____
TEN ENT --	as tenants by the entireties		(Cust)		(Minor)
JT TEN --	as joint tenants with right of survivorship		Under Uniform Gifts to Minors		
	and not as tenants in common		Act	_____	
				(State)	

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, the undersigned registered Holder hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF ASSIGNEE

the within security and all rights thereunder, hereby irrevocably constituting and appointing

to transfer said security on the books of the Company with full power of substitution in the premises. Attorney

Dated: _____ Signed: _____

Notice: The signature to this assignment must correspond with the name as it appears upon the face of the within security in every particular, without alteration or enlargement or any change whatever.

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

[Include this Schedule only for a Global Security]

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL SECURITY

The initial principal amount of this Global Security is \$[●].

The following exchanges, transfers or cancellations of this Global Security have been made:

<u>Date of Exchange</u>	<u>Amount of Decrease in Principal Amount of this Global Security</u>	<u>Amount of Increase in Principal Amount of this Global Security</u>	<u>Principal Amount of this Global Security Following Such Decrease (or Increase)</u>	<u>Signature of Authorized Officer of Trustee</u>
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OFFICE PROPERTIES INCOME TRUST
FORM OF [AMENDED AND RESTATED]¹ INDEMNIFICATION AGREEMENT

THIS [AMENDED AND RESTATED] INDEMNIFICATION AGREEMENT (this “*Agreement*”), effective as of [DATE] (the “*Effective Date*”), by and between Office Properties Income Trust, a Maryland real estate investment trust (the “*Company*”), and [TRUSTEE/OFFICER] (“*Indemnitee*”).

WHEREAS, Indemnitee currently serves as a trustee and/or officer of the Company and may, in connection therewith, be subjected to claims, suits or proceedings arising from such service; and

WHEREAS, as an inducement to Indemnitee to continue to serve as such, the Company has agreed to indemnify and to advance expenses and costs incurred by Indemnitee in connection with any such claims, suits or proceedings, to the maximum extent permitted by law as hereinafter provided; and

WHEREAS, the parties [are currently parties to an Indemnification Agreement dated as of [DATE] (the “*Prior Indemnification Agreement*”) and] desire to [amend and restate the Prior Indemnification Agreement and] set forth their agreement regarding indemnification and advancement of expenses [as reflected herein];

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Definitions. For purposes of this Agreement:

- (a) “*Board*” means the board of trustees of the Company.
- (b) “*Bylaws*” means the bylaws of the Company, as they may be amended from time to time.

(c) “*Change in Control*” means a change in control of the Company occurring after the Effective Date of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item on any similar schedule or form) promulgated under the Securities Exchange Act of 1934, as amended (the “*Act*”), whether or not the Company is then subject to such reporting requirement; *provided, however*, that, without limitation, such a Change in Control shall be deemed to have occurred if after the Effective Date:

- (i) any “person” (as such term is used in Sections 13(d) and 14(d) of the Act) is or becomes the “beneficial owner” (as defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Company representing 10% or more of the combined voting power of all the Company’s then outstanding securities entitled to vote generally in the election of trustees without the prior approval of at least two-thirds of the members of the Board in office immediately prior to such person attaining such percentage interest;
- (ii) there occurs a proxy contest, or the Company is a party to a merger, consolidation, sale of assets, plan of liquidation or other reorganization not approved by at least two-thirds of the members of the Board then in office, as a consequence of which members of the Board in office immediately prior to such transaction or event constitute less than a majority of the Board thereafter; or
- (iii) during any period of two consecutive years, other than as a result of an event described in clause (a)(ii) of this Section 1, individuals who at the beginning of such period constituted the Board (including for this purpose any new trustee whose election or nomination for election by the

¹ Bracketed text to be included for trustees and officers with existing agreements. Bracketed text would not be included for persons who are first elected as a trustee or appointed as an officer after this form is adopted.

Company's shareholders was approved by a vote of at least two-thirds of the trustees then still in office who were trustees at the beginning of such period) cease for any reason to constitute at least a majority of the Board.

(d) **"Company Status"** means the status of a Person who is or was a trustee, director, manager, officer, partner, employee, agent or fiduciary of the Company or any predecessor of the Company or any of their majority owned subsidiaries and the status of a Person who, while a trustee, director, manager, officer, partner, employee, agent or fiduciary of the Company or any predecessor of the Company or any of their majority owned subsidiaries, is or was serving at the request of the Company or any predecessor of the Company or any of their majority owned subsidiaries as a trustee, director, manager, officer, partner, employee, agent or fiduciary of another real estate investment trust, corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or any other Enterprise.

(e) **"control"** of an entity, shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such entity, whether through ownership of voting securities, by contract or otherwise.

(f) **"Declaration of Trust"** means the declaration of trust (as defined in the Maryland REIT Law) of the Company, as it may be in effect from time to time.

(g) **"Disinterested Trustee"** means a trustee of the Company who is not and was not a party to the Proceeding in respect of which indemnification or advance of Expenses is sought by Indemnitee.

(h) **"Enterprise"** shall mean the Company and any other real estate investment trust, corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise that Indemnitee is or was serving at the express written request of the Company as a trustee, director, manager, officer, partner, employee, agent or fiduciary.

(i) **"Expenses"** means all expenses, including, but not limited to, all attorneys' fees and costs, retainers, court or arbitration costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, participating, or being or preparing to be a witness in a Proceeding, or responding to, or objecting to, a request to provide discovery in any Proceeding. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond or other appeal bond or its equivalent.

(j) **"Independent Counsel"** means a law firm, or a member of a law firm, selected by the Company and acceptable to Indemnitee, that is experienced in matters of business law. If, within twenty (20) days after submission by Indemnitee of a written demand for indemnification pursuant to Section 7(a) hereof, no Independent Counsel shall have been selected and agreed to by Indemnitee, either the Company or Indemnitee may petition a Chosen Court (as defined in Section 18) for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person so appointed shall act as Independent Counsel hereunder.

(k) **"MGCL"** means the Maryland General Corporation Law.

(l) **"Maryland REIT Law"** means Title 8 of the Corporations and Associations Article of the Annotated Code of Maryland.

(m) **"Person"** means an individual, a corporation, a general or limited partnership, an association, a limited liability company, a governmental entity, a trust, a joint venture, a joint stock company or another entity or organization.

(n) **“Proceeding”** means any threatened, pending or completed claim, demand, action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other proceeding, whether civil, criminal, administrative or investigative (including on appeal), whether or not by or in the right of the Company, except one initiated by an Indemnitee pursuant to Section 9.

Section 2. **Indemnification - General.** The Company shall indemnify, and advance Expenses to, Indemnitee (a) as provided in this Agreement and (b) otherwise to the maximum extent permitted by Maryland law in effect on the Effective Date and as amended from time to time; *provided, however*, that no change in Maryland law shall have the effect of reducing the benefits available to Indemnitee hereunder based on Maryland law as in effect on the Effective Date. The rights of Indemnitee provided in this Section 2 shall include, without limitation, the rights set forth in the other sections of this Agreement, including any additional indemnification permitted by Section 2-418(g) of the MGCL, as applicable to a Maryland real estate investment trust by virtue of Section 8-301(15) of the Maryland REIT Law, the Declaration of Trust or the Bylaws.

Section 3. **Proceedings Other Than Derivative Proceedings by or in the Right of the Company.** Indemnitee shall be entitled to the rights of indemnification provided in this Section 3 if, by reason of Indemnitee’s Company Status, Indemnitee is, or is threatened to be, made a party to any Proceeding, other than a derivative Proceeding by or in the right of the Company (or, if applicable, such other Enterprise at which Indemnitee is or was serving at the request of the Company or a predecessor of the Company or any of their majority owned subsidiaries). Pursuant to this Section 3, Indemnitee shall be indemnified against all judgments, penalties, fines and amounts paid in settlement and all Expenses incurred by Indemnitee or on Indemnitee’s behalf in connection with a Proceeding by reason of Indemnitee’s Company Status unless it is finally determined that such indemnification is not permitted by the MGCL, the Declaration of Trust or the Bylaws.

Section 4. **Derivative Proceedings by or in the Right of the Company.** Indemnitee shall be entitled to the rights of indemnification provided in this Section 4 if, by reason of Indemnitee’s Company Status, Indemnitee is, or is threatened to be, made a party to any derivative Proceeding brought by or in the right of the Company (or, if applicable, such other Enterprise at which Indemnitee is or was serving at the request of the Company or a predecessor of the Company or any of their majority owned subsidiaries). Pursuant to this Section 4, Indemnitee shall be indemnified against all judgments, penalties, fines and amounts paid in settlement and all Expenses incurred by Indemnitee or on Indemnitee’s behalf in connection with such Proceeding unless it is finally determined that such indemnification is not permitted by the MGCL, the Declaration of Trust or the Bylaws.

Section 5. **Indemnification for Expenses of a Party Who is Partly Successful.** Without limitation on Section 3 or Section 4, if Indemnitee is not wholly successful in any Proceeding covered by this Agreement, but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee under this Section 5 for all Expenses incurred by Indemnitee or on Indemnitee’s behalf in connection with each successfully resolved claim, issue or matter, allocated on a reasonable and proportionate basis. For purposes of this Section 5 and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 6. **Advancement of Expenses.** The Company, without requiring a preliminary determination of Indemnitee’s ultimate entitlement to indemnification hereunder, shall advance all Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding in which Indemnitee may be involved, or is threatened to be involved, including as a party, a witness or otherwise, by reason of Indemnitee’s Company Status, within ten (10) days after the receipt by the Company of a statement or statements from Indemnitee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee and shall be preceded or accompanied by a written affirmation by Indemnitee of Indemnitee’s good faith belief that the standard of conduct necessary for indemnification by the Company as authorized by the MGCL, the Declaration of Trust and the Bylaws has been met and a written undertaking by or on behalf of Indemnitee, in substantially the form of Exhibit A hereto or in such other form as may be required under applicable law as in effect at the time of the execution thereof, to reimburse the portion of any Expenses advanced to Indemnitee relating to any claims, issues or matters in the Proceeding as to

which it shall be finally determined that the standard of conduct has not been met and which have not been successfully resolved as described in Section 5. For the avoidance of doubt, the Company shall advance Expenses incurred by Indemnitee or on Indemnitee's behalf in connection with such a Proceeding pursuant to this Section 6 until it is finally determined that Indemnitee is not entitled to indemnification under the MGCL, the Declaration of Trust or the Bylaws in respect of such Proceeding. To the extent that Expenses advanced to Indemnitee do not relate to a specific claim, issue or matter in the Proceeding, such Expenses shall be allocated on a reasonable and proportionate basis. The undertaking required by this Section 6 shall be an unlimited general obligation by or on behalf of Indemnitee and shall be accepted without reference to Indemnitee's financial ability to repay such advanced Expenses and without any requirement to post security therefor. At Indemnitee's request, advancement of any such Expense shall be made by the Company's direct payment of such Expense instead of reimbursement of Indemnitee's payment of such Expense.

Section 7. Procedure for Determination of Entitlement to Indemnification.

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written demand therefor. The Secretary of the Company shall, promptly upon receipt of such a demand for indemnification, provide copies of the demand to the Board.

(b) Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 7(a), a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall promptly be made in the specific case: (i) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee; or (ii) if a Change in Control shall not have occurred or if, after a Change in Control, Indemnitee shall so request, (A) by the Board (or a duly authorized committee thereof) by a majority vote of a quorum consisting of Disinterested Trustees, or (B) if a quorum of the Board consisting of Disinterested Trustees is not obtainable or, even if obtainable, such quorum of Disinterested Trustees so directs, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee, or (C) if so directed by a majority of the members of the Board, by the shareholders of the Company; and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination. Any Independent Counsel, member of the Board or shareholder of the Company shall act reasonably and in good faith in making a determination regarding Indemnitee's entitlement to indemnification under this Agreement.

(c) The Company shall pay the fees and expenses of Independent Counsel, if one is appointed, and shall agree to fully indemnify such Independent Counsel against any and all expenses, claims, liabilities and damages arising out of or relating to this Agreement or the Independent Counsel's engagement as such pursuant hereto.

Section 8. Presumptions and Effect of Certain Proceedings.

(a) In making a determination with respect to entitlement to indemnification hereunder, the Person or Persons making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(b) It shall be presumed that Indemnitee has at all times acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence. Without limitation of the foregoing, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Enterprise. In addition, the knowledge or actions, or failure to act, of any trustee, director, manager, officer, partner,

employee, agent or fiduciary of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

(c) Neither the failure to make a determination pursuant to Section 7(b) as to whether indemnification is proper in the circumstances because Indemnitee has met any particular standard of conduct, nor an actual determination by the Company (including by the Board or Independent Counsel) pursuant to Section 7(b) that Indemnitee has not met such standard of conduct, shall be a defense to Indemnitee's claim that indemnification is proper in the circumstances or create a presumption that Indemnitee has not met any particular standard of conduct.

(d) The termination of any Proceeding by judgment, order, settlement, conviction, a plea of *nolo contendere* or its equivalent, or an entry of an order of probation prior to judgment, shall not in and of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not meet the standard of conduct required for indemnification. The Company acknowledges that a settlement or other disposition short of final judgment may be successful if it permits a party to avoid expense, delay, distraction, disruption and uncertainty. In the event that any Proceeding to which Indemnitee is a party is resolved in any manner other than by adverse judgment against Indemnitee (including, without limitation, settlement of such action, claim or proceeding with or without payment of money or other consideration), it shall be presumed that Indemnitee has been successful on the merits or otherwise in such Proceeding. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

Section 9. Remedies of Indemnitee.

(a) If (i) a determination is made pursuant to Section 7(b) that Indemnitee is not entitled to indemnification under this Agreement, (ii) advance of Expenses is not timely made pursuant to Section 6, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 7(b) within thirty (30) days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Section 5 within ten (10) days after receipt by the Company of a written request therefor, or (v) payment of indemnification is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall (A) unless the Company demands arbitration as provided by Section 17, be entitled to an adjudication in a Chosen Court or (B) be entitled to seek an award in arbitration as provided by Section 17, in each case of Indemnitee's entitlement to such indemnification or advance of Expenses.

(b) In any judicial proceeding or arbitration commenced pursuant to this Section 9, the Company shall have the burden of proving that Indemnitee is not entitled to indemnification or advance of Expenses, as the case may be. In the event that a determination shall have been made pursuant to Section 7(b) that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 9 shall be conducted in all respects as a de novo trial on the merits, and Indemnitee shall not be prejudiced by reason of the adverse determination under Section 7(b).

(c) If a determination shall have been made pursuant to Section 7(b) that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 9, absent a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the demand for indemnification.

(d) In the event that Indemnitee, pursuant to this Section 9, seeks a judicial adjudication of or an award in arbitration as provided by Section 17 to enforce Indemnitee's rights under, or to recover damages for breach of, this Agreement by the Company, or to recover under any directors' and officers' liability insurance policies maintained by the Company, the Company shall indemnify Indemnitee against any and all Expenses incurred by Indemnitee in such judicial adjudication or arbitration and, if requested by Indemnitee, the Company shall (within ten (10) days after receipt by the Company of a written demand therefor) advance, to the extent not prohibited by law, the Declaration of Trust or the Bylaws, any and all such Expenses.

(e) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 9 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such judicial proceeding or arbitration that the Company is bound by all the provisions of this Agreement.

(f) To the extent requested by Indemnatee and approved by the Board, the Company may at any time and from time to time provide security to Indemnatee for the Company's obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to Indemnatee, may not be revoked or released without the prior written consent of Indemnatee.

(g) Interest shall be paid by the Company to Indemnatee at the maximum rate allowed to be charged for judgments under the Courts and Judicial Proceedings Article of the Annotated Code of Maryland for amounts which the Company pays or is obligated to pay for the period (i) commencing with either the tenth (10th) day after the date on which the Company was requested to advance Expenses in accordance with Section 6 of this Agreement or the thirtieth (30th) day after the date on which the Company was requested to make the determination of entitlement to indemnification under Section 7(b) of this Agreement, as applicable, and (ii) ending on the date such payment is made to Indemnatee by the Company.

Section 10. Defense of the Underlying Proceeding.

(a) Indemnatee shall notify the Company promptly upon being served with or receiving any summons, citation, subpoena, complaint, indictment, information, notice, request or other document relating to any Proceeding which may result in the right to indemnification or the advance of Expenses hereunder; *provided, however*, that the failure to give any such notice shall not disqualify Indemnatee from the right, or otherwise affect in any manner any right of Indemnatee, to indemnification or the advance of Expenses under this Agreement unless the Company's ability to defend in such Proceeding or to obtain proceeds under any insurance policy is materially and adversely prejudiced thereby, and then only to the extent the Company is thereby actually so prejudiced.

(b) Subject to the provisions of the last sentence of this Section 10(b) and of Section 10(c) below, the Company shall have the right to defend Indemnatee in any Proceeding which may give rise to indemnification hereunder; *provided, however*, that the Company shall notify Indemnatee of any such decision to defend within fifteen (15) days following receipt of notice of any such Proceeding under Section 10(a) above, and the counsel selected by the Company shall be reasonably satisfactory to Indemnatee. The Company shall not, without the prior written consent of Indemnatee, consent to the entry of any judgment against Indemnatee or enter into any settlement or compromise which (i) includes an admission of fault of Indemnatee, (ii) does not include, as an unconditional term thereof, the full release of Indemnatee from all liability in respect of such Proceeding, which release shall be in form and substance reasonably satisfactory to Indemnatee or (iii) has the actual or purported effect of extinguishing, limiting or impairing Indemnatee's rights hereunder. This Section 10(b) shall not apply to a Proceeding brought by Indemnatee under Section 9 above or Section 15.

(c) Notwithstanding the provisions of Section 10(b), if in a Proceeding to which Indemnatee is a party by reason of Indemnatee's Company Status, (i) Indemnatee reasonably concludes, based upon an opinion of counsel approved by the Company, which approval shall not be unreasonably withheld, that Indemnatee may have separate defenses or counterclaims to assert with respect to any issue which may not be consistent with other defendants in such Proceeding, (ii) Indemnatee reasonably concludes, based upon an opinion of counsel approved by the Company, which approval shall not be unreasonably withheld, that an actual or apparent conflict of interest or potential conflict of interest exists between Indemnatee and the Company, or (iii) the Company fails to assume the defense of such Proceeding in a timely manner, Indemnatee shall be entitled to be represented by separate legal counsel of Indemnatee's choice, subject to the prior approval of the Company, which shall not be unreasonably withheld, at the expense of the Company. In addition, if the Company fails to comply with any of its obligations under this Agreement or in the event that the Company or any other Person takes any action to declare this Agreement void or unenforceable, or institutes any Proceeding to deny or to recover from Indemnatee the benefits intended to be provided to Indemnatee hereunder, Indemnatee shall have the right to retain counsel of Indemnatee's

choice, at the expense of the Company (subject to Section 9(d)), to represent Indemnitee in connection with any such matter.

Section 11. Liability Insurance.

(a) To the extent the Company maintains an insurance policy or policies providing liability insurance for any of its trustees or officers, Indemnitee shall be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any Company trustee or officer during Indemnitee's tenure as a trustee or officer and, following a termination of Indemnitee's service in connection with a Change in Control, for a period of six (6) years thereafter.

(b) If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has directors' and officers' liability insurance in effect, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

(c) In the event of any payment by the Company under this Agreement the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee with respect to any insurance policy. Indemnitee shall take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights in accordance with the terms of such insurance policy. The Company shall pay or reimburse all expenses actually and reasonably incurred by Indemnitee in connection with such subrogation.

Section 12. Non-Exclusivity; Survival of Rights.

(a) The rights of indemnification and advance of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Declaration of Trust or the Bylaws, any agreement or a resolution of the shareholders entitled to vote generally in the election of trustees or of the Board, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by Indemnitee in Indemnitee's Company Status prior to such amendment, alteration or repeal. To the extent that a change in the Maryland REIT Law or the MGCL permits greater indemnification to Indemnitee than would be afforded currently under the Maryland REIT Law or the MGCL, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change if permitted by the Maryland REIT Law or the MGCL. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable or payable or reimbursable as Expenses hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

Section 13. Binding Effect.

(a) The indemnification and advance of Expenses provided by, or granted pursuant to, this Agreement shall be binding upon and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), shall continue as to an Indemnitee who has ceased to be a trustee, director, manager, officer, partner, employee, agent or fiduciary of the Company or a trustee, director, manager, officer, partner, employee, agent or fiduciary of another Enterprise which such Person is or was serving at the request of the Company or a predecessor of the Company or any of their majority owned subsidiaries, and shall

inure to the benefit of Indemnitee and Indemnitee's spouse, assigns, heirs, devisees, executors and administrators and other legal representatives.

(b) Any successor of the Company (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all, or a substantial part of, the business or assets of the Company shall be automatically deemed to have assumed and agreed to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place, provided that no such assumption shall relieve the Company of its obligations hereunder. To the extent required by applicable law to give effect to the foregoing sentence and to the extent requested by Indemnitee, the Company shall require and cause any such successor to expressly assume and agree to perform this Agreement by written agreement in form and substance satisfactory to Indemnitee.

Section 14. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 15. Limitation and Exception to Right of Indemnification or Advance of Expenses. Notwithstanding any other provision of this Agreement, (a) any indemnification or advance of Expenses to which Indemnitee is otherwise entitled under the terms of this Agreement shall be made only to the extent such indemnification or advance of Expenses does not conflict with applicable Maryland law and (b) Indemnitee shall not be entitled to indemnification or advance of Expenses under this Agreement with respect to any Proceeding brought by Indemnitee, unless (i) the Proceeding is brought to enforce rights under this Agreement, the Declaration of Trust, the Bylaws, liability insurance policy or policies, if any, or otherwise or (ii) the Declaration of Trust, the Bylaws, a resolution of the shareholders entitled to vote generally in the election of trustees or of the Board or an agreement approved by the Board to which the Company is a party expressly provides otherwise. Notwithstanding any other provision of this Agreement, a court of appropriate jurisdiction, upon application of Indemnitee and such notice as the court shall require, may order indemnification of Indemnitee by the Company in the following circumstances: (a) if such court determines that Indemnitee is entitled to reimbursement under Section 2-418(d)(1) of the MGCL, the court shall order indemnification, in which case Indemnitee shall be entitled to recover the Expenses of securing such reimbursement; or (b) if such court determines that Indemnitee is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not Indemnitee (i) has met the standard of conduct set forth in Section 2-418(b) of the MGCL or (ii) has been adjudged liable for receipt of an improper personal benefit under Section 2-418(c) of the MGCL, the court may order such indemnification as the court shall deem proper without regard to any limitation on such court-ordered indemnification contemplated by Section 2-418(d)(2)(ii) of the MGCL.

Section 16. Specific Performance, Etc. The parties hereto recognize that if any provision of this Agreement is violated by the Company, Indemnitee may be without an adequate remedy at law. Accordingly, in the event of any such violation, Indemnitee shall be entitled, if Indemnitee so elects, to institute proceedings, either in law or at equity, to obtain damages, to enforce specific performance, to enjoin such violation, or to obtain any relief or any combination of the foregoing as Indemnitee may elect to pursue.

Section 17. Arbitration.

(a) Any disputes, claims or controversies regarding Indemnitee's entitlement to indemnification or advancement of Expenses hereunder or otherwise arising out of or relating to this Agreement, including any disputes, claims or controversies brought by or on behalf of a party hereto or any holder of equity interests (which, for purposes of this Section 17, shall mean any holder of record or any beneficial owner of equity interests or any former holder of record or beneficial owner of equity interests) of a party, either on his, her or its

own behalf, on behalf of a party or on behalf of any series or class of equity interests of a party or holders of equity interests of a party against a party or any of their respective trustees, directors, members, officers, managers, agents or employees, including any disputes, claims or controversies relating to the meaning, interpretation, effect, validity, performance or enforcement of this Agreement, including this Section 17 or the governing documents of a party (all of which are referred to as “**Disputes**”), or relating in any way to such a Dispute or Disputes, shall, on the demand of any party to such Dispute or Disputes, be resolved through binding and final arbitration in accordance with the Commercial Arbitration Rules (the “**Rules**”) of the American Arbitration Association (“**AAA**”) then in effect, except as those Rules may be modified in this Section 17. For the avoidance of doubt, and not as a limitation, Disputes are intended to include derivative actions against the trustees, directors, officers or managers of a party and class actions by a holder of equity interests against those individuals or entities and a party. For the avoidance of doubt, a Dispute shall include a Dispute made derivatively on behalf of one party against another party. For purposes of this Section 17, the term “equity interest” shall mean (i) in respect of the Company, shares of beneficial interest of the Company, (ii) shares of “membership interests” in an entity that is a limited liability company, (iii) general partnership interests in an entity that is a partnership, (iv) shares of capital stock of an entity that is a corporation and (v) similar equity ownership interests in other entities.

(b) There shall be three (3) arbitrators. If there are only two (2) parties to the Dispute, each party shall select one (1) arbitrator within fifteen (15) days after receipt by respondent of a copy of the demand for arbitration. The arbitrators may be affiliated or interested persons of the parties. If there are more than two (2) parties to the Dispute, all claimants, on the one hand, and all respondents, on the other hand, shall select, by the vote of a majority of the claimants or the respondents, as the case may be, one (1) arbitrator within fifteen (15) days after receipt of the demand for arbitration. The arbitrators may be affiliated or interested persons of the claimants or the respondents, as the case may be. If either a claimant (or all claimants) or a respondent (or all respondents) fail(s) to timely select an arbitrator then the party (or parties) who has selected an arbitrator may request AAA to provide a list of three (3) proposed arbitrators in accordance with the Rules (each of whom shall be neutral, impartial and unaffiliated with any party) and the party (or parties) that failed to timely appoint an arbitrator shall have ten (10) days from the date AAA provides the list to select one (1) of the three (3) arbitrators proposed by AAA. If the party (or parties) fail(s) to select the second (2nd) arbitrator by that time, the party (or parties) who have appointed the first (1st) arbitrator shall then have ten (10) days to select one (1) of the three (3) arbitrators proposed by AAA to be the second (2nd) arbitrator; and, if he/they should fail to select the second (2nd) arbitrator by such time, AAA shall select, within fifteen (15) days thereafter, one (1) of the three (3) arbitrators it had proposed as the second (2nd) arbitrator. The two (2) arbitrators so appointed shall jointly appoint the third (3rd) and presiding arbitrator (who shall be neutral, impartial and unaffiliated with any party) within fifteen (15) days of the appointment of the second (2nd) arbitrator. If the third (3rd) arbitrator has not been appointed within the time limit specified herein, then AAA shall provide a list of proposed arbitrators in accordance with the Rules, and the arbitrator shall be appointed by AAA in accordance with a listing, striking and ranking procedure, with each party having a limited number of strikes, excluding strikes for cause.

(c) The place of arbitration shall be Boston, Massachusetts unless otherwise agreed by the parties.

(d) There shall be only limited documentary discovery of documents directly related to the issues in dispute, as may be ordered by the arbitrators. For the avoidance of doubt, it is intended that there shall be no depositions and no other discovery other than limited documentary discovery as described in the preceding sentence.

(e) In rendering an award or decision (an “**Award**”), the arbitrators shall be required to follow the laws of the State of Maryland without regard to principles of conflicts of law. Any arbitration proceedings or award rendered hereunder and the validity, effect and interpretation of this arbitration agreement shall be governed by the Federal Arbitration Act, 9 U.S.C. §1 et seq. An Award shall be in writing and shall state the findings of fact and conclusions of law on which it is based. Any monetary Award shall be made and payable in U.S. dollars free of any tax, deduction or offset. Subject to Section 17(g), each party against which an Award assesses a monetary obligation shall pay that obligation on or before the thirtieth (30th) day following the date of such Award or such other date as the Award may provide.

(f) Except to the extent expressly provided by this Agreement or as otherwise agreed by the parties hereto, each party and each Person acting or seeking to act in a representative capacity (such Person, a “***Named Representative***”) involved in a Dispute shall bear its own costs and expenses (including attorneys’ fees), and the arbitrators shall not render an Award that would include shifting of any such costs or expenses (including attorneys’ fees) or, in a derivative case or class action, award any portion of a party’s award to its attorneys, a Named Representative or any attorney of a Named Representative. Each party (or, if there are more than two (2) parties to the Dispute, all claimants, on the one hand, and all respondents, on the other hand, respectively) shall bear the costs and expenses of its (or their) selected arbitrator and the parties (or, if there are more than two (2) parties to the Dispute, all claimants, on the one hand, and all respondents, on the other hand) shall equally bear the costs and expenses of the third (3rd) appointed arbitrator.

(g) Notwithstanding any language to the contrary in this Agreement, an Award, including but not limited to any interim Award, may be appealed pursuant to the AAA’s Optional Appellate Arbitration Rules (the “***Appellate Rules***”). An Award shall not be considered final until after the time for filing the notice of appeal pursuant to the Appellate Rules has expired. Appeals must be initiated within thirty (30) days of receipt of an Award by filing a notice of appeal with any AAA office. Following the appeal process, the decision rendered by the appeal tribunal may be entered in any court having jurisdiction thereof. For the avoidance of doubt, and despite any contrary provision of the Appellate Rules, Section 17(f) shall apply to any appeal pursuant to this Section 17 and the appeal tribunal shall not render an Award that would include shifting of any costs or expenses (including attorneys’ fees) of any party or Named Representative or the payment of such costs and expenses, and all costs and expenses of a party or Named Representative shall be its sole responsibility.

(h) Following the expiration of the time for filing the notice of appeal, or the conclusion of the appeal process set forth in Section 17(g), an Award shall be final and binding upon the parties thereto and shall be the sole and exclusive remedy between those parties relating to the Dispute, including any claims, counterclaims, issues or accounting presented to the arbitrators. Judgment upon an Award may be entered in any court having jurisdiction. To the fullest extent permitted by law, no application or appeal to any court of competent jurisdiction may be made in connection with any question of law arising in the course of arbitration or with respect to any award made except for actions relating to enforcement of this agreement to arbitrate or any arbitral award issued hereunder and except for actions seeking interim or other provisional relief in aid of arbitration proceedings in any court of competent jurisdiction.

(i) This Section 17 is intended to benefit and be enforceable by the parties hereto and their respective holders of equity interests, trustees, directors, officers, managers, agents or employees, and their respective successors and assigns, and shall be binding upon all such parties and their respective holders of equity interests, and be in addition to, and not in substitution for, any other rights to indemnification or contribution that such individuals or entities may have by contract or otherwise.

Section 18. Venue. Each party hereto agrees that it shall bring any Proceeding in respect of any claim arising out of or related to this Agreement exclusively in the courts of the State of Maryland and the Federal courts of the United States, in each case, located in the City of Baltimore (the “***Chosen Courts***”). Solely in connection with claims arising under this Agreement, each party irrevocably and unconditionally (i) submits to the exclusive jurisdiction of the Chosen Courts, (ii) agrees not to commence any such Proceeding except in such courts, (iii) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such Proceeding in the Chosen Courts, (iv) waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such Proceeding, (v) agrees that service of process upon such party in any such Proceeding shall be effective if notice is given in accordance with Section 24 and (vi) agrees to request and/or consent to the assignment of any dispute arising out of this Agreement or the transactions contemplated by this Agreement to the Chosen Courts’ Business and Technology Case Management Program, or similar program. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by law. A final judgment in any such Proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. EACH PARTY HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS.

Notwithstanding anything herein to the contrary, if a demand for arbitration of a Dispute is made pursuant to Section 17, this Section 18 shall not preempt resolution of the Dispute pursuant to Section 17.

Section 19. Adverse Settlement. The Company shall not seek, nor shall it agree to or support, or agree not to contest any settlement or other resolution of any matter that has the actual or purported effect of extinguishing, limiting or impairing Indemnitee's rights hereunder, including without limitation the entry of any bar order or other order, decree or stipulation, pursuant to 15 U.S.C. § 78u-4 (the Private Securities Litigation Reform Act), or any similar foreign, federal or state statute, regulation, rule or law.

Section 20. Period of Limitations. To the fullest extent permitted by law, no legal action shall be brought, and no cause of action shall be asserted, by or on behalf of the Company or any controlled affiliate of the Company against Indemnitee, Indemnitee's spouse, heirs, executors or personal or legal representatives after the expiration of two years from the date of accrual of such cause of action, and any claim or cause of action of the Company or its controlled affiliate shall be extinguished and deemed released unless asserted by the timely filing of a legal action within such two-year period; *provided, however*, if any shorter period of limitations is otherwise applicable to any such cause of action, such shorter period shall govern.

Section 21. Counterparts. This Agreement may be executed in any number of counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each of the parties hereto and delivered to the other party (including via facsimile or other electronic transmission), it being understood that each party hereto need not sign the same counterpart.

Section 22. Delivery by Electronic Transmission. This Agreement and any signed agreement or instrument entered into in connection with this Agreement or contemplated hereby, and any amendments hereto or thereto, to the extent signed and delivered by means of an electronic transmission, including by a facsimile machine or via email, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to the other parties. No party hereto or to any such agreement or instrument shall raise the use of electronic transmission by a facsimile machine or via email to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through electronic transmission as a defense to the formation of a contract and each such party forever waives any such defense.

Section 23. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed to, or shall, constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

Section 24. Notices. Any notice, report or other communication required or permitted to be given hereunder shall be in writing unless some other method of giving such notice, report or other communication is accepted by the party to whom it is given, and shall be given by being delivered at the following addresses to the parties hereto:

- (a) If to Indemnitee, to: The address set forth on the signature page hereto.
- (b) If to the Company to:

Office Properties Income Trust
Two Newton Place
255 Washington Street, Suite 300
Newton, Massachusetts 02458-1634
Attn: Secretary

or to such other address as may have been furnished to Indemnitee by the Company or to the Company by Indemnitee, as the case may be.

Section 25. Governing Law. The provisions of this Agreement and any Dispute, whether in contract, tort or otherwise, shall be governed by and construed in accordance with the laws of the State of Maryland without regard to its conflicts of laws rules.

Section 26. Interpretation.

(a) *Generally.* Unless the context otherwise requires, as used in this Agreement: (a) words defined in the singular have the parallel meaning in the plural and vice versa; (b) “Articles,” “Sections,” and “Exhibits” refer to Articles, Sections and Exhibits of this Agreement unless otherwise specified; and (c) “hereto” and “hereunder” and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

(b) *Additional Interpretive Provisions.* The headings in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement. Any capitalized term used in any Exhibit to this Agreement, but not otherwise defined therein, shall have the meaning as defined in this Agreement. References to any statute shall be deemed to refer to such statute as amended from time to time and to any rules or regulations promulgated thereunder and any successor statute or statutory provision. References to any agreement are to that agreement as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. References to any Person include the successors and permitted assigns of that Person. Reference to any agreement, document or instrument means the agreement, document or instrument as amended or otherwise modified from time to time in accordance with the terms thereof, and if applicable hereof.

(c) *[Expansion of Indemnification.]* This amendment and restatement of the Prior Indemnification Agreement is intended to expand, and not to limit, the scope of indemnification provided to Indemnitee under the Prior Indemnification Agreement, and this Agreement shall be interpreted consistent with such intent.]

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed or caused to be executed on their behalf this Agreement as of the date first written above.

OFFICE PROPERTIES INCOME TRUST

By:

Name:

Title:

[INDEMNITEE]

Indemnitee's Address

[Signature Page to [Amended and Restated] Indemnification Agreement]

EXHIBIT A

FORM OF AFFIRMATION AND
UNDERTAKING TO REPAY EXPENSES ADVANCED

To the Board of Trustees of Office Properties Income Trust:

This affirmation and undertaking is being provided pursuant to that certain [Amended and Restated] Indemnification Agreement dated _____, 20__ (the “**Indemnification Agreement**”), by and between Office Properties Income Trust, a Maryland real estate investment trust (the “**Company**”), and the undersigned Indemnitee, pursuant to which Indemnitee is entitled to advancement of expenses in connection with [Description of Claims/Proceeding] (together, the “**Claims**”). Terms used, and not otherwise defined, herein shall have the meanings specified in the Indemnification Agreement.

Indemnitee is subject to the Claims by reason of Indemnitee’s Company Status or by reason of alleged actions or omissions by Indemnitee in such capacity.

Indemnitee hereby affirms Indemnitee’s good faith belief that the standard of conduct necessary for Indemnitee’s indemnification has been met.

In consideration of the advancement of Expenses by the Company for attorneys’ fees and related expenses incurred by Indemnitee in connection with the Claims (the “**Advanced Expenses**”), Indemnitee hereby agrees that if, in connection with a proceeding regarding the Claim, it is ultimately determined that Indemnitee is not entitled to indemnification under law, the Declaration of Trust, the Bylaws or the Indemnification Agreement with respect to an act or omission by Indemnitee, then Indemnitee shall promptly reimburse the portion of the Advanced Expenses relating to the Claim(s) as to which the foregoing findings have been established and which have not been successfully resolved as described in Section 5 of the Indemnification Agreement. To the extent that Advanced Expenses do not relate to specific Claims, Indemnitee agrees that such Advanced Expenses may be allocated on a reasonable and proportionate basis.

IN WITNESS WHEREOF, the undersigned Indemnitee has executed this Affirmation and Undertaking to Repay Expenses Advanced on _____, 20__.

WITNESS:

Print name of witness

Print name of witness

Schedule to Exhibit 10.2

The following trustees and executive officers of Office Properties Income Trust, or OPI, are parties to Indemnification Agreements with OPI which are substantially identical in all material respects to the representative Indemnification Agreement filed herewith and are dated as of the respective dates listed below. The other Indemnification Agreements are omitted pursuant to Instruction 2 to Item 601 of Regulation S-K.

Name of Signatory	Date
Christopher J. Bilotto	March 2, 2020
Matthew C. Brown	June 1, 2019
Donna D. Fraiche	January 15, 2019
William A. Lamkin	January 15, 2019
David M. Blackman	May 24, 2018
Jennifer B. Clark	May 24, 2018
Barbara D. Gilmore	May 24, 2018
John L. Harrington	May 24, 2018
Elena Poptodorova	May 24, 2018
Adam D. Portnoy	May 24, 2018
Jeffrey P. Somers	May 24, 2018

CERTIFICATION PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a)

I, Adam D. Portnoy, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Office Properties Income Trust;
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(s) 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(s) 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: July 29, 2021

/s/ Adam D. Portnoy

Adam D. Portnoy
Managing Trustee

CERTIFICATION PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a)

I, Jennifer B. Clark, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Office Properties Income Trust;
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(s) 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(s) 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: July 29, 2021

/s/ Jennifer B. Clark

Jennifer B. Clark
Managing Trustee

CERTIFICATION PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a)

I, Christopher J. Bilotto, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Office Properties Income Trust;
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(s) 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(s) 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: July 29, 2021

/s/ Christopher J. Bilotto

Christopher J. Bilotto
President and Chief Operating Officer

CERTIFICATION PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a)

I, Matthew C. Brown, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Office Properties Income Trust;
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(s) 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(s) 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: July 29, 2021

/s/ Matthew C. Brown

Matthew C. Brown
Chief Financial Officer and Treasurer

Certification Pursuant to 18 U.S.C. Sec. 1350

In connection with the filing by Office Properties Income Trust (the “Company”) of the Quarterly Report on Form 10-Q for the period ended June 30, 2021 (the “Report”), each of the undersigned hereby certifies, to the best of his knowledge:

- 1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Adam D. Portnoy

Adam D. Portnoy
Managing Trustee

/s/ Christopher J. Bilotto

Christopher J. Bilotto
President and Chief Operating Officer

/s/ Jennifer B. Clark

Jennifer B. Clark
Managing Trustee

/s/ Matthew C. Brown

Matthew C. Brown
Chief Financial Officer and Treasurer

Date: July 29, 2021